### IN THE SUPREME COURT OF THE STATE OF NEVADA

### Supreme Court Case No. 88065

Electronically Filed Apr 23 2024 01:04 PM

MEI-GSR HOLDINGS, LLC, a Nevada corporation; AM-GSR HOCIALNGS, Supreme Court Nevada corporation; and GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada corporation,

Petitioners,

v.

THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE, AND THE HONORABLE ELIZABETH GONZALEZ (RET.), SENIOR JUDGE, DEPARTMENT OJ41; AND RICHARD M. TEICHNER, RECEIVER,

Respondents,

and

ALBERT THOMAS, individually; JANE DUNLAP, individually; JOHN DUNLAP, individually; BARRY HAY, individually; MARIE-ANNE ALEXANDER, as Trustee of the MARIE-ANNIE ALEXANDER LIVING TRUST; MELISSA VAGUJHELYI and GEORGE VAGUIHELYI, as Trustees of the GEORGE VAGUIHELYI AND MELISSA VAGUJHELYI 2001 FAMILY TRUST AGREEMENT, U/T/A APRIL 13, 2001; D' ARCY NUNN, individually; HENRY NUNN, individually; MADELYN VAN DER BOKKE, individually; LEE VAN DER BOKKE, individually; DONALD SCHREIFELS, individually; ROBERT R. PEDERSON, individually and as Trustee of the PEDERSON 1990 TRUST; LOU ANN PEDERSON, individually and as Trustee of the PEDERSON 1990 TRUST; LORI ORDOVER, individually; WILLIAM A. HENDERSON, individually; CHRISTINE E. HENDERSON, individually; LOREN D. PARKER, individually; SUZANNE C. PARKER, individually; MICHAEL IZADY, individually; STEVEN TAKAKI, individually; FARAD TORABKHAN, individually; SAHAR TAVAKOL, individually; M&Y HOLDINGS, LLC; JL&YL HOLDINGS, LLC; SANDI RAINES, individually; R. RAGHURAM, individually; USHA RAGHURAM, individually; LORI K. TOKUTOMI, individually; GARRET TOM, individually; ANITA TOM, individually; RAMON FADRILAN, individually; FAYE FADRILAN, individually; PETER K. LEE and MONICA L. LEE, as Trustees of the LEE FAMILY 2002 REVOCABLE TRUST; DOMINIC YIN, individually; ELIAS SHAMIEH, individually; JEFFREY QUINN individually; BARBARA ROSE QUINN individually; KENNETH RICHE, individually; MAXINE RICHE, individually; NORMAN CHANDLER, individually; BENTON WAN, individually; TIMOTHY D. KAPLAN, individually; SILKSCAPE INC.; PETER CHENG, individually; ELISA CHENG, individually; GREG A. CAMERON, individually; TMI PROPERTY GROUP, LLC; RICHARD LUTZ, individually; SANDRA LUTZ, individually; MARY A. KOSSICK, individually; MELVIN CHEAH, individually; DI SHEN, individually;

NADINE'S REAL ESTATE INVESTMENTS, LLC; AJIT GUPTA, individually; SEEMA GUPTA, individually; FREDRICK FISH, individually; LISA FISH, individually; ROBERT A. WILLIAMS, individually; JACQUELIN PHAM, individually; MAY ANN HOM, as Trustee of the MAY ANN HOM TRUST; MICHAEL HURLEY, individually; DOMINIC YIN, individually; DUANE WINDHORST, individually; MARILYN WINDHORST, individually; VINOD BHAN, individually; ANNE BHAN, individually; GUY P. BROWNE, individually; GARTH A. WILLIAMS, individually; PAMELA Y. ARATANI, individually; DARLENE LINDGREN, individually; LAVERNE ROBERTS, individually; DOUG MECHAM, individually; CHRISINE MECHAM, individually; KWANGSOO SON, individually; SOO YEUN MOON, individually; JOHNSON AKINDODUNSE, individually; IRENE WEISS, as Trustee of the WEISS FAMILY TRUST; PRAVESH CHOPRA, individually; TERRY POPE, individually; NANCY POPE, individually; JAMES TAYLOR, individually; RYAN TAYLOR, individually; KI HAM, individually; YOUNG JA CHOI, individually; SANG DAE SOHN, individually; KUK HYUNG (CONNIE), individually; SANG (MIKE) YOO, individually; BRETT MENMUIR, as Trustee of the CAYENNE TRUST; WILLIAM MINER, JR., individually; CHANH TRUONG, individually; ELIZABETH ANDERS MECUA, individually; SHEPHERD MOUNTAIN, LLC; ROBERT BRUNNER, individually; AMY BRUNNER, individually; JEFF RIOPELLE, individually; PATRICIA M. MOLL, individually; DANIEL MOLL, individually;

Real Parties in Interest.

# APPENDIX IN SUPPORT OF MOTION TO STAY PENDING THIS COURT'S REVIEW

Jordan T. Smith, Esq., Bar No. 12097 Brianna Smith, Esq., Bar No. 11795 Daniel R. Brady, Esq., Bar No. 15508 PISANELLI BICE PLLC 400 South 7th Street, Suite 300 Las Vegas, Nevada 89101

Attorneys for Petitioners

Ex. #	Description	Date	Bates No.
Α.	Defendants' Motion for Stay of Proceedings	3/22/2024	0001-0019
	Pending Ruling by Nevada Supreme Court on		
	Writ of Prohibition or in the Alternative		
	Mandamus and Ex Parte Application for an		
	Order Shortening Time		
В.	Renewed Motion for Instructions to Receiver	4/18/2024	0020-0032
C.	Supersedeas Bond on Appeal	4/4/2023	0033-0038
D.	Opposition to Motion for Stay of	4/6/2024	0039-0065
	Proceedings Pending Ruling by Nevada		
	Supreme Court on Writ of Prohibition or in		
	the Alternative Mandamus		
E.	Defendants' Reply in Support of Motion for	4/15/2024	0066-0091
	Stay of Proceedings Pending Ruling by		
	Nevada Supreme Court on Writ of		
	Prohibition or in the Alternative Mandamus		
F.	Order	4/16/2024	0092-0094
G.	Jarrad Miller email to David McElhinney	4/18/2024	0095-0100
Н.	Opposition to Defendants' Motion for Stay	4/4/2023	0101-0163
	of Order Granting Receiver's Motion for		
	Orders & Instructions Entered January 26,		
	2023 and the March 27, 2023 Order		
	Overruling Defendants' Objections Related		
	Thereto, Pending Review by the Nevada		
	Supreme Court		

DATED this 23rd day of April 2024.

### PISANELLI BICE PLLC

By: /s/ Jordan T. Smith
Jordan T. Smith, Esq., #12097
Brianna Smith, Esq., #11795
Daniel R. Brady, Esq., #15508
400 South 7th Street, Suite 300
Las Vegas, Nevada 89101

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of PISANELLI BICE PLLC and that, on this 23rd day of April 2024, I caused to be served via the Court's e-filing/e-service system a true and correct copy of the above and foregoing **APPENDIX IN SUPPORT OF MOTION TO STAY PENDING THIS COURT'S REVIEW** properly addressed to the following:

G. David Robertson, Esq., SBN 1001
Jarrad C. Miller, Esq., SBN 7093
Briana N. Collings, Esq., SBN 14694
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Attorneys for the Respondent Receiver Richard M. Teichner

Hon. Elizabeth Gonzalez (Ret.) Senior Judge, Dept. 10 Second Judicial District Court 75 Court Street, Reno, NV 89501 <a href="mailto:srigonzalez@nvcourts.nv.gov">srigonzalez@nvcourts.nv.gov</a>

Respondent

/s/ Cinda Towne
An employee of PISANELLI BICE PLLC

# EXHIBIT A

FILED Electronically CV12-02222 2024-03-22 11:25:18 AM Alicia L. Lerud 2195 1 Clerk of the Court ABRAN VIGIL, ESQ. Transaction # 10234206 Nevada Bar No. 7548 ANN HALL, ESQ. Nevada Bar No. 5447 3 DAVID C. MCELHINNEY, ESQ. Nevada Bar No. 0033 MERUELO GROUP, LLC Legal Services Department 5 5<sup>th</sup> Floor Executive Offices 2535 Las Vegas Boulevard South Las Vegas, NV 89109 Tel: 562.454.9786 abran.vigil@meruelogroup.com ann.hall@meruelogroup.com 8 david.mcelhinney@meruelogroup.com 9 JORDAN T. SMITH, ESQ. Nevada Bar No. 12097 10 PISANELLI BICE PLLC 400 South 7<sup>th</sup> Street, Suite 300 11 Las Vegas, Nevada 89101 Tel: 702.214.2100 12 JTS@pisanellibice.com 13 Attorneys for Defendants MEI-GSR Holdings, LLC, AM-GSR Holdings, LLC, and GAGE 14 Village Commercial Development, LLC 15 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 16 IN AND FOR THE COUNTY OF WASHOE 17 18 ALBERT THOMAS, et al., Case No.: CV12-02222 19 Plaintiffs. 20 Dept. No.: OJ37 21 MEI-GSR HOLDINGS, LLC, a Nevada 22 **DEFENDANTS' MOTION FOR STAY OF** Limited Liability Company; AM-GSR PROCEEDINGS PENDING RULING BY Holdings, LLC, a Nevada Limited Liability 23 NEVADA SUPREME COURT ON WRIT Company; GRAND SIERRA RESORT OF PROHIBITION OR IN THE UNIT OWNERS' ASSOCIATION, a 24 Nevada Nonprofit Corporation; GAGE ALTERNATIVE MANDAMUS VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada Limited Liability Company; and, DOES I through X AND EX PARTE APPLICATION FOR AN 26 **ORDER SHORTENING TIME** inclusive, 27 Defendants.

28

Defendants MEI-GSR HOLDINGS, LLC ("MEI-GSR"), AM-GSR Holdings, LLC, and GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC (collectively "Defendants") by and through their counsel Meruelo Group, LLC, file Defendants' Motion for Stay of Proceedings on an order shortening time, Pending Ruling By Nevada Supreme Court on Writ of Prohibition or in the Alternative, Writ of Mandamus, ("Motion to Stay"). Defendants' Motion to Stay is supported by the following memorandum of points and authorities, the papers and pleadings on file herein, and oral argument that is being requested of the Court.

Dated: March 22, 2024.

## <u>DECLARATION OF DAVID C. MCELHINNEY, ESQ. IN SUPPORT OF APPLICATION</u> FOR ORDER SHORTENING TIME AND MOTION FOR STAY

I, David C. McElhinney, declare as follows:

- 1. I am an associate general counsel for Meruelo Group, LLC and I am counsel for Defendants in the above-entitled action.
- 2. I submit this Declaration in support of Defendants' Motion for Stay and *Ex Parte* Application for an Order Shortening Time (the "Motion") pending ruling by the Nevada Supreme Court on Defendants' Writ of Prohibition or in the Alternative Mandamus. I have personal knowledge of the facts stated herein, except for those matters stated upon information and belief and as to those matters I believe them to be true and I am competent to testify to those facts.
- 3. On February 7, 2024, Defendants (Petitioners before the Nevada Supreme Court) filed their 32 page Petition for Writ of Prohibition or in the Alternative, Mandamus, ("Writ") Therein Defendants set forth the history and relevant facts of the case and presented their argument that the District Court is acting without jurisdiction by directing the Receiver to control the termination of the GSRUOA even though the termination of the GSRUOA exceeded the scope of the operative Second Amended Complaint and further conflicts with NRS 116 and further, that the District Court is acting without jurisdiction by ordering Defendants, through the Receiver, to continue the rental program and turn over a portion of rents to Plaintiffs as additional compensatory damages for unpled claims.

4. Further, by way of their Writ, Defendants seek to vacate and unwind the District Court's orders that direct the Receiver to oversee the termination of the GSRUOA; continue renting the former condominium units; transmit a portion of that rental revenue to Plaintiffs; and prevent the sale or transfer of units with non-parties.

5. On March 1, 2024, the Nevada Supreme Court entered its Order Directing Answer & Reply to Writ of Prohibition or alternatively Mandamus, determining as follows:

Having reviewed the petition and supporting documents, we conclude that an answer may assist this court in resolving the petition. Therefore real parties in interest, on behalf of respondents, shall have 21 days from the date of this order within which to file and serve an answer, including authorities against issuance of the requested writ. NRAP 21(b)(1). Petitioners shall have 14 days from service of the answer to file and serve any reply. (3/1/2024 Nevada Supreme Court Order, pg. 4)

- 6. Since the entry of the Court's July 27, 2023 Order Modifying March 14, 2023 Order Re Continued Rental of the Parties' Units Until Sale, Defendants have been compelled, by Court order, and over their continuing objection, to wire directly to the Receiver's account, monthly gross rental revenue generated from the rental of Plaintiffs' former units. The Receiver then generates a spreadsheet calculating net rents to be paid to Plaintiffs and ultimately the Receiver then wires Plaintiffs their claimed share of the rental income. To date, Defendants estimate that through January of 2024, they have paid Plaintiffs approximately \$960,000 in additional rental revenue, above and beyond what was already awarded to Plaintiffs, as unpaid or underpaid rental revenue, in a Final Judgment that has been entered in these proceedings. This is one of the precise rulings from the District Court that is being challenged by Defendants in their Writ.
- 7. Without a stay of the District Court proceedings pending a ruling by the Nevada Supreme Court on Defendants' Writ of Prohibition or in the Alternative, Mandamus, Defendants will be forced, over their continuing objections, to continue to wire rental revenue to the Receiver each and every month and continuing until the ultimate sale of the former units which is likely still months away. These amounts will not be recoverable if Defendants are successful with their Writ

in the Nevada Supreme Court. Therefore, good cause exists to hear this motion on an order shortening time and grant the stay sought herein.

- 8. On December 19, 2023, the Court entered its Order clarifying "that the rotation system only applies to the units in the Hotel Condominium at Grand Sierra Resort previously a part of the GSRUOA not to any other room type that is at the GSR". (12/19/2023 Order, pg. 1:21-22; 2:1)
- 9. In response to the Court's December 19, 2023 Order, Plaintiffs filed a motion for reconsideration arguing that the Rotation System should apply to all 2000 rooms at the GSR and not just the units in the Hotel Condominium as previously clarified by the Court in its December 19, 2023 Order. In their motion for reconsideration Plaintiffs' fundamentally argued that pursuant to the Rotation System GSR is obligated to rent not just the Hotel Condominium Units but rather, all 2000 rooms with the same daily occupancy rate (frequency) and for the same daily room rental rates and they requested permission to conduct post-judgment written discovery in order to gather documentation from GSR to determine whether or not GSR had met its obligation under the Rotation System. In response to Plaintiff's motion for reconsideration the Court entered its second Order, this one on January 24, 2024, finding "that the information sought is not relevant to the Receiver's work" and the Court denied Plaintiffs' request for post judgment discovery without prejudice. The Court noted that Plaintiffs may renew their motion and submit a declaration from an appraiser that provides additional factual information related to the need for this information in order to render his opinion of value.
- 10. On February 5, 2024, Plaintiffs filed their Renewed Motion for Leave to File Motion for Reconsideration, Motion for Reconsideration, Motion for Clarification, or in the Alternative, Motion to Conduct Post Judgment Discovery. Therein, making virtually the same argument they made in their prior Motion for Reconsideration, Plaintiffs, this time included the declaration of their appraiser, stating that in order for him to prepare a proper valuation of Plaintiff's Units the Receiver's Rental Information Report should consider the occupancy and rates not just for the 650

 $<sup>^1</sup>$  The "Rotation System", defined in the URA as the unit management system used by GSR in order to ensure that all of the rental units are fairly and equitably offered for rental. (URA, paragraph 1(q), pg. 3)

Hotel Condominium Units but rather for all 2000 rooms. This time the Court entered its February 28, 2024 Order reversing the prior rulings set forth in its December 19, 2023 and January 24, 2024 Orders, this time allowing Plaintiffs to submit written post judgment discovery requests to Defendants for room occupancy data and room rate data for all 2,000 rooms at the GSR for the period of two years preceding the date of valuation (February 27, 2023).

- 11. On March 5, 2024 Defendants were served with Plaintiffs Post Judgment Requests for Production wherein Plaintiffs set forth two separate requests for production as follows:
  - a. ALL DOCUMENTS demonstrating the daily occupancy for each hotel and condominium unit located within the Grand Sierra Resort from February 27, 2021, through February 27, 2023, INCLUDING, but not limited to, any ledgers, journals, reports, or spreadsheets; and
  - b. ALL DOCUMENTS demonstrating the daily room rental rate for each hotel and condominium unit located within the Grand Sierra Resort from February 27, 2021, through February 27, 2023, INCLUDING, but not limited to, any ledgers, journals, reports, or spreadsheets.<sup>2</sup>
- 12. Your declarant is informed and believes that the time and expense that will be incurred by GSR and its staff to locate and produce the DOCUMENTS, including ledgers, journals, reports and spreadsheets related to daily occupancy and daily room rental rates for 2000 rooms for a period of time spanning 2 years will be significant.
- 13. Without the granting of a motion for order shortening time and the entry of a stay of the District Court proceedings pending a ruling by the Nevada Supreme Court on Defendants' Writ of Prohibition or in the Alternative, Mandamus, Defendants will be forced to expend significant time and resources to collect and produce the data and documents sought by Plaintiffs in their Post Judgment Requests for Production. These expenses will not be recoverable if Defendants are

<sup>&</sup>lt;sup>2</sup> DOCUMENTS are defined in the Post Judgment Requests for Production to include any and all writings, drawings, graphs, charts, photographs, sound recordings, images, and other data or data compilations, stored in any medium from which information can be obtained either directly, or, if necessary, after translation by the responding party into a reasonably usable format.

successful with their Writ in the Nevada Supreme Court. Therefore, further good cause exists to hear this motion on an order shortening time and to grant the stay.

- 14. Further, if Defendants are successful with their Writ of Prohibition or in the Alternative, Mandamus, the District Court will be required to unwind all of its post-judgment orders, which includes any and all subsequent orders that the District Court may enter. Thus, the Motion for Order Shortening Time and granting the requested stay will preserve judicial efficiency and the workload of the District Court if Defendants are successful.
- 15. I simultaneously sent a courtesy copy of this Motion to opposing counsel with submission of the order shortening time to the Court.
  - 16. This declaration is submitted in good faith and in accordance with WDCR 11(3).
  - 17. I certify that the foregoing Motion is not brought for any improper purpose.

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

Dated this 22<sup>nd</sup> day of March 2024.

DAVID C. MCELHINNEY

Savid C. McElhin

### **MEMORANDUM OF POINTS AND AUTHORITIES**

### I. RELEVANT FACTS

On February 7, 2024, Defendants (Petitioners before the Nevada Supreme Court) filed their 32-page Petition for Writ of Prohibition or in the Alternative, Mandamus, ("Writ"), a true and correct copy of which was also served on the Honorable Judge Gonzalez.<sup>3</sup> Therein Defendants set forth the history and relevant facts of the case and present their argument that:

(1) The District Court is acting without jurisdiction by directing the Receiver to control the termination of the GSRUOA even though the termination of the GSRUOA

<sup>&</sup>lt;sup>3</sup> A writ of prohibition, "serves to stop a district court from carrying on its judicial functions when it is acting outside its jurisdiction." *Sonia F. v. Dist. Ct\_*, 125 Nev. 495, 498, 215 P.3d 705, 707 (2009); NRS 34.320; Aspen *Fin. Servs. V. Eighth Judicial Dist. Court of Nevada.*, 128 Nev. 635, 639, 289 P.3d 201, (2012)

conflicts with NRS 116; and,

The District Court is acting without jurisdiction by ordering Defendants, through the

(2) The District Court is acting without jurisdiction by ordering Defendants, through the Receiver, to continue the rental program and turn over a portion of rents to Plaintiffs, (Real Parties before the Nevada Supreme Court) as additional compensatory damages for unpled claims.

exceeded the scope of the operative Second Amended Complaint and further

By way of their Writ, Defendants seek to vacate and unwind this Court's orders that direct the Receiver to (1) oversee the termination of the GSRUOA; (2) continue renting the former condominium units; (3) transmit a portion of that rental revenue to Plaintiffs and (4) prevent the sale or transfer of units with non-parties.

Nevada law recognizes that writ relief is an extraordinary remedy and that the Nevada Supreme Court has sole discretion in determining whether to entertain a writ petition. See *Smith v. Eighth Judicial Dist. Court*, 107 Nev. 674, 677, 679, 818 P.2d 849, 851, 853 (1991), cited in *Golden Boy Promotions v. Eighth Judicial Dist. Court of Nev.*, 2021 Nev. Unpub. LEXIS 178, \*1, 481 P.3d 876, Case No. No. 82251, March 9, 2021. Here, the Nevada Supreme Court has directed that Plaintiffs' answer Defendants' Writ and on March 1, 2024, the Nevada Supreme Court entered its Order Directing Answer & Reply to Writ of Prohibition or alternatively Mandamus, stating specifically:

Having reviewed the petition and supporting documents, we conclude that an answer may assist this court in resolving the petition. Therefore real parties in interest, on behalf of respondents, shall have 21 days from the date of this order within which to file and serve an answer, including authorities against issuance of the requested writ. NRAP 21(b)(1). Petitioners shall have 14 days from service of the answer to file and serve any reply. (3/1/2024 Nevada Supreme Court Order, pg. 4, attached hereto as **Exhibit "1"**)

### II. ARGUMENT

### A. Legal Standard

A stay of the District Court proceedings is warranted. Nevada Rule of Appellate Procedure 8(a) requires parties seeking a stay to first move in the lower court before requesting relief from the

Nevada Supreme Court. See NRAP 8(a)(1)(A); see also TRP Fund VI, LLC v. PHH Mortg. Corp., 138 Nev. Adv. Op. 21, 506 P.3d 1058 (2022). When considering a stay, courts weigh a number of factors including: (1) whether the object of the appeal will be defeated if the stay is denied; (2) whether the petitioner will suffer irreparable injury if the stay is denied; (3) whether the real party in interest will suffer irreparable harm if a stay is granted; and (4) whether the petitioner is likely to prevail on the merits of the appeal. NRAP 8(c). "[I]f one or two factors are especially strong, they may counterbalance other weak factors." *Mikohn Gaming Corp. v. McCrea*, 120 Nev. 248, 251, 89 P.3d 36, 38 (2004).

### B. The Court Should Stay the District Court Proceedings

The first factor (whether the object of the Writ will be defeated) weighs in favor of a stay. The Nevada Supreme Court has indicated that the first stay factor usually has outsized significance. *Mikohn Gaming Corp. v. McCrea*, 120 Nev. 248, 253, 89 P.3 36, 39, (2004). A stay is generally warranted when its denial would defeat the object of the appeal, (or here, the Writ). Id at 253, 89 P.3d at 39-40 ("Because the object of an appeal ...will be defeated if a stay is denied, and irreparable harm will seldom figure into the analysis, a stay is generally warranted.")

Here, one of the objects of the Writ, is to vacate and unwind the District Court's order that directs the Receiver to continue renting the former condominium units and transmit a portion of that rental revenue to Plaintiffs. For all practical purposes, Defendants will be unable to obtain effective review and relief of their Writ without a stay. After the rental revenue is wired to the Receiver, which is taking place on a monthly basis, Plaintiffs' claimed half of the net rental revenue is then distributed to Plaintiffs by the Receiver and once distributed to the Plaintiffs, Defendants will be unable to recover those amounts paid. Further, without a stay of the District Court proceedings pending a ruling by the Nevada Supreme Court on Defendants' Writ, Defendants will be forced to expend significant time and resources to collect and produce the data and documents sought by Plaintiffs in their Post Judgment Requests for Production. These expenses will not be recoverable if Defendants are successful with their Writ in the Nevada Supreme Court. Therefore, further good cause exists to hear this motion on an order shortening time. See Philip Morris USA

*Inc.* v. *Scott*, 561 U.S. 1301, 1304 (2010) (Scalia, J., granting application for stay) (granting stay when expended funds were unrecoverable). Therefore, the first factor weighs in favor of granting a stay.

The second factor (whether Defendants will suffer irreparable harm of the stay is not granted) also weighs in favor of a stay. The inability to recoup the net rental revenue from Plaintiffs once disbursed by the Receiver or the expenses incurred in the collection and production of data and documents sought by Plaintiffs in the Post Judgment Requests for Production, constitutes irreparable harm. *Philip Morris USA Inc.*, 561 U.S. at 1304 ("Normally the mere payment of money is not considered irreparable, but that is because money can usually be recovered from the person to whom it is paid. If expenditures cannot be recouped, the resulting loss may be irreparable.") And, after all, "[a]ny act which destroys or results in a substantial change in property, either physically or in the character in which it has been held or enjoyed, does irreparable injury..." *Memory Garden of Las Vegas, Inc. v. Pet Ponderosa Memoral Gardens, Inc.*, 88 Nev. 1, 4, 492 P.2d 123, 125 (1972). Here, there are significant funds, approaching \$1 million dollars, having been paid to Plaintiffs, over the objections of Defendants, and which future payments lie at the heart of the Writ. Defendants will have no ability to regain either those rental revenues once handed over to the Receiver and then released to the Plaintiffs nor the expenses they will incur in the production of documents. Thus, the second factor weighs heavily in favor of a stay.

Under the third factor, the only possible harm to Plaintiffs is the delay associated with the Writ proceedings, the payment of rental revenue to which they are not entitled and their receipt of documents and data responsive to their Post Judgment Request for Production of Documents. Therefore, this factor also weights in favor of staying the District Court proceedings pending a ruling on the Writ.

Under the fourth and final factor, (whether Defendants are likely to succeed on the merits), the Nevada Supreme Court has already concluded that an answer may assist the court in resolving the Writ and has instructed Plaintiffs to file and serve its answer, including authorities against issuance of the requested writ. and Plaintiffs must "make a strong showing that appellate relief is

unattainable" to defeat a stay request. Id. On the other hand, the movant need only "present a substantial case on the merits when a serious legal question is involved."" *See Fritz Hansen A/S v. Eighth Judicial Dist. Ct*, 116 650, 659, 6 P. 3d 982, 987 (2000) (quoting *Ruiz v. Estelle*, 650 F. 2d 555, 565 (5<sup>th</sup> Cir. 1981). The movant "does not always have to show a probability of success on the merits" provided that the writ does not appear frivolous or merely an attempt to delay. Id. at 253-54, 89 P.3d at 40. As demonstrated in Defendants' Writ of Prohibition or in the Alternative Mandamus, there are serious questions regarding the District Court acting without jurisdiction in these proceedings and these questions must be resolved by the Nevada Supreme Court. These writ proceedings are not frivolous and are not instituted for delay.

Finally, it is worthy of this Court's consideration that if Defendants are successful with their Writ of Prohibition or in the Alternative, Mandamus, the District Court will be required to unwind all of its post-judgment orders, which includes any and all subsequent orders that the District Court may enter. Thus, granting the requested stay will preserve judicial efficiency and the workload of the District Court if and when Defendants are successful with their Writ.

### III. CONCLUSION

Evaluation of the NRAP 8(c) factors demonstrates cause exists for this Court to stay the District Court proceedings pending the Nevada Supreme Court's ruling on Defendants' Writ of Prohibition or in the Alternative, Mandamus. The Nevada Supreme Court has concluded that an answer may assist the court in resolving the Writ and has instructed Plaintiffs to file and serve an answer, providing a briefing schedule as set forth above. Therefore, good cause exists and Defendants respectfully requests that the Court enter its order staying the District Court proceedings pending a ruling from the Nevada Supreme Court on Defendants' Writ.

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### <u>AFFIRMATION</u> Pursuant to NRS 239B.030 The undersigned does hereby affirm that this document does not contain the social security number of any person. RESPECTFULLY SUBMITTED this March 22, 2024. /s/ David C. McElhinney ABRAN VIGIL, ESQ. Nevada Bar No. 7548 ANN HALL, ESQ. Nevada Bar No. 5447 DAVID C. MCELHINNEY, ESQ. Nevada Bar No. 0033 MERUELO GROUP, LLC Legal Services Department 5th Floor Executive Offices 2535 Las Vegas Boulevard South Las Vegas, NV 89109 Attorneys for Defendants

**CERTIFICATE OF SERVICE** Pursuant to NRCP 5(b), I certify that I am an employee of Meruelo Group, LLC and on this 3 date, I served a true and correct copy of the foregoing DEFENDANT'S MOTION FOR STAY 4 OF PROCEEDINGS PENDING RULING BY NEVADA SUPREME COURT ON WRIT OF 5 PROHIBITION OR IN THE ALTERNATIVE WRIT OF MANDAMUS AND EX PARTE 6 APPLICATION FOR AN ORDER SHORTENING TIME to the parties listed below, via 7 electronic service through the Second Judicial District Court's eFlex Electronic Filing System: 8 G. David Robertson, Esq, SBN 1001 Stefanie T. Sharp, Esq. SBN 8661 Jarrad C. Miller, Esq., SBN 7093 9 ROBISON, SHARP, SULLIVAN & BRUST Briana N. Collings, Esq. SBN 14694 71 Washington Street ROBERTSON, JOHNSON, MILLER & 10 Reno, Nevada 89503 Tel: (775) 329-3151 WILLIAMSON 50 West Liberty Street, Suite 600 Tel: (775) 329-7169 11 Reno, Nevada 89501 dsharp@rssblaw.com Tel: (775) 329-5600 ssharp@rssblaw.com 12 jarrad@nvlawyers.com Attorneys for the Receiver Richard M. Teichner 13 briana@nvlawyers.com Attorneys for Plaintiffs 14 Robert L. Eisenberg, Esq. SBN 0950 15 LEMONS, GRUNDY, & EISENBERG 6005 Plumas Street, Third Floor 16 Reno, Nevada 89519 Attorney for Plaintiffs 17 DATED this March 22, 2024. 18 /s/ Jennifer L. Hess 19 An employee of Merulo Group, LLC 20 21 22 23 24 25 26 27 28 12

### **INDEX OF EXHIBITS**

Exhibit	Description	No. Pages
1.	March 1, 2024, Nevada Supreme Court Order	6

FILED
Electronically
CV12-02222
2024-03-22 11:25:18 AM
Alicia L. Lerud
Clerk of the Court
Transaction # 10234206

# EXHIBIT "1"

# EXHIBIT "1"

### IN THE SUPREME COURT OF THE STATE OF NEVADA

MEI-GSR HOLDINGS, LLC, A NEVADA CORPORATION; AM-GSR HOLDINGS, LLC, A NEVADA CORPORATION; AND GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, A NEVADA CORPORATION,

Petitioners,

VS.

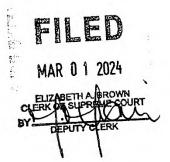
THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE; THE HONORABLE ELIZABETH GONZALEZ (RET.), SENIOR JUDGE, DEPARTMENT OJ41; AND RICHARD M. TEICHNER, RECEIVER,

Respondents,

and

ALBERT THOMAS, INDIVIDUALLY: JANE DUNLAP, INDIVIDUALLY; JOHN DUNLAP, INDIVIDUALLY: BARRY HAY, INDIVIDUALLY; MARIE-ANNE ALEXANDER, AS TRUSTEE OF THE MARIE-ANNIE ALEXANDER LIVING TRUST; MELISSA VAGUJHELYI AND GEORGE VAGUJHELYI, AS TRUSTEES OF THE GEORGE VAGUJHELYI AND MELISSA VAGUJHELYI 2001 FAMILY TRUST AGREEMENT, U/T/A APRIL 13, 2001; D' ARCY NUNN, INDIVIDUALLY; HENRY NUNN, INDIVIDUALLY; MADELYN VAN DER BOKKE, INDIVIDUALLY; LEE VAN DER BOKKE, INDIVIDUALLY; DONALD SCHREIFELS, INDIVIDUALLY; ROBERT R. PEDERSON, INDIVIDUALLY AND AS TRUSTEE OF

No. 88065



SUPREME COURT OF NEVADA

(O) 1947A

24.07586

THE PEDERSON 1990 TRUST; LOU ANN PEDERSON, INDIVIDUALLY AND AS TRUSTEE OF THE PEDERSON 1990 TRUST; LORI ORDOVER, INDIVIDUALLY: WILLIAM A. HENDERSON, INDIVIDUALLY; CHRISTINE E. HENDERSON, INDIVIDUALLY; LOREN D. PARKER, INDIVIDUALLY: SUZANNE C. PARKER, INDIVIDUALLY; MICHAEL IZADY, INDIVIDUALLY; STEVEN TAKAKI, INDIVIDUALLY; FARAD TORABKHAN, INDIVIDUALLY; SAHAR TAVAKOL, INDIVIDUALLY; M&Y HOLDINGS, LLC; JL&YL HOLDINGS, LLC; SANDI RAINES, INDIVIDUALLY: R. RAGHURAM, INDIVIDUALLY; USHA RAGHURAM, INDIVIDUALLY: LORI K. TOKUTOMI. INDIVIDUALLY: GARRET TOM. INDIVIDUALLY; ANITA TOM, INDIVIDUALLY: RAMON FADRILAN, INDIVIDUALLY; FAYE FADRILAN, INDIVIDUALLY: PETER K. LEE AND MONICA L. LEE, AS TRUSTEES OF THE LEE FAMILY 2002 REVOCABLE TRUST; DOMINIC YIN, INDIVIDUALLY; ELIAS SHAMIEH, INDIVIDUALLY: JEFFREY QUINN INDIVIDUALLY; BARBARA ROSE QUINN INDIVIDUALLY; KENNETH RICHE, INDIVIDUALLY: MAXINE RICHE, INDIVIDUALLY; NORMAN CHANDLER, INDIVIDUALLY: BENTON WAN, INDIVIDUALLY: TIMOTHY D. KAPLAN, INDIVIDUALLY; SILKSCAPE INC.; PETER CHENG, INDIVIDUALLY: ELISA CHENG, INDIVIDUALLY: GREG A. CAMERON, INDIVIDUALLY; TMI PROPERTY GROUP, LLC; RICHARD

SUPREME COURT OF NEVADA

(O) 1947A

LUTZ, INDIVIDUALLY; SANDRA LUTZ, INDIVIDUALLY; MARY A. KOSSICK, INDIVIDUALLY; MELVIN CHEAH, INDIVIDUALLY; DI SHEN, INDIVIDUALLY; NADINE'S REAL ESTATE INVESTMENTS, LLC; AJIT GUPTA, INDIVIDUALLY; SEEMA GUPTA, INDIVIDUALLY; FREDRICK FISH. INDIVIDUALLY; LISA FISH, INDIVIDUALLY; ROBERT A. WILLIAMS, INDIVIDUALLY: JACQUELIN PHAM, INDIVIDUALLY; MAY ANN HOM, AS TRUSTEE OF THE MAY ANN HOM TRUST; MICHAEL HURLEY, INDIVIDUALLY; DOMINIC YIN, INDIVIDUALLY; DUANE WINDHORST, INDIVIDUALLY; MARILYN WINDHORST, INDIVIDUALLY; VINOD BHAN, INDIVIDUALLY: ANNE BHAN, INDIVIDUALLY; GUY P. BROWNE, INDIVIDUALLY; GARTH A. WILLIAMS, INDIVIDUALLY; PAMELA Y. ARATANI, INDIVIDUALLY: DARLENE LINDGREN, INDIVIDUALLY: LAVERNE ROBERTS, INDIVIDUALLY; DOUG MECHAM, INDIVIDUALLY; CHRISINE MECHAM. INDIVIDUALLY; KWANGSOO SON, INDIVIDUALLY; SOO YEUN MOON, INDIVIDUALLY: JOHNSON AKINDODUNSE, INDIVIDUALLY; IRENE WEISS, AS TRUSTEE OF THE WEISS FAMILY TRUST; PRAVESH CHOPRA, INDIVIDUALLY; TERRY POPE, INDIVIDUALLY; NANCY POPE, INDIVIDUALLY; JAMES TAYLOR, INDIVIDUALLY: RYAN TAYLOR, INDIVIDUALLY; KI HAM, INDIVIDUALLY; YOUNG JA CHOI,

SUPREME COURT OF NEVADA INDIVIDUALLY; SANG DAE SOHN, INDIVIDUALLY; KUK HYUNG (CONNIE), INDIVIDUALLY; SANG (MIKE) YOO, INDIVIDUALLY; BRETT MENMUIR, AS TRUSTEE OF THE CAYENNE TRUST; WILLIAM MINER, JR., INDIVIDUALLY; CHANH TRUONG, INDIVIDUALLY; ELIZABETH ANDERS MECUA, INDIVIDUALLY; SHEPHERD MOUNTAIN, LLC; ROBERT BRUNNER, INDIVIDUALLY; AMY BRUNNER, INDIVIDUALLY; JEFF RIOPELLE, INDIVIDUALLY; PATRICIA M. MOLL, INDIVIDUALLY; DANIEL MOLL, INDIVIDUALLY, Real Parties in Interest.

### ORDER DIRECTING ANSWER

This original petition for a writ of prohibition, or alternatively mandamus, challenges the district court's post-default-judgment exercise of jurisdiction and actions with respect to a receivership.

Having reviewed the petition and supporting documents, we conclude that an answer may assist this court in resolving the petition. Therefore, real parties in interest, on behalf of respondents, shall have 21 days from the date of this order within which to file and serve an answer, including authorities, against issuance of the requested writ. NRAP 21(b)(1). Petitioners shall have 14 days from service of the answer to file and serve any reply.

It is so ORDERED.

Cell , c.J

SUPREME COURT OF NEVADA



cc: Chief Judge, The Second Judicial District Court Hon. Elizabeth Gonzalez, Senior Judge Pisanelli Bice, PLLC Robertson, Johnson, Miller & Williamson Lemons, Grundy & Eisenberg Washoe District Court Clerk

SUPREME COURT OF NEVADA

# EXHIBIT B

FILED Electronically CV12-02222 2024-04-18 10:49:06 AM Alicia L. Lerud Clerk of the Court Transaction # 10282738 : yviloria

1 CODE: 2490 Jarrad C. Miller, Esq. (NV Bar No. 7093) 2 Briana N. Collings, Esq. (NV Bar No. 14694) Robertson, Johnson, Miller & Williamson 3 50 West Liberty Street, Suite 600 Reno, Nevada 89501 4 Telephone: (775) 329-5600 Facsimile: (775) 348-8300 5 jarrad@nvlawyers.com briana@nvlawyers.com 6 Robert L. Eisenberg, Esq. (NV Bar No. 0950) 7 Lemons, Grundy & Eisenberg 6005 Plumas Street, Third Floor 8 Reno, Nevada 89519 Telephone: (775) 786-6868 9 Facsimile: (775) 786-9716 rle@lge.net 10 Attorneys for Plaintiffs 11 12 SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 13 IN AND FOR THE COUNTY OF WASHOE 14 ALBERT THOMAS, individually; et al., 15

Plaintiffs,

VS.

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MEI-GSR HOLDINGS, LLC, a Nevada 18 limited liability company, GRAND SIERRA RESORT UNIT OWNERS' ASSOCIATION, 19 a Nevada nonprofit corporation, GAGE

VILLAGE CÔMMERCIAL

20 DEVELOPMENT, LLC, a Nevada limited liability company; AM-GSR HOLDINGS,

21 LLC, a Nevada limited liability company; and DOE DEFENDANTS 1 THROUGH 10, 22

inclusive,

Defendants.

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RENEWED MOTION FOR INSTRUCTIONS TO RECEIVER

Case No. CV12-02222

Dept. No. OJ41

COME NOW, Plaintiffs by and through their attorneys of record, the law firms of Robertson, Johnson, Miller & Williamson and Lemons, Grundy & Eisenberg, and hereby submit this Renewed Motion for Instructions to Receiver ("Motion"). This Motion is based upon the

28

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

RENEWED MOTION FOR INSTRUCTIONS TO RECEIVER PAGE 1

1	attached memorandum of points and authorities, all exhibits attached thereto, all pleadings on
2	file herein, and any oral argument the Court may deem appropriate.
3	DATED this 18 <sup>th</sup> day of April, 2024.
4	ROBERTSON, JOHNSON,
5	MILLER & WILLIAMSON 50 West Liberty Street, Suite 600 Reno, Nevada 89501
6	And
7	
8	LEMONS, GRUNDY & EISENBERG 6005 Plumas Street, Third Floor Reno, Nevada 89519
9	By: <u>/s/ Briana N. Collings</u>
10	Jarrad C. Miller, Esq.
11	Briana N. Collings, Esq.  Attorneys for Plaintiffs
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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

### **MEMORANDUM OF POINTS AND AUTHORITIES**

### I. INTRODUCTION

As a result of Defendants' interference with the Receiver by cutting off his payment, the Plaintiffs' rents from 2020 through December 31, 2021, were not submitted to the Court until December 19, 2022. The Court subsequently approved the calculations over Defendants' objections and ordered Defendants to transfer these rents to the Receiver. The transfer never occurred because Defendants sought appellate review and obtained a stay on the payment order in the interim. On December 29, 2023, the Nevada Supreme Court issued an order rejecting Defendants' related jurisdictional claims, and lifting the temporary stay.

Defendants obtained a second stay on the payment order while they sought reconsideration of the Supreme Court's December 29, 2023 order. The Supreme Court denied the reconsideration and Defendants' motion to reinstate stays on April 15, 2024. Accordingly, this Motion is ripe and should not be delayed by any efforts to seek reconsideration or further stays. Plaintiffs therefore respectfully renew their request that the Court instruct Defendants to transfer these rents to the Receiver and, further, instruct the Receiver to distribute these rents to Plaintiffs pursuant to the Receiver's calculations.

### II. FACTS

The Receiver calculated rents for Plaintiffs' units through December 31, 2021. (See Ex. 1, Receiver's Calculations [previously filed December 19, 2022].)

On March 27, 2023, the Court issued an order concerning Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions ("March 27, 2023 Order") which dictated that "Defendants shall comply with the Order entered on January 26, 2023, including the deposits as directed in that Order within five (5) judicial days of entry of this Order. (Id. at 1:26 to 2:2.) The referenced January 26, 2023 Order addressing the Receiver's Motion for Orders & Instructions provided that:

Defendants shall make the deposits of rent listed in the column on the far right of each page of Exhibit 1 [same as attached] in the total amount of \$1,103,950.99 into the Receiver's bank account

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 within 25 judicial days of entry of this Order. Prior to making any disbursements, the Receiver shall file a motion with the Court outlining the funds received and the proposed distributions for Receiver's fees and expenses as well as amounts set aside for reserve and any proposed distributions to the Parties.

(<u>Id.</u> at 3:17 to 4:2.) The \$1,103,950.99 was never transferred to the Receiver because the Defendants obtained a stay and sought appellate review of the January and March Orders. On December 29, 2023, the Nevada Supreme Court issued an order where the Court concluded that it lacks jurisdiction over the interlocutory receivership orders and, accordingly, vacated the Court's May 8, 2023, temporary stay. (<u>See</u> Order Resolving Motions, Dismissing and Consolidating Appeals, and Reinstating Briefing, filed [in this Court] January 4, 2024 at 25-26.)

Plaintiffs moved for instructions from the Court that, after the Supreme Court vacated the

stay, Defendants transfer the approximately \$1.1 million to the Receiver, and the Receiver disburse this amount to Plaintiffs pursuant to his calculations. (Ex. 1.) The Court denied this

motion without prejudice based upon Defendants' petition for rehearing and motion to reinstate the stays, filed with the Supreme Court. (Order, filed February 6, 2024.) The Supreme Court

has denied these requests. (See, e.g., Notice Regarding Nevada Supreme Court Orders, filed

 April 16, 2024 at Ex. 1 at 12, "Likewise, we deny the motion to maintain or reinstate stays.")

### III. ANALYSIS

As demonstrated above, Plaintiffs have been deprived of receiving their rents through December 31, 2021, despite the Defendants' having had the opportunity to object to calculations and the Court having overruled the objection and approved the calculations. Further, other than posting a bond this past summer to seek appellate review, Defendants have improperly received what is in effect an interest free loan by keeping the rents for 2022 and the first half of 2023.

Accordingly, Plaintiffs respectfully renew their request that the amounts reflected in Exhibit 1 totaling \$1,103,950.99 be transferred to the Receiver by Defendants within five days<sup>1</sup>

1 By Plaintiffs' calculations, Defendants should make the deposit to the Receiver according to the previous Court order, which directed the rents be deposited "within five (5) judicial days of this Order." (Order, filed March 27, 2023 at 1:27-2:2.) This would make Defendants' deposit due on or before April 22, 2024, based on the Supreme

Robertson, Johnson, Miller & Williamson

RENEWED MOTION FOR INSTRUCTIONS TO RECEIVER
PAGE 4

and the Receiver be instructed to transfer those amounts to Plaintiffs within seven days of his receipt of those funds by the same methodology he has used to transfer the monthly rents since August of 2023. 3 **CONCLUSION** 4 IV. 5 Accordingly, Plaintiffs respectfully renew their request that the Court instruct the Defendants to transfer the Receiver's calculation of rents through December 31, 2021, to the 6 7 Receiver and, further, that the Receiver be instructed to transfer the rents to the Plaintiffs. 8 **AFFIRMATION** 9 Pursuant to NRS § 239B.030, the undersigned does hereby affirm that the preceding document does not contain the social security number of any person. 10 DATED this 18th day of April, 2024. 11 12 ROBERTSON, JOHNSON, MILLER & WILLIAMSON 13 50 West Liberty Street, Suite 600 Reno, Nevada 89501 14 And 15 LEMONS, GRUNDY & EISENBERG 16 6005 Plumas Street, Third Floor Reno, Nevada 89519 17 18 By: <u>/s/ Briana N. Collings</u> Jarrad C. Miller, Esq. 19 Briana N. Collings, Esq. Attorneys for Plaintiffs 20 21 22 23 24 25 26 27 Court's order. Nonetheless, if that does not occur, the Court should give Defendants five days from the date of the

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

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Court's order on this Motion.

RENEWED MOTION FOR INSTRUCTIONS TO RECEIVER

### 1 **CERTIFICATE OF SERVICE** 2 Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson, 3 Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of 18, and not a party within this action. I further certify that on the 18th day of April, 2024, I 4 electronically filed the foregoing RENEWED MOTION FOR INSTRUCTIONS TO 5 RECEIVER with the Clerk of the Court by using the ECF system which served the following 6 7 parties electronically: 8 Abran Vigil, Esq. Ann O. Hall, Esq. Meruelo Group, LLC David C. McElhinney, Esq. 9 Legal Services Department Meruelo Group, LLC 2500 E. 2<sup>nd</sup> Street 5<sup>th</sup> Floor Executive Offices 10 2535 Las Vegas Boulevard South Reno, NV 89595 Las Vegas, NV 89109 Attorneys for Defendants 11 Attorneys for Defendants MEI-GSR Holdings, LLC, MEI-GSR Holdings, LLC, Gage Village Commercial 12 Gage Village Commercial Development, LLC, and 13 Development, LLC, and AM-GSR Holdings, LLC AM-GSR Holdings, LLC 14 Jordan T. Smith, Esq. F. DeArmond Sharp, Esq. 15 Pisanelli Bice PLLC Stefanie T. Sharp, Esq. 400 South 7th Street, Suite 300 Robison, Sharp Sullivan & Brust 16 Las Vegas, NV 89101 71 Washington Street 17 Attorneys for Defendants Reno, NV 89503 MEI-GSR Holdings, LLC; Attorneys for Receiver 18 Gage Village Commercial Richard M. Teichner Development, LLC; and 19 AM-GSR Holdings, LLC 20 21 /s/ Alexandra Fleming An Employee of Robertson, Johnson, Miller & Williamson 22 23 24 25 26 27 28

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

### **EXHIBIT INDEX** Ex. No. Description **Pages** Receiver's Calculations [previously filed on December 19, 2022] RENEWED MOTION FOR INSTRUCTIONS TO RECEIVER PAGE 7

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

FILED Electronically CV12-02222

# EXHIBIT 661 2024-04-18 10:49:06 AM Alicia L. Lerud Clerk of the Court Transaction # 10282738 : yviloria

# EXHIBIT "1"

## Exhibit "1"

FILED
Electronically
CV12-02222
2022-12-19 03:29:28 PM
Alicia L. Lerud
Clerk of the Court
Transaction # 9417354

Exhibit "1"

# Adjustments to Plaintiffs' Accounts With GSR Through December 31, 2021

22 23 24 25 26	18 19 20 21	11 12 13A 14 15	1 2 3 3 5 4 5 6 6 7 7	
TAYLOR SHEPHERD MOUNTAIN SHEPHERD MOUNTAIN SHEPHERD MOUNTAIN RAGHURAM	FADRILAN TAYLOR TMI PROPERTY GROUP SHEPHERD MOUNTAIN	POPE CARRERA PROPERTY SHEPHERD MOUNTAIN SHEPHERD MOUNTAIN HOM SHEPHERD MOUNTAIN	ORDOVER ORDOVER MECHAM TOKUTOMI SHEPHERD MOUNTAIN SHEPHERD MOUNTAIN KOSSICK ROBERTS KOSSICK TAKAKI	<u>Owner</u>
1775 1778 1780 1781 1790	1762 1763 1769 1770 1773	1740 1742 1749 1755 1756 1757	1706 1708 1710 1711 1714 1720 1728 1728 1730	<u>Unit</u>
12,871.69 18,476.07 18,071.99 18,152.08 17,953.30	15,769.66 26,884.80 29,855.92 18,476.31 25,711.73	17,290.49 15,367.40 71,629.17 25,455.93 14,753.17 27,056.09	15,940.39 17,692.08 16,358.80 17,953.46 68,824.99 25,761.67 26,057.99 17,986.90 25,018.91	Balances (Negative) of Plaintiffs' Accounts at 12/31/21
(10,477.21) (10,420.83) (10,653.51) (10,417.47) (10,319.99)	(10,517.44) (13,009.18) (12,703.73) (9,947.60) (13,039.56)	(10,461.67) (10,749.48) (29,867.06) (13,037.26) (10,675.43) (13,102.79)	(10,663.38) (10,522.15) (10,706.60) (10,432.03) (30,280.36) (13,074.68) (13,074.68) (13,234.96) (10,270.92) (13,165.56)	Removal of Reversal of 2020 Fees by GSR In September 2021
(18,556.05) (18,556.05) (18,556.05) (18,556.05) (18,556.05)	(18,556.05) (24,387.95) (24,387.95) (18,556.05) (24,387.95)	(24,033.03) (18,865.31) (18,865.31) (59,202.62) (24,387.95) (18,556.05) (24,387.95)	(18,865.31) (18,865.31) (18,865.31) (18,865.31) (18,865.31) (59,202.62) (24,653.03) (24,653.03) (18,865.31) (24,653.03)	Reversal of Special Assessment
(1,111.98) (1,079.49) (1,113.32) (1,091.43) (1,065.22)	(1,126.99) (1,470.72) (1,455.15) (1,062.59) (1,466.19)	(2,140.09) (1,175.18) (1,202.16) (3,317.80) (1,451.12) (1,134.73) (1,450.38)	(1,188.62) (1,140.02) (1,201.63) (1,201.63) (1,148.55) (3,429.67) (2,155.94) (2,155.94) (2,164.73) (2,148.56) (2,148.56)	Adjustment For Recalculation of Fees for 2021
1,107.54 1,003.82 1,008.59 1,005.41 1,005.41	1,007.00 1,251.32 1,249.73 1,003.82 1,248.14	3,056.04 1,249.20 1,250.26	1,089.09 1,078.49 984.15 1,074.78 2,878.38 674.86 687.05 3,281.01 583.70	Difference between 2021 Recalculated Fees Applied to 2020 and Prior Receiver's Fees
(16,166.01) (10,576.48) (11,242.30) (10,907.46) (10,982.55)	(13,423.82) (10,731.73) (7,441.18) (10,086.11) (11,933.83)	(9,598.67) (12,231.76) (14,466.99) (17,702.27) (12,171.20) (12,606.04) (10,634.77)	(13,687.83) (11,756.91) (13,430.59) (11,417.65) (21,209.28) (13,447.12) (13,307.68) (10,422.40) (14,364.54)	Adjusted Balances (Positive) of Plaintiffs' Accounts at 12/31/21

# Adjustments to Plaintiffs' Accounts With GSR Through December 31, 2021

51	50	49	48	47	46	45	44	43	42	41	40	39	38	37	36	35	34	33	32	31	30	29	28	27						
CHENG	LEE	PHAM	LEE	TOM	SILKSCAPE INC	NADINE'S REAL ESTATE	KAPLAN	QUINN	RICHE	PEDERSON	TOM TRUST	WAN	YIN	HENDERSON	SHEPHERD MOUNTAIN	VAGUJHELYI	WILLIAMS	WILLIAMS	WILLIAMS	MOLL	RAINES	RAINES	НАУ	SHEPHERD MOUNTAIN	Owner					
1908	1907	1906	1905	1903	1902	1886	1874	1870	1865	1847	1845	1838	1837	1832	1828	1827	1826	1824	1822	1806	1805	1803	1802	1791	Unit					
17,779.62	17,363.67	17,064.11	18,009.18	15,689.91	18,909.60	14,697.54	16,430.90	14,398.95	25,765.19	17,973.88	14,107.07	14,296.06	16,945.25	26,383.38	25,796.54	13,592.15	37,462.82	37,749.29	37,383.66	14,356.72	24,205.75	23,195.02	15,539.35	18,768.59	12/31/21	Accounts at	Plaintiffs'	(Negative) of	Balances	
(10,564.96)	(10,424.81)	(10,592.83)	(10,056.47)	(10,680.79)	(10,353.08)	(10,721.77)	(10,301.99)	(10,693.07)	(13,162.09)	(10,887.35)	(10,838.08)	(10,828.59)	(10,653.29)	(13,386.85)	(13,436.96)	(10,806.31)	(12,716.87)	(12,762.01)	(12,687.80)	(10,771.68)	(9,304.81)	(8,932.60)	(10,745.29)	(10,820.88)	2021	September	GSR In	2020 Fees by	Reversal of	Removal of
(18,865.31)	(18.865.31)	(18,865.31)	(18,865.31)	(18,865.31)	(18,865.31)	(18,556.05)	(18,556.05)	(18,556.05)	(24,387.95)	(18,865.31)	(18,865.31)	(18,865.31)	(18,865.31)	(24,653.03)	(24,653.03)	(18,865.31)	(24,653.03)	(24,653.03)	(24,653.03)	(18,865.31)	(18,865.31)	(18,865.31)	(18,865.31)	(19,174.58)	Assessment	Special	Reversal of			
(1,164.09)	(1.122.30)	(1,152.70)	(1,159.61)	(1,191.25)	(1,135.57)	(1,165.85)	(1,106.85)	(1,142.59)	(1,501.91)	(1,190.45)	(1,205.78)	(1,211.59)	(1,161.69)	(2,177.08)	(2,186.60)	(1,221.11)	(2,183.72)	(2,188.19)	(2,184.50)	(1,220.05)	(1,190.23)	(1,197.08)	(1,170.92)	(1,194.58)	2021	of Fees for	Recalculation	Adjustment For		
985.21	993.19	985.21	984.68	988.92	982.03	1,008.59	1,006.47	1,008.59	1,253.97	483.96	490.37	486.08	482.37	586.88	589.53	486.61	589.00	587.94	586.35	484.49	481.84	483.96	482.37	973.14	Receiver's Fees	2020 and Prior	Fees Applied to	Recalculated	between 2021	Difference
(11,829.53)	(12 055.56)	(12,561,52)	(11,087.53)	(14,058.52)	(10,462.33)	(14,737.54)	(12,527.52)	(14,984.17)	(12,032.79)	(12,485.27)	(16,311.73)	(16,123.35)	(13,252.67)	(13,246.70)	(13,890.52)	(16,813.97)	(1,501.80)	(1,266.00)	(1,555.32)	(16,015.83)	(4,672.76)	(5,316.01)	(14,759.80)	(11,448.31)	12/31/21	Accounts at	Plaintiffs'	(Positive) of	Balances	Adjusted

# Adjustments to Plaintiffs' Accounts With GSR Through December 31, 2021

73 74 75 76 77	69 70 71 72	63 64 65 66 67	52 53 54 55 56 57 58 59	
HURLEY  M & Y HOLDINGS  PARKER  WINDHORST  SON	LUTZ CHANDLER LINDGREN JL & YL HOLDINGS	RIOPELLE SILKSCAPE INC ALEXANDER KOSSICK HAY	Owner CHEAH CAMERON SHEN KOSSICK PEDERSON DUNLAP VANDERBOKKE RICHE QUINN BROWNE KOSSICK	
2167 2169 2179 2181 2189	2076 2087 2104 2157 2165	2059 2063 2063 2065 2068 2075	Unit 1911 1926 1939 1945 1961 1963 1975 1975 2044 2055	
26,755.69 27,662.06 12,410.99 16,372.12 14,484.57	14,390.45 13,652.20 18,422.90 27,714.86 26,931.05	25,527.04 28,227.38 25,846.69 27,816.98 18,090.31 14,190.24	(Negative) of Plaintiffs' Accounts at 12/31/21 17,400.04 27,762.38 15,736.25 18,292.60 26,173.54 27,662.66 28,915.84 17,580.18 15,126.18 16,845.45 25,527.04	Balances
(13,079.14) (13,005.34) (10,639.66) (10,545.76) (10,646.29)	(10,710.41) (10,710.41) (10,389.78) (13,039.14) (13,013.45)	(13,127,22) (12,711.52) (13,039.30) (13,076.80) (10,717.73) (10,681.26)	2020 Fees by  GSR In  September  2021  (10,477.07)  (13,207.91)  (10,842.96)  (10,702.71)  (13,092.28)  (13,099.23)  (13,099.03)  (13,045.52)  (10,686.19)  (10,558.95)  (10,751.20)  (13,127.22)	Removal of Reversal of
(24,387.95) (24,387.95) (18,556.05) (18,556.05) (18,556.05)	(18,556.05) (18,556.05) (18,865.31) (24,387.95) (24,387.95)	(24,387.95) (24,387.95) (24,387.95) (24,387.95) (24,387.95) (18,556.05) (18,556.05)	Reversal of Special Assessment (18,865.31) (24,653.03) (18,865.31) (18,865.31) (24,387.95) (24,387.95) (24,387.95) (18,556.05) (18,556.05) (18,865.31) (24,387.95)	
(1,486.53) (1,472.00) (1,165.56) (1,121.22) (1,137.04)	(1,170.07) (1,140.73) (1,139.51) (1,462.74) (1,467.23)	(1,471.20) (1,464.58) (1,502.37) (1,469.08) (1,154.72) (1,146.01)	Adjustment For Recalculation of Fees for 2021 (1,136.06) (2,172.08) (1,212.14) (1,154.57) (1,470.41) (1,477.81) (1,468.59) (1,163.73) (1,163.73) (1,163.73) (1,165.14) (1,156.14) (1,156.14)	
1,256.09 1,253.97 1,012.30 1,008.59 1,017.10	1,012.30 1,011.77 984.68 1,252.91 1,255.56	1,255.56 1,256.62 1,254.50 1,256.62 1,012.83 1,013.89	17 h. 17	<u>Difference</u> between 2021
(10,941.84) (9,949.26) (16,937.98) (12,842.32) (14,837.71)	(14,965.94) (15,743.22) (10,987.02) (9,922.06) (10,682.02)	(12,203.77) (9,080.05) (11,828.43) (9,860.23) (11,325.36) (15,179.19)	Positive) of Plaintiffs' Accounts at 12/31/21 (12,095.84) (11,679.52) (14,194.71) (11,440.01) (11,522.07) (9,956.57) (8,731.19) (11,815.61) (14,119.39) (12,939.34) (12,203.77)	<u>Adjusted</u> Balances

# Adjustments to Plaintiffs' Accounts With GSR Through December 31, 2021

	93	92	91	90	89	88	87	86	85	84	83	82	81	80	79	78						
	NHOS	TRUONG	VANDERBOKKE	MINER	NUNN	PEDERSON	RICHE	FISH	PEDERSON	IZADY/AKASHEH MICHAEL/ANAHID	FISH	WEISS	γ00	CH0I	SHAMIEH	PEDERSON	Owner					
	2475	2389	2385	2371	2365	2359	2357	2347	2345	2337	2328	2326	2283	2279	2275	2261	Unit					
2,052,763.65	16,899.09	13,489.30	18,118.71	27,475.05	27,926.05	24,527.67	26,468.16	24,649.31	18,366.57	18,754.77	34,230.34	28,876.30	17,413.16	13,389.69	14,346.12	29,104.06	12/31/21	Accounts at	Plaintiffs'	(Negative) of	<u>Balances</u>	
(1,102,104.87)	(10,480.10)	(10,590.45)	(10,299.43)	(13,000.31)	(12,969.19)	(13,008.12)	(13,014.62)	(9,482.53)	(10,531.86)	(10,532.38)	(12,885.13)	(13,169.21)	(10,448.89)	(10,745.22)	(10,786.23)	(12,955.50)	2021	September	GSR In	2020 Fees by	Reversal of	Removal of
(2,018,367.68)	(18,556.05)	(18,556.05)	(18,556.05)	(24,387.95)	(24,387.95)	(24,387.95)	(24,387.95)	(18,865.31)	(18,865.31)	(18,865.31)	(24,653.03)	(24,653.03)	(18,556.05)	(18,556.05)	(18,556.05)	(24,387.95)	Assessment	Special	Reversal of			
(132,072.55)	(1,086.36)	(1,152.95)	(1,104.61)	(1,473.37)	(1,476.50)	(1,490.29)	(1,466.24)	(1,136.77)	(1,144.79)	(1,096.45)	(2,182.00)	(2,157.00)	(1,046.25)	(1,123.07)	(1,140.25)	(1,489.76)	2021	of Fees for	Recalculation	Adjustment For		
<u>95,830.46</u>	1,110.88	1,011.24	1,010.76	1,252.38	1,256.09	1,252.91	1,253.44	988.95	986.80	984.15	589.53	589.53	1,010.18	1,014.42	1,013.36	1,258.77	Receiver's Fees	2020 and Prior	Fees Applied to	Recalculated	between 2021	Difference
(1,103,950.99)	(12,112.54)	(15,798.91)	(10,830.62)	(10,134.20)	(9,651.50)	(13,105.78)	(11,147.21)	(3,846.35)	(11,188.59)	(10,755.22)	(4,900.29)	(10,513.41)	(11,627.85)	(16,020.23)	(15,123.05)	(8,470.38)	12/31/21	Accounts at	Plaintiffs'	(Positive) of	. Balances	Adjusted

# EXHIBIT C

FILED 9 PM rt 8890

	FILED Electronically CV12-02222 2023-04-04 02:06:3 Alicia L. Lerud
1	Code:  Clerk of the Cou
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5	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7	IN AND FOR THE COUNTY OF WASHOE
8	Albert Thomas, et. al.,
9	Cara No. 01/42 02222
10	Plantun(s),
11	Vs.  MEI-GSR HOLDINGS, LLC.et. al.,
12	
13	Defendant(s). /
14 15 16	SUPERSEDEAS BOND ON APPEAL
17	The following was received at the Second Judicial District Court Filing office on April
18	4, 2023.
19	
20	Affirmation pursuant to NRS 239B.030 / 603A.040: The undersigned hereby affirms that this document does not contain the personal information of any person.
21	Dated April 4, 2023.
22	Bated 7 (Pill 4, 2020.
23	/s//s/ T. Britton
24	Deputy Clerk
25	2564, 5.5
26	
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### DISTRICT COURT WASHOE COUNTY, NEVADA

	BOND # 9423045
Albert Thomas, et al.	
	) STIDED SEDEAS DOND ON ADDEAU
Plaintiffs,	) SUPERSEDEAS BOND ON APPEAL )
vs.	) ) ) CN. CV12 02222
MEI-GSR Holdings, LLC et al.	) Case No. <u>CV12-02222</u> )
Defendant s.	<b>)</b>
KNOW ALL MEN BY THESE PRESE	ιτs:
That we, MEI-GSR Holdings, LLC, AM-G	SR, LLC, Gage Village Commercial Development, LLC, as Principal, and
Fidelity and Deposit Company	of Maryland , a corporation duly
	ue of the laws of the State of Illinois and fully authorized
to transact business in the State of Neva	a, as Surety, are held and firmly bound unto Albert Thomas, et al.
· Made and the second s	in the full sum of One Million One Hundred Three Thousand Nine
	·
Hundred Fifty and 99/100	DOLLARS (\$ 1,103,950.99) in lawful money of the United
for the payment of which well and tru	aid Principal, their heirs, executors, administrators, successors and assigns by to be made, the said principal and surety hereby bind themselves, their is and assigns, jointly and severally, firmly by these presents.
THE CONDITION OF THIS OBLIGATI	ON IS SUCH THAT
WHEREAS or der was rendered by the D	strict Court of the State of Nevada, in the above entitled cause, in favor
of Plaintiff's against the Defendants.	
WHEREAS, the Defendants intendent the whole thereof, and said Defendants pending appeal;	o appeal to the Supreme Court from the above mentioned order and ants desires to suspend the execution of the Order above described
NOW THEREFORE, if the Order against costs on the appeal, interest, in significants shall prosecute his appeal with	nst the Defendants is affirmed, the order shall be satisfied, together ich amount however as shall not exceed the amount of this Bond, but if the the effect, this bond shall be of no force and effect.
IN WITNESS WHERE, the said Princip these presents this 31st day of Ma	al has signed these presents and the Surety has likewise signed and executed
MKI-GSR Holdings, LLC, AM-GSR,	
Gage Village Commercial Developmen	BY: Statue Carasel
ВУ:	Attorney-in-Fact
NEVADA RESIDENT AGENT:	Heather Saltarelli
BY Rachelle Castro Rheault, Non-Res License No. 626067	Laux dent Agent

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public document to w	or other officer of the or other of the or other of the or other of the or other or other or other or other of the other o	completing this certifice is attached, and not	cate verifies only the id the truthfulness, accura	fentity of the individual who signed the acy, or validity of that document.
State of Califor	mia		)	
County of	Orange		)	
On M	AR 3 1 2023	hafara ma	Reece Joel Diaz, N	Notary Public
O	Date	before file,	Here Insert Nar	me and Title of the Officer
nersonally ann	eared			ther Saltarelli
processian, app		THE PROPERTY AND ADDRESS OF THE PROPERTY OF TH	Name(s) of Sign	
subscribed to his/her/their aut	the within instr thorized capaci	ument and acknow ty(ies), and that by	wledged to me that his/her/their signatur acted, executed the i	ne person(s) whose name(s) is/au he/she/they executed the same e(s) on the instrument the person(sinstrument.  ALTY OF PERJURY under the law
-			of the State of Cali is true and correct.	fornia that the foregoing paragrap
3311.8° A	REECE JOEL	. DIAZ		
	Notary Public - (	California	WITNESS my hand	
INDA I	Notary Public - ( Orange Cou Commission # 7	California L unty K	WITNESS my hand	
INNA	Notary Public - ( Orange Cou	California L unty K	WITNESS my hand	
Pla	Notary Public - ( Orange Cou Commission # 7	California Maria (1947)	WITNESS my hand	and official seal.  My
······································	Notary Public - ( Orange Cot Commission # 2 My Comm. Expires J	Above  Above  nal, completing this	WITNESS my hand Signature  PTIONAL Sinformation can determine	and official seal.  Signature of Notary Public  ter alteration of the document or
Though this s	Notary Public - ( Orange Cot. Commission # 7 My Comm. Expires J  ce Notary Seal section is option fraudulent i	Above  Above  OF nal, completing this reattachment of this	WITNESS my hand Signature	and official seal.  Signature of Notary Public  ter alteration of the document or
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Though this s  Description of Title or Type of Number of Pag  Capacity(ies) O  Signer's Name:  Corporate Of Partner —  Individual  Trustee  Other:	Notary Public - Orange Cot Commission # 2 My Comm. Expires J  My Comm. Expires J  Ce Notary Seal  Section is option fraudulent if Attached Doct fraudulent:  Seal Glaimed by Sign  Claimed by Sign  Claimed Ge  Attorney if Guardian	Above  nal, completing this reattachment of this ument  Signer(s) Other This ner(s)	Signature	signature of Notary Public  ter alteration of the document or ded document.  Iment Date:  ficer — Title(s): Limited : General

### **ACKNOWLEDGMENT**

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

State of California ) ss.
County of Los Angeles )

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

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

WITNESS my hand and official seal.

Mario A. Tapanes Notary Public

Notary Commission No.: 2425842 Commission Expires: 11/08/2026 Notary Phone: (562) 745-2355 MARIO A. TAPANES
COMM. #2425842
Notary Public - California
Los Angeles County
My Comm. Expires Nov. 8, 2026

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

Signer Capacity: Principals

Signer is Representing: Doty Bros. Equipment Company

Title/Type of Document: Certification Affidavit

Date of Document: March 31, 2023

Number of Pages: Two (2) excluding this Page and any other similar ones

Other Signers: None

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

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

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

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

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

By: Robert D. Murray
Vice President

By: Dawn E. Brown

Secretary

State of Maryland County of Baltimore

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

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

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

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

### EXTRACT FROM BY-LAWS OF THE COMPANIES

ERROR (FEDILLER FAIR LANGERSTALL LANGESTALLE

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

### CERTIFICATE

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

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

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

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

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this  $\_$ \_\_\_\_\_ day of  $\_$ MAR 3.1.2023







By:

Mary Jean Pethick Vice President

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

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

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

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

# EXHIBIT D

## ORIGINAL

CODE: 2645 Jarrad C. Miller, Esq. (NV Bar No. 7093) Briana N. Collings, Esq. (NV Bar No. 14694) 2 Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 4 Telephone: (775) 329-5600 Facsimile: (775) 348-8300 5 jarrad@nvlawyers.com briana@nvlawyers.com 6 Robert L. Eisenberg, Esq. (NV Bar No. 0950) 7 Lemons, Grundy & Eisenberg 6005 Plumas Street, Third Floor 8 Reno, Nevada 89519 Telephone: (775) 786-6868 9 Facsimile: (775) 786-9716 rle@lge.net 10 Attorneys for Plaintiffs 11 12 SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE 13 14 15 ALBERT THOMAS, individually; et al., 16 Plaintiffs, 17 VS. 18 MEI-GSR HOLDINGS, LLC, a Nevada limited liability company, GRAND SIERRA RESORT UNIT OWNERS' ASSOCIATION, 19 a Nevada nonprofit corporation, GAGE 20 VILLAGE CÔMMERCIAL DEVELOPMENT, LLC, a Nevada limited liability company; AM-GSR HOLDINGS, 21

LLC, a Nevada limited liability company; and

DOE DEFENDANTS 1 THROUGH 10,

Defendants.

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2024 APR -9 PM 2: 01



Case No. CV12-02222 Dept. No. OJ41

### OPPOSITION TO MOTION FOR STAY OF PROCEEDINGS PENDING RULING BY NEVADA SUPREME COURT ON WRIT OF PROHIBITION OR IN THE ALTERNATIVE MANDAMUS

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

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inclusive,

1 COME NOW, Plaintiffs by and through their attorneys of record, the law firm of 2 Robertson, Johnson, Miller & Williamson, and hereby file this Opposition to Motion for Stay of 3 Proceedings Pending Ruling by Nevada Supreme Court on Writ of Prohibition or in the 4 Alternative Mandamus ("Opposition"). This Opposition is based upon the below memorandum 5 of points and authorities, all exhibits attached thereto, all papers and pleadings on file herein, and 6 any oral argument the Court desires to hear. 7 DATED this 9th day of April, 2024. 8 ROBERTSON, JOHNSON, MILLER & WILLIAMSON 9 50 West Liberty Street, Suite 600 Reno, Nevada 89501 10 And 11 LEMONS, GRUNDY & EISENBERG 6005 Plumas Street, Third Floor 12 Reno, Nevada 89519 13 Jarrad C. Miller, Esq. 14 Briana N. Collings, Esq. 15 Attorneys for Plaintiffs 16 17 18 19 20 21 22 23 24 25 26 27

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

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### MEMORANDUM OF POINTS AND AUTHORITIES

### I. INTRODUCTION

Defendants' most recent request for a stay is just a continuation of their quest to make this litigation as unjust, costly, and dilatory as possible such that Defendants can achieve their long-standing goal: to devalue the units and acquire them for pennies on the dollar. Such a result would effectively offset the damages awards and render key aspect of the Court's Findings of Fact, Conclusions of Law and Judgment, entered October 9, 2015 ("FFCLJ"), meaningless. This time the excuse for a stay is a pending Writ Petition ("Writ") filed with the Nevada Supreme Court ("NSC") that, even after the NSC's December 29, 2023 Order clarifying and confirming this Court's jurisdiction, asks the NSC to find that this Court lacks jurisdiction. The Writ is based on a false narrative contrived from Defendants' fantasies about the scope of the litigation and is dispelled by the record. In truth, the Writ is nothing more than an ill-fated request to have the NSC overturn its December 29, 2023 Order finding that this Court continues to have jurisdiction over the receivership until a final accounting.<sup>1</sup>

Equally important is Defendants, via the Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration of Covenants, Restrictions and Reservation of Easements, recorded February 27, 2023 ("Agreement to Terminate"), have stipulated to the termination and sale of the units through the receivership. Defendants are now estopped from challenging the Court's jurisdiction to supervise the dissolution and sale process and certainly should not be granted a stay to slow down what they have already agreed to under the Agreement to Terminate.

While the requested stay is unsupported by fact and law, it would also, again, deprive Plaintiffs of any economic benefit from their units before they are sold while Plaintiffs are also

<sup>&</sup>lt;sup>1</sup> Notably, Defendants *also* submitted a formal petition for rehearing of the December 29, 2023 Order, thus requiring the NSC to unnecessarily expend resources to consider this same argument twice—even though it has already squarely rejected the argument.

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 having to fund this costly litigation and related appeals.<sup>2</sup> Plaintiffs have already been deprived of rents from 2020 to mid-2023, which Defendants continue to hold to date.

Fortunately, Defendants bear the burden of establishing the need for their requested stay, which would only further delay a final resolution of this litigation. Any stay requires the Court to consider: "(1) whether the object of the appeal or writ petition will be defeated if the stay or injunction is denied; (2) whether appellant/petitioner will suffer irreparable or serious injury if the stay or injunction is denied; (3) whether respondent/real party in interest will suffer irreparable or serious injury if the stay or injunction is granted; and (4) whether appellant/petitioner is likely to prevail on the merits in the appeal or writ petition." NRAP 8(c).

Defendants cannot demonstrate a stay is warranted under the four factors. Further, it cannot be understated that the requested stay concerns the release of rental proceeds under Courtapproved fees, which are clearly not damages as Defendants incessantly and falsely claim. Moreover, Defendants are entitled to keep half of the rental proceeds from the rental of Plaintiffs' units after fees and thus a claim of irreparable or serious injury is a farce.

To the extent Defendants argue they will not be able to recover any rental proceeds paid to Plaintiffs, this argument is hollow and must be rejected. First, Plaintiffs already have an unpaid, existing judgment against Defendants of approximately \$28 million with interest, which has been and will continue to accrue interest until it is paid in full. Second, both Defendants' and Plaintiffs' condominium units are now owned by the GSRUOA with the Receiver as trustee, virtually eliminating any chance that the Receiver could not account for or equalize any amount Defendants might be owed as a result of the Writ.

The Receiver is trustee over the GSRUOA, the entity that owns the units, and there is an order to continue renting all of the units until they are sold and for the Receiver to prepare a final accounting. Those tasks should not be delayed in any way—this litigation has simply gone on too long. A stay would only serve to exacerbate the continuing delays of preparing a final

<sup>&</sup>lt;sup>2</sup> There are currently three standard appeals being briefed, all filed by Defendants, the Writ (to which Plaintiffs filed an answer on April 5, 2024), and another petition for writ relief Defendants filed April 8, 2024.

2.8 Robertson, Johnson, Miller & Williamson

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accounting, determination of fair market value and sale of the units, which would largely bring this action to conclusion before this Court.

Finally, the request for a stay is based upon a fatally flawed Writ that uses false statements to induce even more briefing before the NSC to effectively have a decided jurisdictional issue reconsidered. Defendants are very unlikely to prevail on the Writ.

The Court should reject Defendants' request for a stay which, once again, seeks to make this litigation "unjust, dilatory, and costly" for Plaintiffs. (FFCLJ at 2:22-25.)

### II. RELEVANT FACTUAL BACKGROUND

Plaintiffs' Second Amended Complaint tracks the Court's FFCLJ in that this litigation was commenced, in large part, to appoint a receiver to stop Defendants' tortious conduct of falsely reporting and manipulating the rental of Plaintiffs' units to devalue them so that Defendants could "purchase the devalued units at nominal, distressed prices when [Plaintiffs] decide to, or are effectively forced to, sell their units because the units fail to generate sufficient revenue to cover expenses and have no prospect of selling their persistently loss-making units to any other buyer." (FFCLJ at 13-15.)

The Receiver has been vested with authority over the unit rentals since the receivership was put into place. (See Order Appointing Receiver and Directing Defendants' Compliance, filed January 7, 2015 ("Appointment Order"). Since the inception of the Appointment Order, Defendants have obsessively tried to stop the flow of rents to the Plaintiffs under the Governing Documents applied through the receivership. (See e.g., Order Granting Motion for Instructions to Receiver, filed February 15, 2019, calling for disgorgement of rents misappropriated during the erroneous first appeal; Order Granting Motion for Clarification, filed December 24, 2020, requiring the recommence of rental payments; Order Granting Receiver's Motion for Orders & Instructions, filed January 4, 2022, concerning rental of the units; Order, filed March 27, 2023, requiring payment of rents to the Receiver; Order Modifying March 14, 2023 Order re Continued Rental of the Parties' Units Until Sale, filed June 27, 2023, concerning continued rental of units.) Defendants have continuously tried to use the nonpayment of rents as a method to financially crush Plaintiffs so they cannot economically pursue this litigation to a fair and final resolution.

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 In early 2022, after finally acquiring a sufficient number of units (through falsely reporting rents and expenses to make the units seem unviable) to control the results of a vote to terminate the GSRUOA, Defendants noticed a meeting to vote to terminate the GSRUOA. Plaintiffs filed a motion challenging this action, as Defendants had shown that, without appropriate oversight, they would manipulate the process so they could purchase Plaintiffs' units at "nominal, distressed prices." (FFCLJ at 13-15.) This move was merely a new method to circumvent this proceeding to achieve their long-sought goal.

On December 5, 2022, this Court issued an order resolving the motion ("December 5, 2022 Order"). The December 5, 2022 Order allowed Defendants to terminate the GSRUOA and directed the parties' units to be sold (to an entity owned and controlled by Defendants) through the Receiver pursuant to NRS 116.2115. (Id.) The December 5, 2022 Order contemplated giving Defendants exactly what they requested, i.e., the ability to terminate the GSRUOA and purchase Plaintiffs' units; and, at the same time contemplated an orderly procedure for valuing and selling the units, with oversight by the Court and the Receiver so as not to render key portions of the FFCLJ meaningless. (Id.)

After Defendants obtained the Court's approval to terminate the GSRUOA and force a sale of Plaintiffs' units, the parties entered an agreement which, together with this Court's orders, provides a comprehensive, efficient, and fair procedure for the appraisal and sale of all the Plaintiffs' units through the receivership. The parties' court-approved Agreement to Terminate dictates that:

Following termination of the Condominium Hotel, all of the common elements, shared components, and units of the Condominium Hotel shall be sold pursuant to the terms of a subsequently drafted Agreement . . . and further Court Order from the [district court] ("Receivership Action"). Pursuant to NRS 116.2118(5), approval of the yet to be drafted [Agreement] must take place at a meeting and receive approval from the Hotel Unit Owner and 80% of the Units' Owners and be approved by the Court in the Receivership Action.

For all real estate to be sold following termination, title to that real estate, upon execution of this termination agreement, vests in the

Association with the Receiver as trustee[] for the holders of all interests in the units.

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 Until the sale has been concluded and the proceeds thereof distributed *upon Court approval in the Receivership Action*, the Association continues in existence with all powers it had before the termination *under the receivership*. Upon execution of the sale document and distribution of the proceeds and *an order issued in the Receivership Action* the Association will be terminated.

(Agreement to Terminate at 11; emphases added.) Defendants thus ratified, and explicitly agreed to, the December 5, 2022 Order's procedure and that the receivership would continue to accomplish these tasks—which are currently being worked on.

Despite entering into the Agreement to Terminate and its critical terms that the termination and sale would be through the receivership in this action, Defendants have since attempted to convince the NSC that this Court no longer has jurisdiction over the receivership (these action have been a blatant attempt violate the Agreement to Terminate and to, thus, steal the unpaid 2020 to mid-2023 rents and purchase the units at below fair market value). In that regard, on December 29, 2023, the NSC after taking briefing on the jurisdictional issues, entered a detailed order concerning this Court's continuing jurisdiction over the receivership.

As this court has explained, a final judgment in a receivership action is one that approves or rejects all of the items in the receiver's final account and directs distribution of any remaining funds. [E. Martin & Co. v. ]Kirby, 34 Nev. [205,] 214, 117 P. [2,] 4; see also Alper v. Posin, 77 Nev. 328, 331, 363 P.2d 502, 503 (1961) (relying on the "dictum" in Kirby in determining that an order confirming sale is not the final judgment when the receiver must still liquidate debts, wind up affairs, distribute proceeds, and present a final report to the court, which must then act on it), abrogated on other grounds by Lee [v. GNLV Corp.], 116 Nev. 424, 996 P.2d 416; see generally Conlon v. Kelly, 92 N.E. 109, 110 (N.Y. 1910) (providing that an order discharging the receiver, awarding a party possession of the property, and directing the money in the hands of the receiver collected for rents to be turned over "is regarded as a final order in a special proceeding"); Theatres of Am., Inc. v. State, 577 S.W.2d 542, 547 (Tex. Civ. App. 1979) ("The orders of the trial court approving the final report of the receiver, discharging the receiver, and taxing costs of the receivership are final and appealable."). In other words, the final judgment must wrap up all pending receivership matters. Although a final judgment on the damage's claims may end the need for a receivership, the district court here intentionally and expressly maintained the receivership post-judgment to dissolve

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the association, sell the units, conduct accountings, and wind up the receivership estate. It appears that the court had jurisdiction to do so. See County of Sacramento v. Singh, 280 Cal. Rptr. 3d 267, 273 (Ct. App. 2021) ("Dismissal of the complaint does not deprive the trial court of jurisdiction to settle the receiver's account and discharge the receiver."); Julian v. Schwartz, 34 P.2d 487, 488 (Cal. 1934) ("Examination of the authorities indicates that an appeal from the judgment does not serve to divest the trial court of jurisdiction to deal with an ancillary receiver (the equivalent of which we have before us in the present case) and the funds or property held by him."); Ireland v. Nichols, 1870 WL 7433 (N.Y. Super. 1870) ("According to the current of the authorities, the entry of the judgment in favor of the defendants had the effect of ending the functions of the receiver, but the receiver is not discharged thereby. The court may, according to the exigencies of the case, upon good cause shown, either continue or discharge him by a further order, upon an examination of the peculiar facts of this case."). As we conclude that the receivership is ongoing and no final judgment has been entered, Alper, 77 Nev. at 331, 363 P.2d at 503, it follows that the district court properly certified as final the amended judgment resolving the damages claims under NRCP 54(b), and we deny appellants' motion to set aside or strike the certification.

(<u>Id</u>. at 23-24.) Despite this clear ruling, Defendants are again challenging this Court's jurisdiction over the receivership, and its ability to continue the receivership at this juncture. Defendants argue to this Court that their meritless challenge merits a stay—further delaying a final resolution of this proceeding. Specifically, Defendants assert:

- (1) The District Court is acting without jurisdiction by directing the Receiver to control the termination of the GSRUOA even though the termination of the GSRUOA exceeded the scope of the operative Second Amended Complaint and further conflicts with NRS 116; and,
- (2) The District Court is acting without jurisdiction by ordering Defendants, through the Receiver, to continue the rental program and turn over a portion of rents to Plaintiffs, (Real Parties before the Nevada Supreme Court) as additional compensatory damages for unpled claims.

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(Id. at 6-7; emphases supplied.)

The NSC has already determined in its December 29, 2023 Order that this Court has jurisdiction. Defendants' new effort to overturn this decided issue, causing more delay and wasted attorneys' fees and costs, is based upon a misguided argument that the continued rental of the units and oversight over the sale of the units exceeds the scope of the Plaintiffs' Second Amended Complaint. First, the idea that the relief exceeds the scope of the Complaint is simply

2.8

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

false and of no legal consequence. (See FFCLJ at 13-15, setting forth Plaintiffs' allegations that Defendants' actions in this regard prompted the lawsuit and call for relief.) Second, Defendants chose the Court's dissolution plan as demonstrated by the Parties' Agreement to Terminate. Defendants are now estopped from claiming the Court lacks jurisdiction.

Defendants argue the enforcement of the subject orders must be stayed pending a decision on the Writ, but this argument lies on an improper foundation. The amounts to be turned over are for rents, not damages. The amounts are rental proceeds that are rightfully owed to Plaintiffs for Defendants' rental of Plaintiffs' units, of which, under the existing URAs, the Defendants already keep half after fees. The juxtaposition of these categories of funds cannot be understated: Defendants have no right to withhold funds which are absolutely owed to Plaintiffs for the rental of their units until the units are actually sold. To stop the rental would violate the intent of the Agreement to Terminate and the Court's existing orders.

### III. LEGAL STANDARD

The proponent of a stay bears the burden of establishing its need. <u>Clinton v. Jones</u>, 520 U.S. 681, 708 (1997). Before granting a stay pending appeal, the Court must generally consider: "(1) whether the object of the appeal or writ petition will be defeated if the stay or injunction is denied; (2) whether appellant/petitioner will suffer irreparable or serious injury if the stay or injunction is denied; (3) whether respondent/real party in interest will suffer irreparable or serious injury if the stay or injunction is granted; and (4) whether appellant/petitioner is likely to prevail on the merits in the appeal or writ petition." NRAP 8(c). Although Defendants provided the Court with a declaration from their counsel, Defendants do not provide any other evidence demonstrating these factors weigh in favor of a stay.

While no one factor alone is sufficient for a stay to be granted, "there must be a 'threshold showing' for each factor before a court can even begin balancing them." <u>Guardado v. Nevada</u>, 2:18-cv-0198-GMN-VCF, 2018 WL 6435328, at \*1 (D. Nev. Dec. 6, 2018) (quoting <u>Leiva-Perez v. Holder</u>, 640 F.3d 962, 965-66 (9th Cir. 2011)). "[I]f the appeal appears frivolous or if the appellant apparently filed the stay motion purely for dilatory purposes, the court should deny the stay." <u>Mikohn Gaming Corp. v. McCrea</u>, 120 Nev. 248, 253, 89 P.3d 36, 40 (2004). A

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

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Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 party's litigation conduct can result in the party being estopped from taking certain positions. See Marcuse v. Del Webb Comtys., Inc., 123 Nev. 278, 287, 163 P.3d 462, 468-69 (2007). As recognized by Defendants, their writ "serves to stop a district court from carrying on its judicial functions when it is acting outside its jurisdiction." (Defendants' Motion for Stay of Proceedings Pending Ruling by Nevada Supreme Court on Writ of Prohibition or in the Alternative Mandamus, filed March 22, 2024 at 6:27-28.)

When "the underlying proceedings could be unnecessarily delayed by a stay," a stay should not be granted. <u>Hansen</u>, 116 Nev. at 658, 6 P.3d at 987. Moreover, "if the appeal appears frivolous or if the appellant apparently filed the stay motion purely for dilatory purposes, the court should deny the stay." <u>Mikohn</u>, 120 Nev. at 253, 89 P.3d at 40.

### IV. ARGUMENT

### A. The Object of the Writ Cannot be Defeated if the Stay is Denied

Defendants argue the purpose of their Writ will be defeated without a stay because they will be unable to recover any overpayment of rental proceeds. The object of Defendants' Writ will not be denied by requiring Defendants to turnover rental proceeds for the actual rental of Plaintiffs' units pending resolution of the Writ. There is nothing irreversible about requiring Defendants to turnover rental proceeds to the Receiver for dissemination to Plaintiffs—who are the rightful owners of such proceeds until the units are actually sold. (See Appointment Order at Exs. 2 and 3, outlining the contractual agreement between the parties whereunder Defendants rent Plaintiffs' units, charge certain fees therefor, and then split the proceeds with Plaintiffs.) In fact, there are multiple funding sources from which the Defendants could be reimbursed for any overpayment (e.g., the approximately \$28 million in existing judgments with interest and the sale proceeds from the units).

In fact, even the case Defendants cite to support their claim of irreparable harm undercuts their position. That case provides, "[i]f expenditures cannot be recouped, the resulting loss may be irreparable." Philip Morris USA Inc. v. Scott, 561 U.S. 1301, 1304 (2010). The judgment monies there were to fund a government program, not compensate the plaintiffs; so, if the

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 judgment was reversed, funds expended by the government program administrators would be unrecoverable. <u>Id</u>.

This matter is nothing like <u>Philip Morris</u>. Here, the funds will not be irrevocably expended; they will be distributed to Plaintiffs, from whom reimbursement can be ordered and collected as detailed above. And, Plaintiffs will be severely harmed by continued deprivation of the rental proceeds to which they are entitled. (<u>See</u> Appointment Order at Exs. 2 and 3.)

Finally, a party who "simply asserts" the other "[is] unlikely to be able to pay" has not shown irreparable harm as this statement could be made by "virtually every person" who sues someone. Freedom Mortgage Corp. v. Madariaga, 2020 WL 6798062, at \*3 (E.D. Cal., Nov. 19, 2020; unpublished). Where irreparable harm might exist when a potential debtor "is insolvent or facing imminent bankruptcy," a finding of irreparable harm "must be grounded on something more than conjecture, surmise, or a party's unsubstantiated fears of what the future may have in store." Id.

Thus, there is no reason the object of the Writ would be denied if a stay is not put into place. This factor therefore weighs heavily against any stay.

### B. The Only Parties Who Will be Harmed by a Stay Are Plaintiffs

There is only one side that has suffered prior to and throughout these proceedings, and will suffer further if a stay is imposed: Plaintiffs. Beginning with Defendants' blatant thievery, for which nothing has been paid on the existing judgment, and continuing with Defendants' gross discovery abuses leading to case-terminating sanctions, a wrongful jurisdictional dismissal which was successfully overturned on appeal, and now Defendants' request to not release rental proceeds rightfully owing to Plaintiffs (again baselessly claiming a jurisdictional issue), Plaintiffs have suffered at Defendants' hands for over a decade.<sup>3</sup> Now, Defendants hypocritically argue they will suffer irreparable harm if they are required to turn over rents. What adds insult to injury is that Plaintiffs still have not even received the rents from 2020 to

<sup>&</sup>lt;sup>3</sup> It is worthy of note that after the FFCLJ, Defendants convinced the Court to dismiss the case for lack of jurisdiction causing years of needless costly delay. Now that the Court's dissolution plan with the Parties' Agreement to Terminate is being implemented, the Defendants again seek a delay of this action through a claimed jurisdictional issue.

2.8 Robertson, Johnson,

Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 mid-2023. Defendants argue they may not be able to recoup these amounts in the unlikely event they prevail on the extraordinary Writ that seeks an overhaul of the NSC's December 29, 2023 jurisdictional decision. This argument is unfounded and ignores the history of this case, and thus falls far short of the showing required to warrant a stay.

It is clear here that Defendants' motion for stay is yet another dilatory tactic intended to delay the final resolution of this matter—making the proceeding as unjust, dilatory, and costly as possible for these Plaintiffs who have suffered years of litigation abuses by Defendants.

### i. These amounts are rental proceeds, not damages

The simple fact that the amounts to be paid to the Receiver are *not* damages cannot be understated; rather, these amounts are rental proceeds. Damages are intended to make a plaintiff whole. Davis v. Beling, 128 Nev. 301, 316, 278 P.3d 501, 512 (2012); Martin v. Sears, Roebuck and Co., 111 Nev. 923, 929, 899 P.2d 551, 555 (1995); Univ. of Nevada v. Tarkanian, 110 Nev. 581, 597-98, 879 P.2d 1180, 1190 (1994). These rental proceeds, on the other hand, are not intended to make Plaintiffs whole as a result of Defendants' bad actions. The rental proceeds to be turned over are simply what Plaintiffs are owed for Defendants' rental of Plaintiffs' units. Plaintiffs need this rental revenue, in some cases to service debt on the units and in all cases, to fund this endless litigation to protect their property interests and legal rights.

Indeed, the FFCLJ, and the Court's order granting punitive damages are what provide damages to Plaintiffs as a result of Defendants' bad acts. Neither of these Court orders, however, provide for the rental proceeds owed to Plaintiffs from 2020 to present. In fact, the receivership was put into place partially to ensure these proceeds were provided to Plaintiffs, thereby stopping the continuous damages claims and continuing until the units are sold. (See, e.g., Order Granting Motion for Instructions, filed February 15, 2019, requiring rents withheld during the erroneous appeal to be recalculated and disgorged by the Receiver.) The rents are paid through the receivership and are not damages, but rather are contractually-owed funds.

Further, now under the Agreement to Terminate, the Receiver has control over the Parties' property and indeed the GSRUOA now holds title to all of the units with the Receiver as trustee. The Receiver should therefore be receiving and distributing all of the current rental

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Miller & Williamson 50 West Liberty Street. Suite 600 Reno Nevada 89501

proceeds to all units.<sup>4</sup> Thus, because the rents are *not* damages and the Receiver has control of the rental proceeds now as trustee over all of the units, there is no legitimate legal issue pertaining to the turnover of the rents.

### There are multiple funding sources from which Defendants could recover for ii. any (highly unlikely) reversal of payments

Defendants argue they will suffer irreparable harm if they follow the Governing Documents and Court orders to turn over the conservatively calculated proceeds to the Receiver for distribution to Plaintiffs. This argument is wholly belied by the record in this matter, as there are at least three (3) revenue streams from which Defendants could recover any overpayment.

First, as Defendants and the Court are keenly aware, Plaintiffs have won a judgment which is currently approximately \$28 million with interest and will continue to accrue interest until satisfied. (See Corrected Second Amended Final Monetary Judgment, filed July 10, 2023.) As the Court is aware, portions of the judgment are beyond any of Defendants' fantastical disputes/appeal issues: Defendants admittedly rented Plaintiffs' units without rental agreements and then stole all the rental revenue. (See Order, filed January 17, 2023 at 3, n.6, awarding punitive damages based upon Defendants' representative's admissions of scheme.) Thus, the judgment is an ample funding source from which Defendants could recoup any unlikely overpayment of these proceeds by way of a setoff of the stolen funds.

Second, the Court has ordered continued rental of the Plaintiffs' units until they are sold. (Order, filed March 14, 2023 at 2:2-3; Order Modifying March 14, 2023 Order re Continued Rental of the Parties Units Until Sale, filed July 27, 2023.)

Finally, the Court has allowed Defendants to terminate the GSRUOA with the expectation that the former units will be sold. (Order, filed January 26, 2023 at 3:12-19, 4:1-4; December 5, 2022 Order.) Although the actual fair market value of the units has yet to be

<sup>&</sup>lt;sup>4</sup> If the Court were to grant the Defendants' stay, the Receiver as owner of the units would need to treat all unit owners equally and either stop the rental of ALL units (including Defendants) and/or keep the rental proceeds of ALL units including Defendants until the Writ is decided. Clearly, Defendants cannot have their cake and eat it too. (See Order, filed March 14, 2023 at 1, finding that not renting the condo units would be "economic waste".)

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 determined, these sale proceeds certainly provide a third source of funds in the unlikely event Defendants prevail on the Writ.

As is clear, Defendants' concern about their potential inability to recoup the amounts is a farce. There is thus no irreparable harm to Defendants posed by the payout of the rental proceeds because any harm could be easily remedied.

### C. Defendants Are Highly Unlikely to Succeed on the Writ

Defendants' Writ seeks extraordinary relief. "Extraordinary relief should be extraordinary." Walker v. Second Jud. Dist. Ct., 136 Nev. 678, 678, 476 P.3d 1194, 1995 (2020). The decision to issue extraordinary relief is within this court's discretion. Daane v. Eighth Jud. Dist. Ct., 127 Nev. 654, 655, 261 P.3d 1086, 1087 (2011). This court limits this discretion to cases presenting serious issues of substantial public policy, or involving important precedential questions of statewide interest. Poulos v. Eighth Jud. Dist. Ct., 98 Nev. 453, 455, 652 P.2d 1177, 1178 (1982). A writ petitioner bears the burden of demonstrating extraordinary relief is warranted. See Pan v. Eighth Jud. Dist. Ct., 120 Nev. 222, 228, 88 P.3d 840, 844 (2004). A writ of prohibition is available to "arrest[]the proceedings of any tribunal..., when such proceedings are without or in excess of the jurisdiction of such tribunal...." NRS 34.320. Such a writ may only issue when there is not a plain, speedy, and adequate remedy in the ordinary course of law. NRS 34.330. The right to appeal is generally an adequate legal remedy precluding writ relief. Daane, 127 Nev. at 656, 261 P.3d at 1087. Defendants have exercised their right to appeal precluding the requested writ in this case.

The rule of precluding extraordinary relief for review of interlocutory orders is necessary to avoid the opening of a floodgate of writ proceedings challenging such orders. Nevertheless, this court has recognized a narrow exception where compliance with the district court's order "could cause irreparable harm" to the petitioner. Hickey v. Eighth Jud. Dist. Ct., 105 Nev. 729, 731, 782 P.2d 1336, 1338 (1989). Extraordinary relief is only warranted in such cases upon a showing of "irreparable harm or extreme prejudice." NAD, Inc. v. Eighth Jud. Dist. Ct., 115 Nev. 71, 78, 976 P.2d 994, 998 (1999). A request for extraordinary relief that is rarely granted should not be the basis for a stay in the district court.

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Robertson, Johnson, Miller & Williamson 0 West Liberty Street, Suite 600 Reno Nevada 89501

Defendants' Writ is doomed in light of Defendants' plain, speedy, and adequate legal remedy—an appeal—which they are concurrently pursuing in the NSC. Defendants repeatedly seek multiple rounds of reconsideration of hard-fought issues as a primary component to their scheme to exhaust Real Parties in this litigation and convince them to sell their units to Petitioners for distressed prices. (See, e.g., No. 86092, Emergency Motion Under NRAP 27(e) to Stay Orders and Enforce NRCP 62(d)'s Automatic Supersedeas Bond Stay; No. 86092, Appellants' Reply in Support of Motion to Maintain or Reinstate Stays Pending Panel Rehearing and En Banc Reconsideration of December 29, 2023 Order.) The Writ is no exception to Defendants' tired strategy.

The Writ sets forth three issues. First, the Writ asks whether the Court has exceeded its jurisdiction by "dictating the terms, through a receiver, for the dissolution of a common-interest community and sale of condo units. . . . " (Writ at 2.) Second, the Writ asks whether the Court has exceeded its jurisdiction "by directing a receiver to continue to rent the former units in the now dissolved common-interest community and to pay those funds to the Real Parties in Interest ...." (Id.) Third and finally, the Writ asks whether the Court is exceeding its jurisdiction when it allows the Receiver "to continue to act after a default judgment and the entry of damage awards . . . . " (Id.) These issues are being concurrently briefed in other appeals or have already been addressed by the NSC.

Defendants filed No. 85915 after the December 5, 2022 Order was entered, which allows Defendants to terminate the GSRUOA, but also provides safeguards against Defendants' track record of fraudulent actions. Appeal No. 85915 questions "[w]hether the district court erred when it granted a preliminary injunction that ordered a dissolution procedure that deviates from, and conflicts with, the statutory requirements for dissolving a common-interest community." (No. 85915, Docketing Statement at 4.) This issue, questioning the validity of the December 5, 2022 Order and whether its terms conflict with other laws, mirrors and encompasses the Writ's first issue. Thus, not only do Defendants indisputably have a plain, speedy, and adequate legal remedy to address this perceived issue, Defendants are actively pursuing it.

 (Notice of Appeal, filed January 3, 2023.) Defendants notably did not seek to stay the December 5, 2022 Order while No. 85915 was briefed and considered. To the contrary, Defendants entered into a stipulation which ratified most of the contents of the December 5, 2022 Order. (Order Approving Parites' Stipulation, filed February 7, 2023.) It is absurd for Defendants to now argue they have no plain, speedy, and adequate legal remedy when No. 85915 *is* a plain, speedy, and adequate remedy. Daane, 127 Nev. at 656, 261 P.3d at 1087.

Defendants next filed their appeal from the Final Judgment. (Notice of Appeal, filed

NRAP 3A(b)(3). Defendants immediately filed a notice of appeal to seek redress from the order.

Indeed, the December 5, 2022 Order is an immediately appealable interlocutory order.

March 1, 2023.) This appeal sets forth 11 separate issues, including "[w]hether the district court can amend or modify, by court order, the statutory terms controlling the termination of a UOA and subsequent sale of Units under NRS Chapter 116." (No. 86092, Docketing Statement at 14.) This issue again addresses the propriety of the December 5, 2022 Order. Defendants thus have twice sought the very same relief they are seeking in their Writ now.

This Court then entered its Amended Final Judgment from which Defendants filed a notice of appeal. (Notice of Appeal, filed July 11, 2023.) This appeal presents 16 issues. (No. 86985, Docketing Statement.) One such issue is "[w]hether the district court erred when it refused to terminate the receivership and continued ordering disbursements as a substitute for compensatory damages beyond those prayed for in the complaint and in violation of NRCP 54(c)." (No. 86985, Docketing Statement at 14.) This issue is identical to the Writ's second issue: whether the district court is exceeding its jurisdiction by ordering Real Parties' units to be rented and the receiver to distribute such rental proceeds. (Writ at 2.) Again, Defendants cannot credibly argue they have no plain, speedy, and adequate remedy when they have filed an appeal on the very same issue, and the appeal briefing is well underway.

The same holds true for the Writ's final issue: whether the district court is exceeding its jurisdiction by allowing the receivership to continue to function after the monetary damage awards have been entered. (Writ at 2.) In No. 86985, Defendants question "[w]hether the district court erred by appointing a receiver, conferring certain powers, and expanding its

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501 authority through procedurally and substantively improper means." (No. 86985, Docketing Statement at 14.) Thus, No. 86985 and the Writ question the propriety of the ongoing receivership—again, showing that Defendants have an adequate appeal remedy. As to this final issue, the NSC recently determined the receivership is appropriately still active as the Receiver has not completed a final accounting yet. (December 29, 2023 Order.)

The Writ seeks yet another opportunity to rehash tired arguments the NSC has already rejected with respect to the receivership continuing to operate. Thus, not only do Defendants have a plain, speedy, and adequate remedy through which they can seek redress of this Court's perceived wrongful act, *i.e.*, filing appeal Nos. 86902 and 86985, Defendants have already had this question answered by the NSC, after full briefing on the issue. In fact, the Writ appears to simply invite conflicting rulings by the NSC given the NSC will consider duplicative issues in separate proceedings.

Defendants' scorched earth litigation strategy is on full display: while Defendants' multiple appeals seeking the NSC's determination of a variety of issues are being briefed, Defendants now seek the very same relief through the Writ—and a stay from this Court while the NSC considers the meritless writ. This strategy not only exhausts Plaintiffs' resources, the strategy wastes judicial resources as well, as the NSC will be deciding the same issues numerous times. Defendants' Writ is doomed because Defendants have a plain, speedy, and adequate remedy. Indeed, they can, *and have*, filed direct appeals of the very same issues they now seek to be addressed in their petition.

Because Defendants' Writ is destined to fail, the Court should deny Defendants' request for a stay which will only delay this proceeding further.

### D. The Defendants Have Produced Some of the Rotation Data Responses

Finally, Defendants also assert that the Court should stay their obligation to respond to the very limited post judgment discovery requests concerning room rates and occupancy for all hotel and condo units for the two years prior to the termination of the GSRUOA. Specifically, Defendants assert "[y]our declarant is informed and believes that the time and expense that will be incurred by GSR and its staff to locate and produce the DOCUMENTS, including ledgers,

journals, reports and spreadsheets related to daily occupancy and daily room rental rates for 2000 rooms for a period of time spanning 2 years will be significant." (Id. at 5.)

Emphasizing that Defendants have significantly exaggerated any (non-existent) harm to Defendants, Defendants have already produced some of this very data. (Ex. 1, Defendants' Response to Plaintiffs' Post-Judgment Requests for Production.) While Plaintiffs are currently assessing the completeness of these responses, including the spreadsheets produced, Defendants' claims that producing this information will cause undue harm are meritless as Defendants were capable of producing such information—and before the statutory deadline ran for such production.

### V. **CONCLUSION**

Defendants have made repeated efforts to stop the Plaintiffs receiving rents to try and starve them out of obtaining justice. The Court should not condone any further delays of justice in this case.

Granting Defendants' request for a stay would only serve to further delay this matter. Accordingly, the Court should deny Defendants' motion in full in order to stop any further delay in bringing this litigation to a close.

### **AFFIRMATION**

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

DATED this 9<sup>th</sup> day of April, 2024.

ROBERTSON, JOHNSON, MILLER & WILLIAMSON 50 West Liberty Street, Suite 600 Reno, Nevada 89501

And

LEMONS, GRUNDY & EISENBERG 6005 Plumas Street, Third Floor Reno, Nevada 89519

> Jarrad C. Miller, Esq. Briana N. Collings, Esq.

Attorneys for Plaintiffs

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

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### **CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson,
Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of
18, and not a party within this action. I further certify that on the 9 <sup>th</sup> day of April, 2024, I caused
to be electronically transmitted, a true and correct copy of the foregoing OPPOSITION TO
MOTION FOR STAY OF PROCEEDINGS PENDING RULING BY THE NEVADA
SUPREME COURT ON WRIT OF PROHIBITION OR IN THE ALTERNATIVE
MANDAMUS, I further certify that I caused a true and correct copy to be deposited in the U.S.
Mail, first class postage fully prepaid thereon, addressed to the following:

Abran Vigil, Esq.	Ann O. Hall, Esq.
Meruelo Group, LLC	David C. McElhinney, Esq.
Legal Services Department	Meruelo Group, LLC
5 <sup>th</sup> Floor Executive Offices	2500 E. 2 <sup>nd</sup> Street
2535 Las Vegas Boulevard South	Reno, NV 89595
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Attorneys for Defendants	Attorneys for Defendants
MEI-GSR Holdings, LLC,	MEI-GSR Holdings, LLC,
Gage Village Commercial	Gage Village Commercial
Development, LLC, and	Development, LLC, and
AM-GSR Holdings, LLC	AM-GSR Holdings, LLC
Jordan T. Smith, Esq.	F. DeArmond Sharp, Esq.
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MEI-GSR Holdings, LLC;	Attorneys for Receiver
Gage Village Commercial	Richard M. Teichner
Development, LLC; and	
AM-GSR Holdings, LLC	

An Employee of Robertson, Johnson, Miller & Williamson

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2.8
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Miller & Williamson
50 West Liberty Street,

Suite 600 Reno Nevada 89501 

### **EXHIBIT INDEX**

1				E	XHIBIT INI	DEX			
2	Ex. No.	Description							Pages
3	1	Defendants' Production	Response	to	Plaintiffs'	Post-Judgment	Requests	for	6
4		Floduction							
5									
6									
7									
8									
9									
10									
11									
12									
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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno Nevada 89501

# Exhibit 1 Cover Page

ABRAN VIGIL, ESQ. 1 Nevada Bar No. 7548 2 ANN HALL, ESQ. Nevada Bar No. 5447 DAVID C. McElhinney, Esq. 3 Nevada Bar No. 0033 4 MERUELO GROUP, LLC Legal Services Department 5th Floor Executive Offices 5 2535 Las Vegas Boulevard South Las Vegas, NV 89109 Tel: 562.454.9786 6 abran.vigil@meruelogroup.com ann.hall@meruelogroup.com david.mcelhinney@meruelogroup.com 8 JORDAN T. SMITH, ESQ. Nevada Bar No. 12097 PISANELLI BICE PLLC 10 400 South 7<sup>th</sup> Street, Suite 300 Las Vegas, Nevada 89101 11 Tel: 702.214.2100 JTS@pisanellibice.com 12 Attorneys for Defendants MEI-GSR Holdings, 13 LLC, AM-GSR Holdings, LLC, and GAGE Village Commercial Development, LLC 14 15 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 16 IN AND FOR THE COUNTY OF WASHOE 17 18 Case No.: CV12-02222 ALBERT THOMAS, et al., 19 Plaintiffs, Dept. No.: OJ37 20 21 MEI-GSR HOLDINGS, LLC, a Nevada **DEFENDANTS' RESPONSE TO** 22 Limited Liability Company; AM-GSR PLAINTIFFS' POST-JUDGMENT Holdings, LLC, a Nevada Limited Liability REQUESTS FOR PRODUCTION Company; GRAND SIERRA RESORT 23 UNIT OWNERS' ASSOCIATION, a Nevada Nonprofit Corporation; GAGE 24 VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada Limited Liability Company; and, DOES I through X 26 inclusive, Defendants. 27 28

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Come now, Defendants MEI-GSR HOLDINGS, LLC ("MEI-GSR"), AM-GSR Holdings, LLC, and GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC (collectively "Defendants") by and through their counsel Meruelo Group, LLC, and hereby respond to Plaintiffs' Post-Judgment Requests for Production as follows<sup>1</sup>:

### PRELIMINARY STATEMENT

The following Objections and Responses are based upon information presently available to Defendants, which Defendants believe to be correct. These Responses are made without prejudice to Defendants' right to utilize subsequently discovered facts and documents. Responses may be supplemented upon Defendants' further analysis, investigation, and acquisition of information. In particular, Defendants make these Responses with the intent of preserving:

- 1. Defendants' right to raise all questions of authenticity, relevancy, materiality, privilege, and admissibility concerning the documents produced, the information provided, and/or the responses and the subject matter thereof for any purpose which may arise in any subsequent proceeding, in this action or any other action or matter;
- 2. The right and good faith basis to object under NRCP 26(b)(1) that none of the Post-Judgment Requests for Production is "relevant to any party's claims" given that the requests do not relate to a surviving claim in this action;
- 3. Defendants' right to object to the use of the information and/or documents provided on any ground in any further proceeding, in this action, and in any other action or matter;
- 4. Defendants' right to make any use of, or to introduce at any hearing or trial, information and/or documents discovered after the date of Defendants' initial response, including but not limited to any information or documents obtained in discovery in this case; and

<sup>&</sup>lt;sup>1</sup> It remains Defendants' position that the receivership has terminated, neither the Hotel Condominium nor the units exist any longer and the rights and obligations under the Governing Documents, including but not limited to Plaintiffs' right to receive rental income from their former units, no longer exist for the reasons more particularly set forth in Defendants' appeal and writ documents and Defendants' Opposition to Receiver's Motion for Instructions to Receiver, filed July 26, 2023. Defendants are compelled to provide these post-judgment discovery responses according to Court order and by the submission of these responses, Defendants do not waive any of their arguments or positions taken in their appeal and writ documents.

5. Defendants' right at any time to make further answers or production, to review, correct, add to, supplement or clarify any of the answers and/or objections contained herein or to introduce or rely upon additional information and/or documents if subsequent discovery or inspection of GSR's files uncovers additional information, as Defendants' investigation of the facts and the evidence pertinent to this action is ongoing.

This Preliminary Statement is incorporated in each of the Responses set forth below as if fully set forth therein.

### **GENERAL OBJECTIONS**

Defendants' hereby assert the following General Objections, which are incorporated by reference into GSR 's specific Objections and Responses:

- 1. Defendants object to the extent any Request calls for the disclosure of information protected by the attorney-client privilege, the common interest privilege, and/or the attorney work-product doctrine.
- 2. Defendants object to any Request that seeks to impose a burden upon Defendants greater than or earlier in time than required by the Nevada Rules of Civil Procedure.
- 3. Defendants object to any Request that seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.
- 4. Defendants object to any Request that calls for the disclosure of duplicative or cumulative evidence.
- 5. Defendants object to the extent the burden or expense imposed by any Request outweighs its likely benefit, taking into account the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the litigation, and the importance and relevance of the proposed discovery in resolving the issues.
- 6. Defendants object to the extent any Request seeks information that is not known to Defendants or is not within Defendants' possession, custody, or control.
- 7. Defendants object to the extent any Request seeks information and/or documents that are publicly available.

- 8. Defendants object to the extent any Request fails to identify the requested information and/or documents with reasonable particularity.
- 9. Defendants object to the extent any Request contains terms that are undefined, vague and/or ambiguous.
- 10. Defendants object to the extent any Request is misleadingly worded and assumes facts that have not been established.
- 11. Defendants object to the extent any Request seeks information already in the possession, custody, or control of Plaintiffs or their counsel.
- 12. Defendant objects on the basis that these requests exceed the scope of allowable discovery under Rule 69 for reasons including, but not limited to, the Defendants having filed a supersedeas bond which stays post-judgment efforts to enforce the judgment.
- 13. These General Objections are incorporated by reference into each specific objection, answer and/or response set forth below.

### REQUESTS FOR PRODUCTION

### **REQUEST FOR PRODUCTION NO. 1:**

Please produce ALL DOCUMENTS demonstrating the daily occupancy for each hotel and condominium unit located within the Grand Sierra Resort from February 27, 2021, through February 27, 2023, INCLUDING, but not limited to, any ledgers, journals, reports, or spreadsheets, which should be produced electronically where possible, with reports specifically exported to Microsoft Excel or comma delimited format.

### **RESPONSE TO REQUEST NO. 1:**

Defendants incorporate herein by reference their Preliminary Statement and General Objections stated above as though fully set forth herein. Defendants further object in that this Request is overly-broad, unduly burdensome, vague and ambiguous and in no way narrowly tailored to the facts and circumstances of Plaintiff's alleged remaining claims. Subject to said objections and without waiving same, Defendants provide, via a separate link, an electronic production consisting of 3 separate Excel spreadsheets that set forth: (1) all dates between February 27, 2021

from February 27, 2021, through February 27, 2023". **REQUEST FOR PRODUCTION NO. 2:** 

Please produce ALL DOCUMENTS demonstrating the daily room rental rate for each hotel and condominium unit located within the Grand Sierra Resort form February 27, 2021, through February 27, 2023, INCLUDING but not limited to, any ledgers, journals, reports, or spreadsheets, which should be produced electronically where possible, with reports specifically exported to Microsoft Excel or comma delimited format.

and February 27, 2023 during which one or more of the rooms and units at GSR was rented, thereby

reflecting "daily occupancy for each hotel and condominium unit located within the Grand Sierra

Resort from February 27, 2021, through February 27, 2023"; and (2) also setting forth, in the same

Excel spreadsheets, the dollar amount for each night's rental of each unit, thereby reflecting the

"daily room rental rate for each hotel and condominium unit located within the Grand Sierra Resort

### RESPONSE TO REQUEST NO. 2:

Defendants' Objections and Response to Request No. 1 is incorporated by this reference as though fully set forth herein.

### AFFIRMATION Pursuant to NRS 239B.030

The undersigned does hereby affirm that this document does not contain the social security number of any person.

RESPECTFULLY SUBMITTED this April 4, 2024.

/s/ David C. McElhinney

ABRAN VIGIL, ESQ.
Nevada Bar No. 7548
ANN HALL, ESQ.
Nevada Bar No. 5447
DAVID C. MCELHINNEY, ESQ.
Nevada Bar No. 0033
MERUELO GROUP, LLC
Legal Services Department
5th Floor Executive Offices
2535 Las Vegas Boulevard South
Las Vegas, NV 89109
Attorneys for Defendants

1 **CERTIFICATE OF SERVICE** 2 Pursuant to NRCP 5(b), I certify that I am an employee of Meruelo Group, LLC and on this 3 date, I served a true and correct copy of the foregoing DEFENDANTS' RESPONSE TO 4 PLAINTIFFS' POST-JUDGMENT REQUESTS FOR PRODUCTION to the parties listed 5 below via electronic mail as follows: 6 Stefanie T. Sharp, Esq. SBN 8661 G. David Robertson, Esq. SBN 1001 Jarrad C. Miller, Esq., SBN 7093 ROBISON, SHÂRP, SULLIVAN & BRUST 7 Briana N. Collings, Esq. SBN 14694 ROBERTSON, JOHNSON, MILLER & 71 Washington Street Reno, Nevada 89503 8 Tel: (775) 329-3151 WILLIAMSON Tel: (775) 329-7169 9 50 West Liberty Street, Suite 600 dsharp@rssblaw.com Reno, Nevada 89501 10 Tel: (775) 329-5600 ssharp@rssblaw.com jarrad@nvlawyers.com Attorneys for the Receiver Richard M. Teichner 11 briana@nvlawyers.com Attorneys for Plaintiffs 12 Robert L. Eisenberg, Esq. SBN 0950 LEMONS, GRUNDY, & EISENBERG 13 6005 Plumas Street, Third Floor 14 Reno, Nevada 89519 rle@lge.net 15 Attorney for Plaintiffs 16 DATED this April 4, 2024. 17 /s/ Jennifer L. Hess An employee of Merulo Group, LLC 18 19 20 21 22 23 24 25 26 27 28

## **EXHIBIT E**

FILED Electronically CV12-02222 2024-04-15 03:39:39 PM Alicia L. Lerud 3795 1 Clerk of the Court ABRAN VIGIL, ESQ. Transaction # 1027596\$ Nevada Bar No. 7548 ANN HALL, ESQ. Nevada Bar No. 5447 3 DAVID C. MCELHINNEY, ESQ. Nevada Bar No. 0033 MERUELO GROUP, LLC Legal Services Department 5 5<sup>th</sup> Floor Executive Offices 2535 Las Vegas Boulevard South Las Vegas, NV 89109 Tel: 562.454.9786 abran.vigil@meruelogroup.com ann.hall@meruelogroup.com 8 david.mcelhinney@meruelogroup.com 9 JORDAN T. SMITH, ESQ. Nevada Bar No. 12097 10 PISANELLI BICE PLLC 400 South 7<sup>th</sup> Street, Suite 300 Las Vegas, Nevada 89101 11 Tel: 702.214.2100 12 JTS@pisanellibice.com 13 Attorneys for Defendants MEI-GSR Holdings, LLC, AM-GSR Holdings, LLC, and GAGE 14 Village Commercial Development, LLC 15 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 16 IN AND FOR THE COUNTY OF WASHOE 17 18 ALBERT THOMAS, et al., Case No.: CV12-02222 19 Plaintiffs. 20 Dept. No.: OJ37 21 MEI-GSR HOLDINGS, LLC, a Nevada 22 **DEFENDANTS' REPLY IN SUPPORT OF** Limited Liability Company; AM-GSR MOTION FOR STAY OF PROCEEDINGS || Holdings, LLC, a Nevada Limited Liability 23 PENDING RULING BY NEVADA Company; GRAND SIERRA RESORT SUPREME COURT ON WRIT OF UNIT OWNERS' ASSOCIATION, a 24 PROHIBITION OR IN THE Nevada Nonprofit Corporation; GAGE VILLAGE COMMERCIAL ALTERNATIVE MANDAMUS DEVELOPMENT, LLC, a Nevada Limited Liability Company; and, DOES I through X 26 inclusive, 27 Defendants. 28

Dated: April 15, 2024.

that is being requested of the Court.

#### I. INTRODUCTION

Over the course of its 12-year existence, this case has taken on a life of its own and, over the objections of Defendants, has morphed into a case that has run outrageously out of control and far beyond the jurisdiction of this Court in this case and far outside the dictates of Nevada law. Despite the entry of 5 separate revised or amended final judgments spanning the course of nearly 8 years, (from October 9, 2015 through July 10, 2023) the Court continues, to provide and invent relief to and for Plaintiffs that far exceeds any of the 12 claims for relief set forth in Plaintiffs Complaint. In addition to providing Plaintiffs with supplemental post-judgement damages, in the form of rental income, that to date, exceeds well over \$1 million, and to which Plaintiffs are not entitled, the relief provided by the Court runs afoul of Nevada statutory law. While other aspects of the preliminary injunction itself are on appeal, *MEIGSR Holdings, Inc. v. Thomas, et al.*, No. 85915, the issue here that serves as the basis for the requested stay is the Defendants' Writ of Prohibition or in the Alternative, Mandamus filed February 7, 2024. ("Writ"). Therein Defendants set forth the history and relevant facts of the case and present their argument that:

Defendants MEI-GSR HOLDINGS, LLC ("MEI-GSR"), AM-GSR Holdings, LLC, and

GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC (collectively "Defendants") by and

through their counsel Meruelo Group, LLC, file Defendants' Reply in Support of their Motion for

Stay of Proceedings Pending Ruling By Nevada Supreme Court on Writ of Prohibition or in the

Alternative, Writ of Mandamus, ("Reply"). Defendants' Reply is supported by the following

memorandum of points and authorities, the papers and pleadings on file herein, and oral argument

<sup>&</sup>lt;sup>1</sup> A writ of prohibition, "serves to stop a district court from carrying on its judicial functions when it is acting outside its jurisdiction." *Sonia F. v. Dist. Ct.*, 125 Nev. 495, 498, 215 P.3d 705, 707 (2009); NRS 34.320; Aspen *Fin. Servs. V. Eighth Judicial Dist. Court of Nevada.*, 128 Nev. 635, 639, 289 P.3d 201, (2012).

- The District Court is acting without jurisdiction by directing the Receiver to control
  the termination of the GSRUOA even though the termination of the GSRUOA
  exceeded the scope of the operative Second Amended Complaint and further
  conflicts with and is in violation of NRS 116; and,
- 2. The District Court is acting without jurisdiction by ordering Defendants, through the Receiver, to continue the rental program and turn over a portion of rents to Plaintiffs, (Real Parties before the Nevada Supreme Court) as additional compensatory damages for unpled claims and to which, Plaintiffs are not entitled.

#### II. RELEVANT HISTORY

Plaintiffs filed their operative complaint in 2012 and never pleaded a claim for injunctive relief, or any predicate legal claim to rescind, modify, strike, amend, or otherwise render inoperable the CC&Rs or the ownership deeds in which those Covenants, Conditions, and Restrictions are incorporated. NRS 33.010(1) authorizes an injunction when "it appears **from the complaint** that the plaintiff is entitled to the relief requested and at least part of the relief consists of restraining the challenged act." *University and Community College System of Nevada v. Nevadans for Sound Government*, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004). Here, the Plaintiffs complaint does not set forth that it is entitled to the relief requested, nor is there any request for any relief restraining any other unit owners from exercising its rights to terminate and sell as expressly provided in the 7<sup>th</sup> Amended CC&Rs and NRS 116.2118.

Yet, on March 1, 2022, well after both the 5-year rule and 3-year rule lapsed and required dismissal of this decade-old action (*Defendants Motion to Dismiss Pursuant to* NRCP 41(e), denied by the Court on November 18, 2022), Plaintiffs filed their Application for Temporary Restraining Order, and Motion for Preliminary Injunction, ("Motion"). Plaintiffs sought a Temporary Restraining Order and the scheduling of a Preliminary Injunction Hearing in order to enjoin and prevent unit owners—which would include non-parties to this litigation—from exercising their rights under the CC&Rs, (covenants that run with the land and are expressly incorporated into Unit owners deeds) and Nevada statutes which allowed them to meet and cast their votes whether or not

result in their irreparable harm.<sup>2</sup>

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<sup>2</sup> Plaintiffs offered oral argument but presented no evidence during the hearing.

thereto. (March 11, 2022 Hearing Exhibit 1: pgs. 6, 7 and 8).

Plaintiffs who were original purchasers of their units.<sup>5</sup>

to terminate the GSRUOA and sell the Property. On March 10, 2022, the parties received notice

from the Court that the matter was set for hearing for the following day, March 11, 2022. The

matter proceeded to hearing as scheduled on Plaintiffs' Application for Temporary Restraining

Order. At that hearing Plaintiffs argued that allowing the unit owners to meet and cast their votes

to terminate the GSRUOA and force a sale of their units would impair, defeat, divert, prevent or

prejudice the preservation of the Plaintiffs' interest in the Property (their condominium units) and

In opposition to Plaintiffs' Application for Temporary Restraining Order, Defendants presented

evidence to the Court that the 7<sup>th</sup> Amended CC&Rs, (one of the Governing Documents) expressly

allowed for the sale of the Property as set forth in section 9.1, pages 48 and 49 of the CC&Rs.<sup>3</sup>

Defendants presented evidence that the CC&Rs are incorporated into each one of the Plaintiffs

Deeds and title to their Units, thereby constituting deed restrictions or exceptions that define the

scope of Plaintiffs' interest in the Property. Defendants offered into evidence, without objection,

the Purchase and Sale Agreement signed by all of the original purchasers of the units, including

(1) prior to closing, the Seller would cause the CC&Rs to be recorded; (2) that Purchasers had

received a copy of the CC&Rs prior to closing; (3) that from and after closing, Purchasers would

comply with the provisions of and perform all the obligations imposed on Purchasers as unit owners

by Nevada law and the CC&Rs; (4) that Purchasers acknowledged and agreed that their

purchased unit was at all times subject to the terms and conditions of the CC&Rs; and (5) that

at the closing Seller shall convey to Purchasers title to the Unit Ownership by Grant Deed, subject

to various "Permitted Exceptions", including the CC&Rs, including all amendments and exhibits

In their Purchase and Sales Agreements, Plaintiff unit owners acknowledged, in writing, that

<sup>&</sup>lt;sup>3</sup> The 7<sup>th</sup> Amended CC&Rs, section 9.1 was offered at the hearing, as Hearing Exhibit 2 and the same was admitted into evidence without objection.

<sup>&</sup>lt;sup>4</sup> The legal description of the Plaintiffs' units, depicted in Hearing Exhibit 4, was offered and admitted into evidence without objection.

<sup>&</sup>lt;sup>5</sup> The Purchase and Sale Agreement, Hearing Exhibit 1, was offered and admitted into evidence without objection.

In addition to the Purchase and Sale Agreement, (Id. Exhibit 1), relevant excerpts from the 7<sup>th</sup> Amended CC&Rs, (Id., Exhibit 2) and the legal descriptions of the Units, (Id., Exhibit 4), Defendants offered into evidence, as Id., Exhibit 3, the provisions of NRS Chapter 116, of the Common-Interest Ownership (Uniform Act). The same was admitted into evidence without objection and it clearly reflects the right of common-interest community unit owners, such as Plaintiffs and Defendants, to meet and cast their vote to terminate the community and to enter an agreement that allows for the mandatory sale of the units for fair market value following said termination. This can be done without involvement of the Unit Owners Association or its governing board. In other words, the right of unit owners to vote to terminate the Unit Owners Association is a covenanted right within every single real estate ownership deed upon which Plaintiffs base their interest. At the conclusion of the March 11, 2022, evidentiary hearing, Justice Saitta announced that while she was not prepared to rule on the Motion for Preliminary Injunction, she would issue the requested temporary restraining order but upon the request of Defense Counsel, the Court agreed to limit the duration of the TRO through and including April 1, 2022. (March 11, 2022 Hearing Transcript, pg. 125:17-24). At the conclusion of the Motion for Preliminary Injunction hearing Justice Saitta instructed Plaintiffs to prepare a proposed order which they did.

On December 2, 2022, eight months following the expiration of the TRO that had been issued by Justice Saitta at the conclusion of the March 11, 2022, Judge Gonzalez, who had not presided over the March 11. 2022 Hearing, granted, in its December 5, 2022 and March 27, 2023 Injunction Orders, Plaintiffs' Application for TRO and Motion for Preliminary Injunction, (granting relief that exceeded the relief requested in Plaintiffs' Application for Temporary Restraining Order and Motion for Preliminary Injunction; and including relief that was never set forth in the 12 claims for relief set forth in Plaintiffs' Second Amended Complaint, filed in 3/26/2013.

The Court is aware that there were a total of 5 final judgments entered in this case over a span of 8 years, and not one of them reference an entitlement to or an award of injunctive relief, nor any right to continue to receive supplemental post judgment compensatory damages, (in the form of rental income or diminution in value of former units) or a court supervised sale of the units.

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The Court, in its December 5, 2022, Order expressly recognized that NRS 116.2118 governs the termination of a common-interest community, (Order, pg. 4:21) and that 116.21185 dictates that following termination, which occurred February 6, 2023, the respective interests of the unit owners are limited only to the fair market value of their units. (Id. pg. 5:7-8). Yet, despite Plaintiffs' interests in their former units being limited, according to statute, only to the fair market value of the units, the Court has taken it upon itself to ignore this provision and instead made a determination that the October 9, 2015 FFCL&J, that Judge Gonzalez did not prepare, does not include compensatory damages for the depreciation or diminution in value of the units and that these claims must therefore have been preserved and retained by a unit owner at the time of a transfer. The Court, in a footnote adds, "To avoid confusion in this matter, a written notice of the intent to retain any of the claims must be made prior to the sale." (Order, pg. 4, f.n.3) The Court cites no legal authority to support its determination that despite the Plaintiffs never saying a word for 7 years following entry of judgment for compensatory damages, nor having said a word about preserving any claims for additional damages in their Motion for Preliminary Injunction, that they can now preserve and retain a claim for damages for the depreciation or diminution in value of their former units. If Plaintiffs really felt the October 9, 2015, FFCL&J did not award them full compensatory damages, including damages for diminution in value of their Units, which it clearly did, then why did it take the Court raising the issue 7 years later before Plaintiffs claimed entitlement to those additional damages? So now, despite the language in NRS 116.21185, that limits Plaintiffs respective interest in their former units to the fair market value, the Court has instead allowed Plaintiffs to expand that interest to include a right to seek damages for the depreciation or diminution in value of Plaintiffs former units and to seek and obtain additional post-judgment damages in the form of continuing rental income.<sup>6</sup>

<sup>&</sup>lt;sup>6</sup> In fact, the Court's December 5, 2022 granting Plaintiffs Motion for Preliminary Injunction sets forth relief and orders that far exceed the relief sought in Plaintiffs' Motion and in fact far exceeds the relief they had set forth in their proposed order submitted to Justice Saitta for her consideration, on or about April 27, 2022, following the March 11, 2022, evidentiary hearing. (A true and correct copy of the proposed order Granting Preliminary Injunction, signed by Plaintiffs' former defense counsel, Jonathan Tew, is attached hereto as **Exhibit "1"**. Absent from the proposed order is any reference to preserving claims for additional damages for diminution in value, and likewise any reference to Plaintiffs continuing to receiver rental income post judgment.

III.

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# PURSUANT TO THE TERMINATION AGREEMENT THE CONDOMINIUM HOTEL, THE UNITS FORMERLY CONTAINED THEREIN AND THE GOVERNING DOCUMENTS THAT REQUIRED THE CONTINUING RENTAL OF THE FORMER UNITS NO LONGER EXIST

Upon the recording of the Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration of Covenants, Conditions, Restrictions and Reservation of Easements, ("Termination Agreement") recorded February 6, 2022, the Condominium Hotel was terminated and no longer existed. (Termination Agreement, pg. 2, paragraph 1). Upon said recording of the Termination Agreement, the 7th Amended CC&Rs no longer exist. (Id. pg. 2, paragraph 5). The Unit Maintenance Agreement, ("UMA") defines "Hotel" as the Hotel-Condominium at Grand Sierra Resort. (UMA, pg. 1, paragraph A). The UMA defines its TERM as running from the date the Owner purchases the Unit until the date the Owner transfers the ownership of the Unit whether due to the destruction or condemnation of the Hotel or otherwise. (Paragraph 5 of the UMA, pg. 4). Here we know that according to the express terms of the Agreement to Terminate, to which all parties agreed, #1 The Condominium Hotel was terminated and no longer exists and #2 that the real estate that includes the former units, upon recording of the Agreement to Terminate, vested in the Association. (Termination Agreement, paragraph 3, pg. 2). Based on the fact that the Condominium Hotel has, by agreement been destroyed and no longer exists and Plaintiff former unit owners have transferred their former unit to the Association, the UMA "TERM" has expired and no longer exists.

The Unit Rental Agreement, ("URA") states that the Owner wishes to participate in the Company's voluntary rental program to offer Owner's Unit in the Grand Sierra Hotel & Resort (the "Hotel") for rental under the terms and conditions set forth in the Agreement. (URA, pg. 1, paragraph A). For the reasons stated above, the Condominium Hotel and the former units that were in it, and that were the subject of the URA, no longer exist. The Court fails to explain in its Injunction Orders how it can force Defendants to continue to rent units that no longer exist that were in a Condominium Hotel that no longer exists, pursuant to the terms of a Unit Rental Agreement that no longer has any application since its subject matter no longer exists. It follows that Plaintiffs no longer have a contractual right to rental income under the former URA.

## IV. PURSUANT TO STATUTE, FOLLOWING THE RECORDING OF THE TERMINATION AGREEMENT PLAINTIFFS' SOLE INTEREST IN THEIR FORMER UNITS IS THEIR RESPECTIVE UNIT'S FAIR MARKET VALUE

The Court, in its December 5, 2022 Order expressly recognized that NRS 116.2118 governs the termination of a common-interest community, (Order, pg. 4:21) and that 116.21185 dictates that following termination, which occurred February 6, 2023, the respective interests of the unit owners are limited only to the fair market value of their units. (Id. pg. 5:7-8). And yet, after acknowledging that NRS 116.2118 governs the termination and that the former unit owns interests are limited only to the fair market value of their former units, the Court ignores those very same statutory restrictions when it orders that in addition to fair market value, the Plaintiffs have the right to seek damages related to the alleged diminution in value of their former units:

No sale of the units shall occur until further order of the Court which includes a process for the resolution of any retained claims for diminution in value damages by Plaintiffs and procedure for the determination of fair market value of Plaintiffs' units under NRS 116.2118 et seq. (12/5/2022 Order, pg. 7:19-23)

The Court offers no explanation in its Order as to why it has chosen to ignore the express terms of NRS 116.21185. The Court is not at liberty to ignore this clear statutory provision.

Further, the provisions of NRS 116 cannot be altered or amended by the Termination Agreement.<sup>7</sup> NRS 116.1104, in and of itself completely undercuts Plaintiffs argument that because Defendants stipulated to the termination and sale of the units through the receivership, they should now be estopped from challenging the Court's jurisdiction to supervise the dissolution and sale process. (Opposition, pg. 3:15-21).

The Court has determined that is can further alter the express terms of Chapter 116 by supervising the statutory process by ordering that it will provide supervision of the appraisal process of the units in order to assure that Plaintiffs are provided an opportunity to submit their own appraisal of their units for consideration and determination of FMV. (December 5, 2022 Order, pg. 7: 24-28) There is no provision in Chapter 116 that allows Plaintiffs, who own less than 13% of the 670 former

<sup>&</sup>lt;sup>7</sup> NRS 116.1104 Provisions of chapter may not be varied by agreement, waived or evaded; exceptions. Except as expressly provided in this chapter, its provisions may not be varied by agreement, and rights conferred by it may not be waived.

units in the former Condominium Hotel, to submit their own appraisal to determine fair market value. (See NRS 116.21185 that defines the process for determining fair market value of the units.) And then in its March 14, 2023 Order the Court further deviates from the express terms of NRS 116 by determining that while, according to statute, Plaintiffs only remaining interest in their former units is the former units fair market value, and while Plaintiffs only had the right to occupy their former units, (NRS 116.2118) the Court instead decided that not renting the 670 former units would promote "economic waste", and that removing all of those units from availability for rental is "nonsensical", (December 5, 2022, Order, pg. 1:23025; pg. 2:1-2) and that the Receiver was to continue to rent the former units under the URA and allow Plaintiffs to share in the net rental income generated by the rental of their former units as supplemental damages. (The Court later modified its Order in its March 14, 2023 Order re Continued Rental of the Parties' Units Until Sale wherein it ordered that Defendants continue to rent the former units and provide the gross rents of Plaintiffs' former units to the Receiver with those net proceeds to be split between Plaintiffs and Defendants, thereby providing Plaintiffs with a right to rental proceeds, an interest that they do not have in their former units as a matter of law.

## V. PLAINTIFFS MISREPRESENT TO THE COURT THAT THE WRIT IS NOTHING MORE THAN AN ILL-FATED REQUEST TO HAVE THE SUPREME COURT'S DECEMBER 29, 2023 ORDER OVERTURNED

Plaintiffs, in their Opposition, at pg. 3:12-14; pg. 5:3-5, describe Defendants' Writ as "a fatally flawed writ that uses false statements to induce even more briefing before the NSC to effectively have a decided jurisdictional issue reconsidered". On pages 14-17 of their Opposition, plaintiffs recite what they claim to be the appeals already filed in this matter and the contents and subject matter of those appeals. The point of this lengthy and largely irrelevant recitation appears to be an effort by Plaintiffs to discredit the Writ, claiming the Writ is "yet another opportunity to rehash tired arguments the NSC has already rejected with respect to the receivership continuing to operate". (Opposition, Pgs 4:5-11; 17:6-7). Whether careless, or an intentional effort by Plaintiffs

<sup>&</sup>lt;sup>8</sup> Economic waste for whom? Certainly not for Plaintiffs since their only remaining interest in their former units, according to Nevada law, is their former units fair market value.

to mislead this Court, it is quite clear that our State Supreme Court, in footnote 2, pg. 24 of its December 29, 2023, Order Resolving Motions, Dismissing and Consolidating Appeals, and Reinstating Briefing, clearly defines the scope of its ruling when it expressly states:

In concluding that the district court intentionally and expressly maintained the receivership post-judgment, rending the amended judgment interlocutory for appellate jurisdiction purposes absent NRCP 54(b) certification, we express no opinion on the propriety of the district court's actions." (pg. 24:fn 2) (emphasis added).

It is precise this issue that has not yet been decided by the Supreme Court and that is the precise subject of Defendants' Writ of Prohibition or in the Alternative, Mandamus.

Plaintiffs' go on to characterize the Writ is really nothing more than an attempt to "rehash tired arguments the NSC has already rejected" (Opposition, pg. 17:6-7) it is very clear the State Supreme Court does not agree with Plaintiffs position. Here, the Nevada Supreme Court has directed that Plaintiffs' answer Defendants' Writ and on March 1, 2024, the Nevada Supreme Court entered its Order Directing Answer & Reply to Writ of Prohibition or alternatively Mandamus, stating specifically:

Having reviewed the petition and supporting documents, we conclude that an answer may assist this court in resolving the petition. Therefore real parties in interest, on behalf of respondents, shall have 21 days from the date of this order within which to file and serve an answer, including authorities against issuance of the requested writ. NRAP 21(b)(1). Petitioners shall have 14 days from service of the answer to file and serve any reply. (3/1/2024 Nevada Supreme Court Order, pg. 4), (emphasis added).

VI. PLAINTIFFS ARGUE ON PAGE 3 OF THEIR OPPOSITION THAT BY SIGNING THE COURT-APPROVED AGREEMENT TO TERMINATE THE CONDOMINIUM HOTEL, DEFENDANTS RATIFIED AND EXPLICITY AGREED TO THE DECEMBER 5, 2022 ORDER AND ARE NOW ESTOPPED FROM CHALLENGING THE COURT'S JURISDICATION AND ITS 12/5/2022 DICTATES. (Opposition, pg. 3: 15-21; 7:7-8)

Without any end in sight to the Court's erroneous continuing post-judgment jurisdiction and allowing the continuing flow of post judgment damages to Plaintiffs, Defendants knew that if this

case was ever going to end, it would have to be done by way of termination the Condominium Hotel. Otherwise, as is apparent from these last 12 years, Plaintiffs would attempt to stretch these proceedings out as long as possible in order to maximize their receipt of post-judgment damages. Defendants had attempted to terminate the Condominium Hotel on several occasions, those efforts being repeatedly blocked and most recently by the Court's Injunction Order of December 5, 2022. Defendants had no choice. They objected vehemently to Plaintiffs' untimely March 1, 2022 Application for TRO and Motion for Preliminary Injunction, and presented compelling evidence at the hearing as to why Plaintiffs' request to stop the termination of the Condominium Hotel should be denied. Thereafter, upon entry of the Court's December 5, 2022 Order, Defendants immediately filed their notice of appeal as to the Court's December 5, 2022 Order that deviated from Chapter 116. On February 13, 2023, Defendants filed their Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel. On page 7, footnote 3 Defendants made the following clear statement:

Defendants have appealed the December 5, 2022 Order and Plaintiffs have filed a cross appeal. The Court's December 5, 2022 Order is not stayed because of the appeals, and Defendants are proceeding in accord with the December 5, 2022 Order without waiving their rights within the appeal and expressly reserve their ability to pursue all issues raised within the appeal.

Defendants, while objecting to and appealing the 12/5/2022 Order, were stuck with its terms and conditions and the only way to move forward with the termination of the Condominium Hotel was to comply with those terms set forth in the Court's Order. However, in doing so, they expressly stated that they were not waiving their rights as more particular identified in their appeal. Clearly, and contrary to Plaintiffs argument, Defendants have not waived their rights nor, by way of entering into the stipulation, have they ratified its terms or abandon their appeal.

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# VII. PLAINTIFFS DEDICATE AN ENTIRE SECTION OF THEIR OPPOSITION INSISTING THAT THE RENT AMOUNTS THAT DEFENDANTS ARE BEING FORCED TO PAY TO THE RECEIVER ARE NOT DAMAGES BUT ARE "CONTRACTUALLY OWED RENTAL PROCEEDS"

In Plaintiffs' Opposition at page 12:8-28, Plaintiffs dedicate a full page to their insistence that their continuing to receipt rental income do not constitute damages, but rather are "contractually-owed funds". (Opposition, pg. 12:24-25). First of all, as indicated above, the subject matter of the URA was the rental of Plaintiffs Unit that was part of the Condominium Hotel. The Condominium Hotel and the Units no longer exist as a matter of law and it follows that Plaintiffs, at least since the date of the recording of the Agreement to Terminate, no longer have any contractual right to any rental proceeds as a matter of law.

Additionally, and more importantly, on December 27, 2018, Plaintiffs filed their Motion for Supplemental Damages wherein they sought additional rental income, describing the same as supplemental damages. (Motion for Supplemental Damages, pg. 5:12-27; pg. 6:1-6). Plaintiffs make the ridiculous, hair-splitting argument that since they have persuaded the Court to order the Receiver to extract that additional rental income from Defendants on their behalf, what Plaintiffs formerly described as "Supplemental Damages" has now been magically transformed into "contractually-owed funds". Frankly this argument by Plaintiffs makes no sense. The Receiver operates as an arm of the Court. By order of the Court, and over the objections of Defendants, Defendants are being forced to continue to rent units that no longer exist, under the terms of a Unit Rental Agreement that no longer exists and turn those rental proceeds over to the Receiver who then, as instructed by the Court, turns ½ of those net proceeds to the Plaintiff former unit owners. Whether or not Plaintiffs are of the opinion that these are contractually owed funds, Defendants strongly disagree and the only reason over a million dollars of rental proceeds have been turned over to Plaintiffs is due to the oppressive orders of the District Court that were entered at the request of Plaintiffs to facilitate their receiving additional money from Defendants. These are, plain and simply, supplemental damages being awarded by the Court in post judgment proceedings. The fact that they are being paid pursuant to Court Order, rather than a formal judgment, does not alter the fact they are supplemental damages.

## VIII. DEFENDANTS HAVE DEMONSTRATED IRREPARABLE HARM IF THE COURT DOES NOT STAY THE CONTINUING PAYMENT OF RENTAL INCOME TO PLAINTIFFS PENDING A DECISION ON THE WRIT

While generally a harm that can be remedied by monetary relief is not considered irreparable, a financial loss may be irreparable if the expenditures cannot be recouped. See *Philip Morris USA Inc. v. Scott*, 561 U.S. 1301, 131 S. Ct. 1, 4, 177 L. Ed. 2d 1040 (2010) (Scalia, J.) (in chambers). We believe such is the case here. The monetary harm the Appellee would have suffered if immediate possession had not been allowed weighed in favor of the injunction. See also *Transcon. Gas Pipe Line Co., LLC v. Permanent Easement for 2.59 Acres*, 709 Fed. Appx. 109, 113 3rd Circuit Court of Appeals September 12, 2017709 Fed. Appx. 109.

Here Defendants are being compelled, over their objection, to continue the rental of units that no longer exist in a condo-hotel that no longer exists and sharing the rental income with Plaintiffs who no longer hold title to the former units, nor any longer have any interest in rental income generated by their former units. And Defendants, over their objections are being forced to rent those former units pursuant to the terms of a unit rental agreement that no longer exists, since the subject of the rental agreement no longer exists. Plaintiffs acknowledge that these rental proceeds, already totaling in excess of \$1 million, are being distributed to Plaintiffs, (Opposition, pg. 11:3-4) but counsel assures the Court that reimbursement can be ordered and collected from the Plaintiffs should the Supreme Court grant the Writ. (Opposition, pg. 11:3-6)

There are approximately 97 separate Plaintiffs, some of whom have died. Those who are still alive live all over the U.S. and some may even live outside the U.S. Plaintiffs' counsel has argued in the past that "Plaintiffs need this rental revenue, in some cases to service debt on the units and in all cases, to fund this endless litigation to protect their property interests." (Plaintiffs' April 4, 2023 Opposition to Defendants' Motion for Stay, pg. 12:21-22); (Defense counsel arguing to the Court that, "It's crippling the Plaintiffs, you know, who have mortgages and are suffering. We are looking at two years and three months of not receiving any revenue.") March 11, 2022 hearing transcript, pg. 32:19-21). At one point Plaintiffs' counsel argued that many of their clients were elderly and who, without the benefit of the rental income, would be unable to afford their attorneys

and that Miller's firm would be forced to withdraw as their counsel if the rental proceeds were not paid to its clients. Having made these desperate claims of poverty and financial desperation and inability to fund the litigation without the receipt of supplemental damages in the form of rental income, Plaintiffs, in their Opposition now do an about-face, assuring the Court that if the Supreme Court determines, as it likely will, that the Court does not have continuing jurisdiction, post judgment, to provide supplemental damages to Plaintiffs, and supervise and oversee the sale of the former units, in a manner that is contrary to and violates the express terms of NRS 116, that his clients will be in a position to return the more than \$1,000,000 they have received to-date in the form of supplemental damages. Given these prior representations by counsel, they should not now be heard to assure the Court that if the Writ is granted, it will be no problem for Plaintiffs to return over \$1 million in supplemental damages to which they were never entitled. Defendants have successfully established their risk of irreparable harm.

IX. ALL OF THE ALTERNATIVE FUNDING SOURCES IDENTIFIED BY PLAINTIFFS ARE ALSO THE SUBJECT OF APPEALS AND WRITS AND IF THE SAME ARE GRANTED, THOSE POTENTIAL FUNDING SOURCES WILL VANISH.

Plaintiffs identify 3 funding sources that they represent would assure Defendants recover the \$1 million plus in post judgment damages they are being forced to distribute to Plaintiffs. According to Plaintiffs, those three sources are as follows:

- 1. The October 9, 2015 FFCL&J for \$28 million is an ample funding source; (Opposition, pg. 13:10-18);
- 2. The Court has ordered continued rental of the Plaintiffs' former units until they are sold. (Plaintiffs offer no explanation as to how this constitutes a funding source if and when the Nevada Supreme Court grants the Writ since all of that money is being distributed to the Plaintiffs.); and,
- 3. The sale proceeds provide a third source of funds in the event Defendants prevail on their Writ. These sale proceeds are already subject to set-off for the \$16 million

in capital improvements that Defendants have already paid out of their own pockets and for which they are entitled to reimbursement.<sup>9</sup>

In addition to the \$16 million in capital improvement expenditures that may be recouped by Defendants out of the sale proceeds, it is important to keep in mind that the Receiver, despite orders to the contrary, has failed, to date, to submit to the Court for its approval, any updated calculations for DUF, SFUE and HE that are in compliance with the 7th Amended CC&Rs. As a result of this failure, the Receiver is continuing to apply his 2020 calculations, that he calculated using 2019 costs, and that were approved by the Court in January of 2021. Those long-outdated costs do not come close to covering the actual costs being incurred by Defendants, and this too will require a substantial adjustment and true-up, which will have to be recovered from the sale proceeds. It is likely these multiple true-ups, as described above, will exhaust or substantially deplete any sale proceeds that might otherwise be available as a source of refunding to Defendants the supplemental damages being provided to Plaintiffs. As a result, there are effectively no alternative funding sources if and when the State Supreme Court grants Defendants' Writ.

#### X. CONCLUSION

The Court has a choice as it relates to Defendants' request for a stay. It can chooses to ignore the possibility, and likelihood, that the State Supreme Court will conclude that the District Court is acting without jurisdiction by directing the Receiver to control the termination of the GSRUOA, and ordering Defendants, through the Receiver to continue the rental program, all in violation of Nevada statute, in which event the District Court will be effectively deciding it is more important to assure Plaintiffs' continuing receipt of post-judgment damages, that will likely never be recovered by Defendants, than it is to temporarily stay the proceedings while awaiting the State Supreme Court's decision. However, in weighing the relative hardships, the chances of prevailing on the merits in the pending Writ and the irreparable harm that will be occasioned Defendants if the proceedings are

<sup>&</sup>lt;sup>9</sup> See October 3, 2023, Order, wherein "The Court determines that it is appropriate to readdress these expenses and potential reimbursement to Defendants as part of the wind-up process of the GSRUOA and truing up process to be conducted following the valuations and/or appraisals of the Plaintiffs interest in the former units" (Order, pg. 2:12-14). <sup>10</sup> See January 4, 2022, Order Granting Receiver's Motion for Orders and Instructions, pg. 8:1-5.

not temporarily stayed the District Court should grant Defendants Motion and Stay these proceedings temporarily pending the State Supreme Court's decision on the pending Writ. **AFFIRMATION** Pursuant to NRS 239B.030 The undersigned does hereby affirm that this document does not contain the social security number of any person. RESPECTFULLY SUBMITTED this April 15, 2024. /s/ David C. McElhinney ABRAN VIGIL, ESQ. Nevada Bar No. 7548 ANN HALL, ESQ. Nevada Bar No. 5447 DAVID C. MCELHINNEY, ESQ. Nevada Bar No. 0033 MERUELO GROUP, LLC Legal Services Department 5<sup>th</sup> Floor Executive Offices 2535 Las Vegas Boulevard South Las Vegas, NV 89109 Attorneys for Defendants 

**CERTIFICATE OF SERVICE** 2 Pursuant to NRCP 5(b), I certify that I am an employee of Meruelo Group, LLC and on this 3 date, I served a true and correct copy of the foregoing DEFENDANTS' REPLY IN SUPPORT 4 OF MOTION FOR STAY OF PROCEEDINGS PENDING RULING BY NEVADA 5 SUPREME COURT ON WRIT OF PROHIBITION OR IN THE ALTERNATIVE WRIT OF 6 MANDAMUS to the parties listed below, via electronic service through the Second Judicial District 7 Court's eFlex Electronic Filing System: 8 G. David Robertson, Esq, SBN 1001 Stefanie T. Sharp, Esq. SBN 8661 Jarrad C. Miller, Esq., SBN 7093 9 ROBISON, SHARP, SULLIVAN & BRUST Briana N. Collings, Esq. SBN 14694 71 Washington Street ROBERTSON, JOHNSON, MILLER & 10 Reno, Nevada 89503 Tel: (775) 329-3151 WILLIAMSON 50 West Liberty Street, Suite 600 Tel: (775) 329-7169 11 Reno, Nevada 89501 dsharp@rssblaw.com Tel: (775) 329-5600 ssharp@rssblaw.com 12 jarrad@nvlawyers.com Attorneys for the Receiver Richard M. Teichner 13 briana@nvlawyers.com Attorneys for Plaintiffs 14 Robert L. Eisenberg, Esq. SBN 0950 15 LEMONS, GRUNDY, & EISENBERG 6005 Plumas Street, Third Floor 16 Reno, Nevada 89519 Attorney for Plaintiffs 17 DATED this April 15, 2024. 18 /s/ Jennifer L. Hess 19 An employee of Merulo Group, LLC 20 21 22 23 24 25 26 27 28 17

### **INDEX OF EXHIBITS**

<b>Exhibit</b>	<b>Description</b>	No. Pages
1.	Proposed Order Granting Preliminary Injunction	8

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## EXHIBIT "1"

## EXHIBIT "1"

1 CODE: 3105 2 3 4 5 6 7 SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 8 IN AND FOR THE COUNTY OF WASHOE 9 10 ALBERT THOMAS, individually; et al., 11 Plaintiffs. 12 Case No. CV12-02222 VS. Dept. No. OJ37 13 MEI-GSR Holdings, LLC, a Nevada limited liability company, GRAND SIERRA 14 RESORT UNIT OWNERS' ASSOCIATION, a Nevada nonprofit corporation, GAGE 15 VILLAGE CÔMMERCIAL DEVELOPMENT, LLC, a Nevada limited 16 liability company; AM-GSR HOLDINGS, LLC, a Nevada limited liability company; and 17 DOE DEFENDANTS 1 THROUGH 10, inclusive. 18 Defendants. 19 ORDER GRANTING PRELIMINARY INJUNCTION 20 Presently before the Court is Plaintiffs' Application for Temporary Restraining Order, 21 and Motion for Preliminary Injunction filed March 1, 2022 ("Motion"). On March 2, 2022, 22 Plaintiffs filed a Notice of Errata wherein Plaintiffs added "Ex Parte" to the title of their Motion. 23 The Court heard oral argument on Plaintiffs' Motion on March 11, 2022, and granted a 24 temporary restraining order from the bench that same day. Defendants then filed their 25 Opposition to Motion for Preliminary Injunction on March 17, 2022 ("Opposition"). Plaintiffs 26 filed Plaintiffs' Reply in Support of Application for Temporary Restraining Order, and Motion 27

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

28

ORDER GRANTING PRELIMINARY INJUNCTION PAGE 1

for Preliminary Injunction on March 24, 2021 ("Reply"). The Court heard oral argument on the Motion in person on March 25, 2022.

Case-concluding sanctions were entered against the Defendants for abuse of discovery and disregard for the judicial process. (See Order Granting Plaintiffs' Motion for Case-Terminating Sanctions, filed October 3, 2014 at 12.) See also Young v. Johnny Ribeiro Bldg., Inc., 106 Nev. 88, 92, 787 P.2d 777, 779-80 (1990) (discussing discovery sanctions). The Court ultimately entered a judgment in favor of the Plaintiffs for \$8,318,215.55 in damages. (See Findings of Fact, Conclusions of Law and Judgment, filed October 9, 2015 ("FFCLJ").)

On January 7, 2015, the Court entered the Order Appointing Receiver and Directing Defendants' Compliance ("Appointment Order"). The Appointment Order appointed James Proctor as receiver over the Grand Sierra Resort Unit Owners' Association ("GSRUOA") and the rental revenues and other property interests of MEI-GSR and the other Defendants. The receivership was implemented "for the purpose of implementing compliance, among all condominium units, including units owned by any Defendant in this action . . . with the Covenants, Codes and Restrictions recorded against the condominium units, the Unit Maintenance Agreements and the original Unit Rental Agreements (the "Governing Documents")." (Appointment Order at 1:27-28, 2:1-3.) On January 25, 2019, Richard Teichner was substituted in Mr. Proctor's place in the Order Granting Motion to Substitute Receiver.

On or about February 28, 2022, a number of Plaintiffs received (1) an Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration of Covenants, Conditions, Restrictions and Reservation of Easements ("Agreement to Terminate"), (2) Agreement for Sale of Condominium Hotel Interests ("Agreement for Sale"), and (3) Meeting of the Members ("Meeting Notice") (collectively, "Notices"). (Motion at 4:11-15.)

The Meeting Notice states the purpose of the meeting is to vote to approve the Agreement to Terminate and the Agreement for Sale. (Id.) The Agreement for Sale notes that the condominium units – both those owned by Plaintiffs and Defendants – would be sold to Summit Unit Acquisitions, LLC, an entity owned and controlled by Alex Meruelo, who also owns and controls Defendants. (Id.) The Meeting Notice further states that a vote of eighty

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 percent (80%) or more of the unit owners will cause the Agreement to Terminate and the Agreement for Sale to be approved. (<u>Id</u>.)

Plaintiffs' Motion argues that "Defendants' actions as demonstrated by the Agreement to Terminate, Agreement for Sale and Meeting Notice seek to violate the FFCLJ and the [Appointment] Order by selling the Plaintiffs' Property and terminating the [GSRUOA]." (Id. at 5:1-3.) Plaintiffs thus seek an order enjoining Defendants from holding the meeting contemplated by the Meeting Notice, voting upon (and certainly approving, as Defendants own over 80% of the condominium units) the Agreement to Terminate and Agreement for Sale. (See generally, Motion.) Defendants respond to this argument by pointing to various documents and NRS 116, which each provide unit owners such as Plaintiffs and Defendants the right "to meet and cast their vote to terminate the [common-interest] community and to enter an agreement that allows for the mandatory sale of the units for fair market value following said termination." (Opposition at 4:8-10.) Stated another way, Defendants argue these auxiliary agreements and NRS 116 provisions supersede the FFCLJ and Receiver Order in this matter. (See generally, Opposition.)

The Court is constitutionally empowered to issue injunctive relief, Nev. Const. Art 6, Sec. 6, and the decision to issue this equitable remedy is within the Court's sound discretion. Number One Rent-A-Car v. Ramada Inns, Inc., 94 Nev. 779, 780, 587 P.2d 1329 (1978). "A preliminary injunction is available if an applicant can show a likelihood of success on the merits," and that the nonmoving party's conduct, should it continue, "will cause irreparable harm for which compensatory damage is an inadequate remedy." Dangberg Holdings v. Douglas Co., 115 Nev. 129, 142, 978 P.2d 311, 319 (1999) (citing Pickett v. Comanche Construction, Inc., 108 Nev. 422, 426, 836 P.2d 42, 44 (1992)).

The guiding standard in the exercise of the Court's discretion is provided by NRS 33.010. See id. at 142, 978 P.2d at 319. Under the statute, an injunction may be granted in any one of the following cases:

1. When it shall appear by the complaint that the plaintiff is entitled to the relief demanded, and such relief or any part thereof

consists in restraining the commission or continuance of the act complained of, either for a limited period or perpetually.

2. When it shall appear by the complaint or affidavit that the commission or continuance of some act, during the litigation, would produce great or irreparable injury to the plaintiff.

3. When it shall appear, **during the litigation**, that the defendant is doing or threatens, or is about to do, or is procuring or suffering to be done, some act in violation of the plaintiff's rights respecting the subject of the action, and tending to render the judgment ineffectual.

NRS 33.010 (emphasis supplied); <u>accord</u> Nev. Const. art. 6, § 6 (granting district courts power to issue injunctions). A party seeking injunctive relief need only satisfy one of these circumstances. Plaintiffs argue all three are applicable. (Motion at 6:23-7:28.) The Court agrees for the reasons set forth below.

First, Plaintiffs have clearly shown by their Second Amended Complaint that they are entitled to the relief demanded. (Second Amended Complaint, filed March 26, 2013 at ¶¶ 126, 128, 134, 138-141, 184 (outlining Defendants' manipulative actions intended to devalue the condominium units such that Plaintiffs would sell the units to Defendants for a substantially depressed price).) Indeed, the Court has already issued the FFCLJ which grants Plaintiffs the relief they demand. (See FFCLJ at 21:20-22:7 (listing monetary relief totaling over \$8 million) and 22:22 (maintaining the receivership "until this Court rules otherwise").) Based upon the FFCLJ, Plaintiffs are entitled to an injunction under NRS 33.010(1).

Second, Plaintiffs have shown that the approval of the Agreement to Terminate and Agreement for Sale "would produce great or irreparable harm" to Plaintiffs. NRS 33.010(2). "[R]eal property and its attributes are considered unique and loss of real property rights generally results in irreparable harm." Dixon v. Thatcher, 103 Nev. 414, 416, 742 P.2d 1029, 1030 (1987). If Defendants are allowed to utilize their ownership of 82% of the units in order to singlehandedly approve the Agreement to Terminate and Agreement for Sale, Plaintiffs will be deprived of their ownership rights in their respective units. (See Reply at 8:1-3.) Moreover, the Appointment Order was put into place specifically to avoid Defendants' intended actions. (Receivership Order at 8:2-11 ("Defendants, and their agents, servants and employees, and those acting in concert with them, shall not engage in or perform directly or indirectly, any or all of the

following acts: . . . c. Doing any act which will, or which will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Property or the interest of the Plaintiffs in the Property.").) The FFCLJ also held Defendants liable and imposed a substantial monetary judgement against Defendants for the very same actions. (FFCLJ at 15:9-13 ("MEI-GSR and Gage Village intend to purchase the devalued units at nominal, distressed prices when [Plaintiffs] decide to, or are effectively forced to, sell their units" because continued ownership becomes unviable).) Defendants now are seeking the same result through a different means. Thus, injunctive relief is also appropriate pursuant to NRS 33.010(2).

Third, Plaintiffs have shown that Defendants are "doing or threaten[ing], or [are] about to do, . . . , some act in violation of the [P]laintiff[s'] rights respecting the subject of the action, and tending to render the judgment ineffectual." NRS 33.010(3). The FFCLJ was issued on October 9, 2015, and awarded an \$8 million judgment against Defendants. If Defendants use their supermajority in the GSRUOA to approve the Agreement to Terminate and Agreement for Sale, which would facilitate a sale of all the condominium units owned by both Plaintiffs and Defendants, the Defendants will have effectively undercut the FFCLJ and the Appointment Order – both of which restrain Defendants from taking actions to impede upon Plaintiffs' ownership rights in the respective condominium units. Injunctive relief pursuant to NRS 33.010(3) is also appropriate in this case. Further, while Defendants argued Plaintiffs were required to make certain allegations in their Second Amended Complaint requesting injunctive relief and the appointment of a receiver – which the Court finds Plaintiffs did –Plaintiffs nevertheless have met their burden of establishing that, *during the litigation*, Defendants have threatened Plaintiffs' rights respecting the subject of the action, and Defendants' threatened actions would render the judgment ineffectual.

Next, the Court must consider whether Plaintiffs are suffering, or will suffer, imminent, irreparable harm without any adequate remedy at law. <u>Dangberg Holdings</u>, 115 Nev at 142, 978 P.2d at 319. The Court finds Plaintiffs are so suffering and have no such adequate remedy. "Real property and its attributes are considered unique and loss of real property rights generally results in irreparable harm." Dixon, 103 Nev. at 416, 742 P.2d at 1030. Plaintiffs' suffering at

1 issue here directly relates to Plaintiffs' ownership in the respective condominium units. Thus, 2 such threatened loss of real property rights constitutes irreparable harm. Id. 3 In balancing the hardships between Plaintiffs and Defendants if an injunction were to issue versus the Notices being allowed to stand, the Court finds equity lies with the Plaintiffs. 4 To begin, the Court need not consider the relative hardships at all because this equitable principal 5 is only available to innocent parties who proceed without knowledge or warning that they are 6 acting contrary to others' rights. Gladstone v. Gregory, 95 Nev. 474, 480, 596 P.2d 491, 495 7 (1979). Here, Defendants are violating the Appointment Order by attempting to circumvent the 8 protections provided to preserve Plaintiffs' property interests in their condominium units. 9 (Appointment Order at 8:2-11 ("Defendants . . . shall not . . . : . . . c. Do[] any act which will, or 10 which will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Property or 11 12 the interests of Plaintiffs in the Property.").) However, even if the Court were to weigh the relative hardships, it is clear that 13 Defendants would not suffer in the event an injunction is issued because Defendants are already 14 bound by the FFCLJ and the Appointment Order to refrain from the very actions they are 15 threatening through the Notices. (Id.) Plaintiffs, conversely, are having their unique property 16 rights threatened, which constitutes irreparable harm. Dixon, 103 Nev. at 416, 742 P.2d at 1030. 17 Finally, because Defendants' threatened actions are clearly forbidden by the FFCLJ and 18 the Appointment Order, the Court finds that a nominal \$150 bond is necessary. 19 IT IS SO ORDERED that Plaintiffs' Motion is granted and Defendants – including the 20 Defendants as supermajority unit owners - are preliminarily enjoined from: (1) voting upon, 21 ratifying, and/or entering into the Agreement to Terminate; (2) voting upon, ratifying, and/or 22 entering into the Agreement for Sale; and (3) otherwise threatening any infringement upon 23 Plaintiffs' ownership rights in their respective condominium units. 24 25 26 27 28

1	IT IS FURTHER ORDERED that the bond posted by Plaintiffs in the amount of		
2	\$50,000.00, following the Court's granting a Temporary Restraining Order on March 11, 2022,		
3	be released in full to Plaintiffs' counsel. No further bond will be required.		
4			
5	DATED		
6			
7			
8	SENIOR JUSTICE Nancy Saitta		
9	Submitted by:		
10	ROBERTSON, JOHNSON,		
11	MILLER & WILLIAMSON		
12	/s/ Jonathan Joel Tew		
13	Jarrad C. Miller, Esq. Jonathan Joel Tew, Esq.		
14	Attorneys for Plaintiffs		
15			
16			
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21			
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26			
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28			
on net	ORDER GRANTING PRELIMINARY INJUNCTION		

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

# EXHIBIT F

FILED
Electronically
CV12-02222
2024-04-16 12:33:21 PM
Alicia L. Lerud
Clerk of the Court
Transaction # 10277685

		Electroni CV12-02 2024-04-16 12	
1		Alicia L. L Clerk of the	
1	Hon. Elizabeth Gonzalez (Ret.) Sr. District Court Judge	Transaction #	
2	PO Box 35054		
3	Las Vegas, NV 89133		
4	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE		
5			
6	ALBERT THOMAS, et. al.,	) ORDER	
7		{	
8	Plaintiff,	Case#: CV12-02222	
9	vs.	Dept. 10 (Senior Judge)	
10	MEI-GSR HOLDINGS, LLC., a Nevada	<b>\( \)</b>	
11	Limited Liability Company, et al	<u> </u>	
12	Defendant.	\(\frac{1}{2}\)	
13		<b>\</b>	
14		Ś	
15		_	
16			
17	Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being		
18	fully informed rules on DEFENDANTS' MOTION FOR STAY OF PROCEEDINGS		
19	PENDING RULING BY NEVADA SUPREME COURT ON WRIT OF PROHIBITION OR		
20	IN THE ALTERNATIVE MANDAMUS filed on March 22, 2024. ("Motion for Stay") <sup>1</sup> The		
21			
22	Court finds that as an answer has been ordered by the Nevada Supreme Court, that a limited stay is		
23	appropriate.		
24	Accordingly, the Motion is granted, in part.		
25			
26			
27	The Court has reviewed Defendants Motion for Stay of Proceedings Pending Ruling by Nevada Supreme Court on Writ of Prohibition or in the		
28	Alternative Mandamus filed on March 22, 2024, Plaintiffs Opposition filed on April 9, 2024 and Defendants Reply on filed on April 15, 2024.		
	ORDER - 1		

Defendants further response to Plaintiffs Post Judgment Requests for Production<sup>2</sup> and production of appraisal or valuation reports by Plaintiffs is stayed for a period of 120 days or pending a decision of the Nevada Supreme Court on the Writ, whichever is earlier. A request for extension of this stay may be made if the Defendants believe it is necessary.

Dated this 16th day April, 2024.

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

<sup>2</sup> This also includes any motion practice related to deficiency of the response that have been served by Defendants to date.

#### **CERTIFICATE OF SERVICE** 1 2 I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT; 3 that on the 16th day of April, 2024, I electronically filed the foregoing with the Clerk of 4 the Court system which will send a notice of electronic filing to the following: 5 DALE KOTCHKA-ALANES DANIEL POLSENBERG, ESQ. 6 DAVID MCELHINNEY, ESQ. 7 BRIANA COLLINGS, ESQ. ABRAN VIGIL, ESQ. 8 JONATHAN TEW, ESQ. JARRAD MILLER, ESQ. 9 TODD ALEXANDER, ESQ. 10 F. DEARMOND SHARP, ESQ. STEPHANIE SHARP, ESQ. 11 G. DAVID ROBERTSON, ESQ. ROBERT EISENBERG, ESQ. 12 JENNIFER HOSTETLER, ESQ. 13 ANN HALL, ESQ. JAMES PROCTOR, ESQ. 14 JORDAN SMITH, ESQ. 15 16 17 18 Holly W. Jonge 19 20 21 22 23 24 25 26 27

# EXHIBIT G

From: Jarrad Miller < jarrad@nvlawyers.com> Sent: Thursday, April 18, 2024 11:42 AM

To: David McElhinney < David. McElhinney@meruelogroup.com>

Cc: Briana Collings <bri>
sharp@rssblaw.com>; Stefanie Sharp <ssharp@rssblaw.com>

Subject: FW: ALBERT THOMAS ETAL VS MEI-GSR HOLDINGS ETAL (OJ41): Motion: CV12-02222

#### David:

As you know, we typically grant reciprocal extensions. Unless some extraordinary even occurs, we do not want to delay your opposition to the Motion we filed this morning with an extension. Hopefully this does not create an inconvenience for you given that this is a renewed motion that was previously fully briefed.

Sincerely,

Jarrad C. Miller, Esq. Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, NV 89501

Telephone: (775) 329-5600 Facsimile: (775) 348-8300

Email: JARRAD@NVLAWYERS.COM

Website: www.nvlawyers.com

#### Important:

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### \*\*\*\*\* IMPORTANT NOTICE - READ THIS INFORMATION \*\*\*\*\*

#### PROOF OF SERVICE OF ELECTRONIC FILING

A filing has been submitted to the court RE: CV12-02222

**Judge:** HONORABLE ELIZABETH GONZALEZ

Official File Stamp: 04-18-2024:10:49:06
Clerk Accepted: 04-18-2024:10:51:35

**Court:** Second Judicial District Court - State of Nevada

Civil

Case Title: ALBERT THOMAS ETAL VS MEI-GSR HOLDINGS ETAL (OJ41)

**Document(s) Submitted:** Motion

- \*\*Continuation

Filed By: Briana Collings

You may review this filing by clicking on the following link to take you to your <u>cases</u>.

This notice was automatically generated by the courts auto-notification system.

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#### The following people were served electronically:

JAMES PROCTOR

ANN OSBORNE HALL, ESQ. for GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, AM-GSR HOLDINGS, LLC, MEI-GSR HOLDINGS LLC DBA GRAND SIERRA RESORT AND CASINO

TODD R. ALEXANDER, ESQ. for GUY P. BROWNE, VINOD BHAN, BARBARA ROSE QUINN, JEFF RIOPELLE, WILLIAM BREHM MINER, CHRISINE MECHAM, LAVERNE ROBERTS, SUZANNE C. PARKER, JOHN DUNLAP, LOU ANN PEDERSON, MADELYN VAN DER BOKKE, JACQUELIN PHAM, LEE FAMILY 2002 REVOCABLE TRUST, SAHAR TAVAKOL, DI SHEN, MARILYN WINDHORST, GARTH A. WILLIAMS, LISA FISH, FREDRICK FISH, USHA RAGHURAM, KI HAM, JOHNSON

AKINDODUNSE, RYAN TAYLOR, NANCY POPE, PRAVESH CHOPRA, HYUNG (CONNIE) KUK, SANG DEE SOHN, KENNETH RICH, CHRISTINE E. HENDERSON, MAXINE RICH, NADINE'S REAL ESTATE INVESTMENTS, LLC, SANDI RAINES, BENTON WAN, MARY A. KOSSICK, SILKSCAPE INCORPORATED, LORI ORDOVER, TIMOTHY D. KAPLAN, G. VAGUJHELYI AND M. VAGUJHELYI 2001 FAM TRUST AGR,U/D/A, MARIE-ANNIE ALEXANDER LIVING TRUST, LOREN D. PARKER, SANDRA LUTZ, JAMES EDWARD TAYLOR, TERRY POPE, SANG (MIKE) YOO, PETER CHENG, YOUNG JA CHOI, SOO YEUN MOON, DARLENE LINDGREN, PATRICIA M. MOLL, SHEPHERD MOUNTAIN, LLC, GREG A. CAMERON, DONALD SCHREIFELS, MELVIN CHEAH, TMI PROPERTY GROUP, LLC, RICHARD LUTZ, JL&YL HOLDINGS, LLC, FARAD TORABKHAN, AMY BRUNNER, ALBERT THOMAS, ROBERT R. PEDERSON, WILLIAM A. HENDERSON, MICHAEL HURLEY, MICHAEL IZADY, AJIT GUPTA, JANE DUNLAP, RAMON FADRILAN, KWANGSOO SON, LORI K. TOKUTOMI, STEVEN TAKAKI, ANNE BHAN, PEDERSON 1990 TRUST, ANITA TOM, DOUG MECHAM, LEE VAN DER BOKKE, HENRY NUNN, ROBERT BRUNNER, CAYENNE TRUST, MAY ANN HOM TRUST, ROBERT A. WILLIAMS, SEEMA GUPTA, FAYE FADRILAN, DANIEL MOLL, DOMINIC YIN, ELIZABETH ANDERS MECUA, GARETT TOM, CHANH TRUONG, JEFFERY JAMES QUINN, PAMELA Y. ARATANI, WEISS FAMILY TRUST, ELIAS SHAMIEH, DUANE WINDHORST, D'ARCY NUNN, BARRY HAY, R. RAGHURAM, M&Y HOLDINGS, LLC, ELISA CHENG, NORMAN CHANDLER ROBERT L. EISENBERG, ESQ. for GUY P. BROWNE, VINOD BHAN, BARBARA ROSE QUINN, JEFF RIOPELLE, WILLIAM BREHM MINER, CHRISINE MECHAM, LAVERNE ROBERTS, SUZANNE C. PARKER, JOHN DUNLAP, LOU ANN PEDERSON, MADELYN VAN DER BOKKE, JACQUELIN PHAM, LEE FAMILY 2002 REVOCABLE TRUST, SAHAR TAVAKOL, DI SHEN, MARILYN WINDHORST, GARTH A. WILLIAMS, LISA FISH, FREDRICK FISH, USHA RAGHURAM, KI HAM, JOHNSON AKINDODUNSE, RYAN TAYLOR, NANCY POPE, PRAVESH CHOPRA, HYUNG (CONNIE) KUK, SANG DEE SOHN, KENNETH RICH, CHRISTINE E. HENDERSON, MAXINE RICH, NADINE'S REAL ESTATE INVESTMENTS, LLC, SANDI RAINES, BENTON WAN, MARY A. KOSSICK, SILKSCAPE INCORPORATED, LORI ORDOVER, TIMOTHY D. KAPLAN, G. VAGUJHELYI AND M. VAGUJHELYI 2001 FAM TRUST AGR,U/D/A, MARIE-ANNIE ALEXANDER LIVING TRUST, LOREN D. PARKER, SANDRA LUTZ, JAMES EDWARD TAYLOR, TERRY POPE, SANG (MIKE) YOO, PETER CHENG, YOUNG JA CHOI, SOO YEUN MOON, DARLENE LINDGREN, PATRICIA M. MOLL, SHEPHERD MOUNTAIN, LLC, GREG A. CAMERON, DONALD SCHREIFELS, MELVIN CHEAH, TMI PROPERTY GROUP, LLC, RICHARD LUTZ, JL&YL HOLDINGS, LLC, FARAD TORABKHAN, AMY BRUNNER, ALBERT THOMAS, ROBERT R. PEDERSON, WILLIAM A. HENDERSON, MICHAEL HURLEY, MICHAEL IZADY, AJIT GUPTA, JANE DUNLAP, RAMON FADRILAN, KWANGSOO SON, LORI K. TOKUTOMI, STEVEN TAKAKI, ANNE BHAN, PEDERSON 1990 TRUST, ANITA TOM, DOUG MECHAM, LEE VAN DER BOKKE, HENRY NUNN, ROBERT BRUNNER, CAYENNE TRUST, MAY ANN HOM TRUST, ROBERT A. WILLIAMS, SEEMA GUPTA, FAYE FADRILAN, DANIEL MOLL, DOMINIC YIN, ELIZABETH ANDERS MECUA, GARETT TOM, CHANH TRUONG, JEFFERY JAMES QUINN, PAMELA Y. ARATANI, WEISS FAMILY TRUST, ELIAS SHAMIEH, DUANE WINDHORST, D'ARCY NUNN, BARRY HAY, R. RAGHURAM, M&Y HOLDINGS, LLC, ELISA CHENG, NORMAN CHANDLER

STEFANIE T. SHARP, ESQ. for RICHARD M TEICHNER

JORDAN T. SMITH, ESQ. for AM-GSR HOLDINGS, LLC

BRIANA N. COLLINGS, ESQ. for BARBARA ROSE QUINN, BENTON WAN, MARY A. KOSSICK, SILKSCAPE INCORPORATED, LORI ORDOVER, TIMOTHY D. KAPLAN, G. VAGUJHELYI AND M. VAGUJHELYI 2001 FAM TRUST AGR,U/D/A, MARIE-ANNIE ALEXANDER LIVING TRUST, LOREN D. PARKER, SANDRA LUTZ, SUZANNE C. PARKER, JOHN DUNLAP, LOU ANN PEDERSON, PETER CHENG, GREG A. CAMERON, DONALD SCHREIFELS, MELVIN CHEAH, TMI PROPERTY GROUP, LLC, RICHARD LUTZ, MADELYN VAN DER BOKKE, JL&YL HOLDINGS, LLC, FARAD TORABKHAN, LEE FAMILY 2002 REVOCABLE TRUST, ALBERT THOMAS, SAHAR TAVAKOL, ROBERT R. PEDERSON, WILLIAM A. HENDERSON, DI SHEN, MICHAEL IZADY, JANE DUNLAP, RAMON FADRILAN, LORI K. TOKUTOMI, STEVEN TAKAKI, PEDERSON 1990 TRUST, ANITA TOM, LEE VAN DER BOKKE, HENRY NUNN, USHA RAGHURAM, FAYE FADRILAN, DOMINIC YIN, GARETT TOM, JEFFERY JAMES QUINN, ELIAS SHAMIEH, D'ARCY NUNN, BARRY HAY, R. RAGHURAM, M&Y HOLDINGS, LLC, KENNETH RICH, ELISA CHENG, NORMAN CHANDLER, CHRISTINE E. HENDERSON, MAXINE RICH, NADINE'S REAL ESTATE INVESTMENTS, LLC, SANDI RAINES

JARRAD C. MILLER, ESQ. for GUY P. BROWNE, VINOD BHAN, BARBARA ROSE QUINN, JEFF RIOPELLE, WILLIAM BREHM MINER, CHRISINE MECHAM, LAVERNE ROBERTS, SUZANNE C. PARKER, JOHN DUNLAP, LOU ANN PEDERSON, MADELYN VAN DER BOKKE, JACQUELIN PHAM, LEE FAMILY 2002 REVOCABLE TRUST, SAHAR TAVAKOL, DI SHEN, MARILYN WINDHORST, GARTH A. WILLIAMS, LISA FISH, FREDRICK FISH, USHA RAGHURAM, KI HAM, JOHNSON AKINDODUNSE, RYAN TAYLOR, NANCY POPE, PRAVESH CHOPRA, HYUNG (CONNIE) KUK, SANG DEE SOHN, KENNETH RICH, CHRISTINE E. HENDERSON, MAXINE RICH, NADINE'S REAL ESTATE INVESTMENTS, LLC, SANDI RAINES, BENTON WAN, MARY A. KOSSICK, SILKSCAPE INCORPORATED, LORI ORDOVER, TIMOTHY D. KAPLAN, G. VAGUJHELYI AND M. VAGUJHELYI 2001 FAM TRUST

AGR,U/D/A, MARIE-ANNIE ALEXANDER LIVING TRUST, LOREN D. PARKER, SANDRA LUTZ, JAMES EDWARD TAYLOR, TERRY POPE, SANG (MIKE) YOO, PETER CHENG, YOUNG JA CHOI, SOO YEUN MOON, DARLENE LINDGREN, PATRICIA M. MOLL, SHEPHERD MOUNTAIN, LLC, GREG A. CAMERON, DONALD SCHREIFELS, MELVIN CHEAH, TMI PROPERTY GROUP, LLC, RICHARD LUTZ, JL&YL HOLDINGS, LLC, FARAD TORABKHAN, AMY BRUNNER, ALBERT THOMAS, ROBERT R. PEDERSON, WILLIAM A. HENDERSON, MICHAEL HURLEY, MICHAEL IZADY, AJIT GUPTA, JANE DUNLAP, RAMON FADRILAN, KWANGSOO SON, LORI K. TOKUTOMI, STEVEN TAKAKI, ANNE BHAN, PEDERSON 1990 TRUST, ANITA TOM, DOUG MECHAM, LEE VAN DER BOKKE, HENRY NUNN, ROBERT BRUNNER, CAYENNE TRUST, MAY ANN HOM TRUST, ROBERT A. WILLIAMS, SEEMA GUPTA, FAYE FADRILAN, DANIEL MOLL, DOMINIC YIN, ELIZABETH ANDERS MECUA, GARETT TOM, CHANH TRUONG, JEFFERY JAMES QUINN, PAMELA Y. ARATANI, WEISS FAMILY TRUST, ELIAS SHAMIEH, DUANE WINDHORST, D'ARCY NUNN, BARRY HAY, R. RAGHURAM, M&Y HOLDINGS, LLC, ELISA CHENG, NORMAN CHANDLER DAVID C. MCELHINNEY, ESQ. for GAGE VILLAGE COMMERCIAL

DAVID C. MCELHINNEY, ESQ. for GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, AM-GSR HOLDINGS, LLC, GRAND SIERRA RESORT UNIT-OWNER'S ASSOCIATION, MEI-GSR HOLDINGS LLC DBA GRAND SIERRA RESORT AND CASINO

G. DAVID ROBERTSON, ESQ. for GUY P. BROWNE, VINOD BHAN, BARBARA ROSE QUINN, JEFF RIOPELLE, WILLIAM BREHM MINER, CHRISINE MECHAM, LAVERNE ROBERTS, SUZANNE C. PARKER, JOHN DUNLAP, LOU ANN PEDERSON, MADELYN VAN DER BOKKE, JACQUELIN PHAM, LEE FAMILY 2002 REVOCABLE TRUST, SAHAR TAVAKOL, DI SHEN, MARILYN WINDHORST, GARTH A. WILLIAMS, LISA FISH, FREDRICK FISH, USHA RAGHURAM, KI HAM, JOHNSON AKINDODUNSE, RYAN TAYLOR, NANCY POPE, PRAVESH CHOPRA, HYUNG (CONNIE) KUK, SANG DEE SOHN, KENNETH RICH, CHRISTINE E. HENDERSON, MAXINE RICH, NADINE'S REAL ESTATE INVESTMENTS, LLC, SANDI RAINES, BENTON WAN, MARY A. KOSSICK, SILKSCAPE INCORPORATED, LORI ORDOVER, TIMOTHY D. KAPLAN, G. VAGUJHELYI AND M. VAGUJHELYI 2001 FAM TRUST AGR,U/D/A, MARIE-ANNIE ALEXANDER LIVING TRUST, LOREN D. PARKER, SANDRA LUTZ, JAMES EDWARD TAYLOR, TERRY POPE, SANG (MIKE) YOO, PETER CHENG, YOUNG JA CHOI, SOO YEUN MOON, DARLENE LINDGREN, PATRICIA M. MOLL, SHEPHERD MOUNTAIN, LLC, GREG A. CAMERON, DONALD SCHREIFELS, MELVIN CHEAH, TMI PROPERTY GROUP, LLC, RICHARD LUTZ, JL&YL HOLDINGS, LLC, FARAD TORABKHAN, AMY BRUNNER, ALBERT THOMAS, ROBERT R. PEDERSON, WILLIAM A. HENDERSON, MICHAEL HURLEY, MICHAEL IZADY, AJIT GUPTA, JANE DUNLAP, RAMON FADRILAN, KWANGSOO SON, LORI K. TOKUTOMI, STEVEN TAKAKI,

ANNE BHAN, PEDERSON 1990 TRUST, ANITA TOM, DOUG MECHAM, LEE VAN DER BOKKE, HENRY NUNN, ROBERT BRUNNER, CAYENNE TRUST, MAY ANN HOM TRUST, ROBERT A. WILLIAMS, SEEMA GUPTA, FAYE FADRILAN, DANIEL MOLL, DOMINIC YIN, ELIZABETH ANDERS MECUA, GARETT TOM, CHANH TRUONG, JEFFERY JAMES QUINN, PAMELA Y. ARATANI, WEISS FAMILY TRUST, ELIAS SHAMIEH, DUANE WINDHORST, D'ARCY NUNN, BARRY HAY, R. RAGHURAM, M&Y HOLDINGS, LLC, ELISA CHENG, NORMAN CHANDLER

The following people have not been served electronically and must be served by traditional means (see Nevada Electronic Filing Rules.):

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71 Washington Street

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ABRAN E. VIGIL, ESQ. for GAGE VILLAGE COMMERCIAL
DEVELOPMENT, LLC, AM-GSR HOLDINGS, LLC, MEI-GSR HOLDINGS
LLC DBA GRAND SIERRA RESORT AND CASINO

Address: ABRAN E. VIGIL, ESQ.

Ballard Spahr LLP

1980 Festival Plaza Dr Ste 900

Las Vegas, NV 89135-2958

# EXHIBIT H

FILED

1 2 3 4 5 6 7 8 9 10 11 12 13		Electronically CV12-02222 2023-04-04 04:20:56 PM Alicia L. Lerud Clerk of the Court Transaction # 9594421 : yvilo
13	IN AND FOR THE CO	DUNTY OF WASHOE
14		
15	ALBERT THOMAS, individually; et al.,	
16	Plaintiffs,	
17	VS.	Case No. CV12-02222 Dept. No. OJ41
18 19	MEI-GSR HOLDINGS, LLC, a Nevada limited liability company, GRAND SIERRA RESORT UNIT OWNERS' ASSOCIATION,	Dept. No. O3 11
20	a Nevada nonprofit corporation, GAGE VILLAGE COMMERCIAL	
21	DEVELOPMENT, LLC, a Nevada limited liability company; AM-GSR HOLDINGS,	
22	LLC, a Nevada limited liability company; and DOE DEFENDANTS 1 THROUGH 10,	
23	inclusive,	
24	Defendants.	
25	OPPOSITION TO DEFENDANTS' MOT	ION FOR STAY OF ORDER GRANTING
26	RECEIVER'S MOTION FOR ORD	ERS & INSTRUCTIONS ENTERED CH 27, 2023 ORDER OVERRULING
27	<b>DEFENDANTS' OBJECTIONS RELATED</b>	THERETO, PENDING REVIEW BY THE
	NEVADA SUPI	REME COURT
28		

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

OPPOSITION TO DEFENDANTS' MOTION FOR STAY PAGE 1

1 Plaintiffs, by and through their counsel of record, the law firms of Robertson, Johnson, 2 Miller & Williamson and Lemons, Grundy & Eisenberg, hereby submit this Opposition to 3 Defendants' Motion for Stay of Order Granting Receiver's Motion for Orders & Instructions Entered January 26, 2023 and the March 27, 2023 Order Overruling Defendants' Objections 4 5 Related Thereto, Pending Review by the Nevada Supreme Court ("Opposition"). This 6 Opposition is based upon the enclosed memorandum of points and authorities, all exhibits 7 attached thereto, all papers and pleadings on file herein, and any oral argument the Court may 8 wish to hear. 9 RESPECTFULLY SUBMITTED this 4th day of April, 2023. 10 ROBERTSON, JOHNSON, MILLER & WILLIAMSON 11 50 West Liberty Street, Suite 600 Reno, Nevada 89501 12 And 13 LEMONS, GRUNDY & EISENBERG 14 6005 Plumas Street, Third Floor Reno, Nevada 89519 15 By: <u>/s/ Jarrad C. Miller</u> 16 Jarrad C. Miller, Esq. Briana N. Collings, Esq. 17 Attorneys for Plaintiffs 18 19 20 21 22 23 24 25 26 27

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### MEMORANDUM OF POINTS AND AUTHORITIES

### I. INTRODUCTION

Defendants bear the burden of establishing the need for their requested stay that would halt the Court-ordered turnover of Plaintiffs' conservatively calculated rents for 2020 and 2021, which are needed to both operate the receivership and partially compensate Plaintiffs. Any stay requires the Court to consider: "(1) whether the object of the appeal or writ petition will be defeated if the stay or injunction is denied; (2) whether appellant/petitioner will suffer irreparable or serious injury if the stay or injunction is denied; (3) whether respondent/real party in interest will suffer irreparable or serious injury if the stay or injunction is granted; and (4) whether appellant/petitioner is likely to prevail on the merits in the appeal or writ petition." NRAP 8(c).

Defendants cannot demonstrate the need for a stay under the four factors for a variety of reasons. It cannot be understated that the requested stay concerns the release of conservatively calculated rental proceeds under Court-approved fees in the amount of \$1,103,950.99¹, *not damages*. Moreover, Defendants are entitled to keep half of the rental proceeds after fees under the existing Unit Rental Agreements ("URAs") and thus cannot suffer any irreparable monetary harm. Instead, Plaintiffs will continue to be harmed by Defendants' failure and refusal to turn over the rental proceeds, especially considering that the conservatively calculated rents to be paid out do not even encompass all of the back-due rental proceeds owed to Plaintiffs at this point.

To the extent Defendants argue they will not be able to recover any overpaid proceeds, this argument is hollow and must be rejected. First, Plaintiffs already have an unpaid existing judgment against Defendants exceeding \$25 million, which has been and will continue to accrue interest until it is paid in full. Second, both Defendants' and Plaintiffs' condominium units are now owned by GSRUOA with the Receiver as trustee, virtually eliminating any chance that the Receiver could not account for or equalize any amount Defendants would be owed as a result of an appeal through the rental proceeds from the units. Relatedly, the rents are also the source of

<sup>1</sup> While \$1,103,950.99 is a significant amount of money, because of the number of condominium units under the receivership (670), that amount is minimal. Plaintiffs' units earn about \$3 million per year in rental proceeds, and Defendants' units earn over \$13 million per year. Thus, \$1 million is a drop in the bucket.

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payment for the Receiver, and the Receiver has stopped critical work as a result of nonpayment, thus threatening Plaintiffs' and Defendants' units. Third and finally, under the Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration of Covenants, Restrictions and Reservation of Easements recorded February 27, 2023 ("Agreement to Terminate"), "title to that real estate, upon execution of this termination agreement, vests in the Association with the Receiver as trustee for the holders of all interest in the units." (Ex. 1, Agreement to Terminate at 2.)

The critical situation wherein the Receiver is trustee over the GSRUOA, the entity that owns the units, and has been ordered to continue renting all of the units until they are sold, but is not completing any work because he is not getting paid is unsustainable and cannot continue without inevitable prejudice to *all* former unit owners, including Plaintiffs. (See Ex. 2, email memorializing that as of April 1, 2023, Receiver will not work without payment, does not know if the units are still being rented, and the rents are still not being turned over even after the change of ownership of the units.) A stay would only serve to exacerbate this current situation of the stalled/failing receivership.

In addition, the request for a stay is based upon a misunderstanding of the case at best, or blatantly false statements at worst. This Court is acutely aware that coming up to speed in this matter is no simple task. Unfortunately, it appears Defendants' new counsel has not yet fully grasped the posture of this matter, including the history of the fee calculations and the status of the Receiver's conservatively calculated fees at issue. For instance, Defendants falsely claim "the Court in its January 4, 2022 Order made clear that the Receiver's calculations were 'incorrect' and ordered that the calculations to be redone [sic] . . ." and that "[t]he Receiver's calculation is clearly erroneous and should be set aside." (Motion at 6:18-19, 7:4-5.) These assertions simply ignore the record and the Court's recent unequivocal approval of the fees.

The reality is that Plaintiffs have not been paid their units' rental proceeds since 2020. Instead, Defendants have wrongly withheld these rents – effectively stealing from Plaintiffs again – month after month, despite multiple Court orders demanding the proceeds be turned over. To add insult to injury, every year Defendants issue Plaintiffs 1099s which show that

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Plaintiffs are earning rental proceeds – *which have absolutely not been paid out.* (See Ex. 3, Sample 1099.) Similarly egregious, the Receiver has gone without payment since October 2021, and now, for many months, has refused to perform any tasks beyond the bare minimum until he is paid (worse, at present, the Receiver refuses to perform *any* tasks at all due to nonpayment).

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The Receiver has prepared *conservative* calculations of what Plaintiffs are owed through December 31, 2021, thus excluding over a year's worth of rental proceeds which are rightfully owed to Plaintiffs (all of 2022 and 2023 up to present). The Court has ordered this conservative amount be turned over in the interim so the Receiver can be brought current and complete his tasks, and so Plaintiffs can be paid part of those funds they have been owed for years. Defendants, unsurprisingly, have now moved the Court to stay this order so Defendants can continue stealing from Plaintiffs and undermining the receivership under the guise that turning over these proceeds would cause irreparable harm to Defendants. Defendants wholly, but characteristically, disregard and discount the magnitude of harm that their continued blatant thievery causes the Plaintiffs, many of which are in their retirement years.

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As referenced above, now that Defendants have been allowed to terminate the Grand Sierra Resort Unit Owners' Association ("GSRUOA"), the Receiver has control over the parties' units and the rental proceeds therefrom, and the Court has ordered the Receiver to continue renting all of the units until they are sold. For Defendants to terminate the GSRUOA, which statutorily requires the association, through the Receiver, to take over the units and the rental thereof, and then deny the Receiver's authority to do this is brazenly hypocritical and reveals Defendants' true motive in terminating the GSRUOA: steal even more from Plaintiffs to leave them so financially distraught that they forgo the pursuit of this action any further and stop/terminate the receivership by stopping payment to him. This absurdity must end.

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The Court must reject Defendants' attempts to continue making this litigation "unjust, dilatory, and costly" for Plaintiffs. (Findings of Fact, Conclusions of Law and Judgment dated October 9, 2015 at 2:22-25). The transparently nefarious goal of Defendants is to continue to stop the Receiver from doing his job, to prejudice the Plaintiffs, and maintain effective control of the condominium units for their own profit.

Without the required payment being made by Defendants – comprised of money owed to Plaintiffs, *not damages* – the Receiver cannot and will not complete any of the necessary tasks to protect the units and to bring this proceeding to a close. The Court should not allow Defendants to continue making a mockery of the justice system by granting a stay. Instead, the Court should deny Defendants' motion and require Defendants to turn over the conservatively calculated rental proceeds to the Receiver so this action can proceed to a conclusion under the supervision of the Court through the receivership.

### II. RELEVANT FACTUAL BACKGROUND

The Receiver has been vested with authority to take all rental proceeds from both Plaintiffs' and Defendants' units since the receivership was put into place in 2015. (See Order Appointing Receiver and Directing Defendants' Compliance, filed January 7, 2015 at 5:17-19, the Receiver is authorized "[t]o demand, collect and receive all dues, fees, reserves, *rents* and revenues derived from the Property.")

Defendants began refusing to provide the Receiver/Plaintiffs with rental proceeds in 2020, arguing the fees charged to Plaintiffs should undoubtedly exceed their units' revenue, so no rental proceeds existed. This baseless refusal ignores the track record of the units producing rental revenue and prompted a variety of motions by Plaintiffs, including motions for instructions to the Receiver to take over the rental proceeds and motions for orders to show cause relating to Defendants' improper refusal to turn over the rental proceeds as required. As a result of the former, on January 4, 2022, the Court issued a number of orders including its Order Granting Receiver's Motion for Orders & Instructions ("Orders & Instructions") and its Order Approving Receiver's Request for Approval of Updated Fees ("Fee Approval Order"). The Orders & Instructions provided that

[T]he Receiver shall recalculate the DUF, SFUE, and HE based on the same methodology as has been used in calculating the fee charges for 2021, subject to Court approval of such methodology. Those fees in place prior to the Court's September 27, 2021 Order shall remain in place *until the fees for 2020 are recalculated and approved by this Court* such that only a single account adjustment will be necessary.

(Orders & Instructions at 7:1-5.)

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That same day, the Court issued the Fee Approval Order, providing that, "The Receiver's new fee calculations as submitted to the Court should immediately be applied retroactive to January 2020 and going forward until a subsequent order from the Court is issued. . . ." (Fee Approval Order at 2:3-5.) These two orders make clear the calculations submitted and approved by the Court in the Fee Approval Order supersede the placeholder pre-September 27, 2021 fees, and thus the explicitly approved fees are to be applied as ordered. Notably, the Receiver appears to agree with this interpretation. (Reply to Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties' Oppositions to the Receiver's Motion for Orders & Instructions, filed February 24, 2023 ("Receiver's Reply to Objection") at 4:9-16.)

To resolve any doubt, the Court granted the Receiver's recent Motion for Orders & Instructions which provided the Receiver's conservative calculations of the amounts owed to Plaintiffs for 2020 and 2021, and provided the parties an opportunity to object to the Receiver's "temporary but understated" calculations. (See Omnibus Reply at Ex. 1; Ex. 1, Receiver's Letter dated March 23, 2023 at 2; Order, filed January 26, 2023.) Defendants filed an objection, recycling the same doomed arguments they have made previously: the Receiver has not properly calculated the fees to be charged to Plaintiffs to leave Plaintiffs upside down in their unit ownership, and thus, Defendants should not have to turn over the rental proceeds because the fees that purportedly should be charged exceed the revenue. (Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties' Oppositions to the Receiver's Motion for Orders & Instructions ("Defendants' Objection"), filed February 16, 2023.)

The Court ultimately rejected these arguments for a third time: "these are the arguments which have been rejected by the Court" in previous Court orders – namely the Fee Approval Order and the Orders & Instructions. (Order, dated March 27, 2023.) The Court then ordered Defendants to deposit the conservatively calculated total fees with the Receiver within five judicial days from entry of the March 27, 2023 Order. (Id.) That order was entered on March 27, 2023, so Defendants' deposit was due no later than April 3, 2023.

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 Defendants now seek a stay of this order requiring them to pay these rental proceeds – while also criticizing the Receiver for not completing his tasks and arguing that Defendants must undertake such tasks instead. Defendants are trying to turn this issue into a never-ending cycle: the Receiver will not perform the calculations (in an incredibly lopsided way that creates an unsubstantiated windfall for Defendants) without being paid, and Defendants will not turn over any payment until the calculations are done, thus leaving everything at a standstill. This farcical exercise must be rejected outright, and the cycle must be broken.

Moreover, the parties have previously undertaken this exercise wherein the Receiver's fees are applied for multiple years. (Order Granting Motion for Instructions to Receiver, filed February 15, 2019, where the Court ordered the Receiver to disgorge wrongly charged fees and implement the prior receiver's fees from 2016 for multiple years.) During that time, Defendants did not seek relief from the Court to stop the use of the prior Receiver's fees, and payment of rents continued until January of 2020. (See Receiver's Report re GSRUOA, as of May 22, 2019, dated May 23, filed May 23, 2019 at 6, noting \$194,575.22 had been disgorged for the difference between the previous receiver's fees and the Defendants-imposed fees; Receiver's Report re GSRUOA, for the Period from May 23 through June 30, 2019, filed July 2, 2019 at 7-8, noting an additional disgorgement of \$194,516.46; Receiver's Report re GSRUOA as of August 31, 2019, dated September 15, filed September 17, 2019 at 7, noting a cumulative disgorgement of \$590,079.07; Receiver's Report re GSRUOA for the Period from September 1 through September 30, 2019, filed October 7, 2019 at 5, noting full disgorgement and an unauthorized offset of over-disgorgement against upcoming payouts to Plaintiffs.)

Defendants argue the enforcement of the subject orders must be stayed pending appeal, but this argument lies on an improper foundation. The amounts to be turned over are for rents, not damages subject to any remotely viable argument on appeal. The amounts are rental proceeds that are rightfully owed to Plaintiffs for Defendants' rental of Plaintiffs' units, of which, under the existing URAs, the Defendants already keep half after fees. The juxtaposition of these categories of funds cannot be understated: Defendants have no right to withhold funds which are absolutely owed to Plaintiffs for the rental of their units.

1 2 Plaintiffs for the use of their units, but it can also provide desperately needed funding for the 3 Receiver to pay his and his counsel's invoices and to complete critical tasks to bring this litigation to a close. Such critical tasks include those tasks the Receiver now has been assigned 4 as a result of the Agreement to Terminate.<sup>2</sup> The Receiver has rightfully, and repeatedly, 5 reiterated that he will not work without payment. (See Ex. 2.) The turnover of the subject 6 understated rental proceeds is imperative to keep this case moving forward. Without the rents 7 being paid to the Receiver, the matter will continue residing in this judicial purgatory where 8 Defendants continue to refuse complying with Court orders and Plaintiffs are forced to continue

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III. **LEGAL STANDARD** 

The proponent of a stay bears the burden of establishing its need. Clinton v. Jones, 520 U.S. 681, 708 (1997). Before granting a stay pending appeal, the Court must generally consider: "(1) whether the object of the appeal or writ petition will be defeated if the stay or injunction is denied; (2) whether appellant/petitioner will suffer irreparable or serious injury if the stay or injunction is denied; (3) whether respondent/real party in interest will suffer irreparable or serious injury if the stay or injunction is granted; and (4) whether appellant/petitioner is likely to prevail on the merits in the appeal or writ petition." NRAP 8(c). Although Defendants provided the Court with a declaration from their counsel, Defendants do not provide any other evidence demonstrating these factors weigh in favor of a stay.

their expensive efforts to force Defendants to follow the hard-won Court orders.

The payment of these understated rental proceeds will not only partially compensate

While no one factor alone is sufficient for a stay to be granted, "there must be a 'threshold showing' for each factor before a court can even begin balancing them." Guardado v.

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<sup>2</sup> Under the Agreement to Terminate, "[u]ntil the sale has been concluded and the proceeds thereof distributed upon Court approval in the Receivership Action, the Association continues in existence with all powers it had before termination under the receivership. Upon execution of the sale documents and distribution of the proceeds and an order issued in the Receivership Action the Association will terminate." (Agreement to Terminate at 2.) Defendants' agreement to the aforementioned language in the Agreement to Terminate contradicts their immediate about-face in refusing to turn over the rents necessary for the receivership to operate. Clearly, Plaintiffs and the Court believed the Agreement to Terminate would be key to Defendants' cooperation to bring this matter to an efficient conclusion; however, Defendants continue to do everything possible to prevent the Receiver from doing his job to let the parties reach a long overdue conclusion of this litigation.

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Nevada, 2:18-cv-0198-GMN-VCF, 2018 WL 6435328, at \*1 (D. Nev. Dec. 6, 2018) (quoting Leiva-Perez v. Holder, 640 F.3d 962, 965-66 (9th Cir. 2011)). "[I]f the appeal appears frivolous or if the appellant apparently filed the stay motion purely for dilatory purposes, the court should deny the stay." Mikohn Gaming Corp. v. McCrea, 120 Nev. 248, 253, 89 P.3d 36, 40 (2004).

### IV. ARGUMENT

### A. The Object of Any Appeal Here Cannot be Defeated if the Stay is Denied

The object of an appeal will only be denied when denying a stay would result in duplication of litigation, nullification of results, or irreversible waivers. See Mikohn, 120 Nev. at 253, 89 P.3d at 39 (where appeal of order denying motion to compel arbitration warranted a stay because of "the interlocutory nature of an appeal seeking to compel arbitration, and the purposes of arbitration"); Hansen v. Eighth Jud. Dist. Ct., 116 Nev. 650, 657-58, 6 P.3d 982, 986 (2000) (where appeal of order denying motion to quash service of summons did not warrant a stay because the appellant's appearance below would "not waive [the appellant's] jurisdictional defense by answering after its motion to quash was denied"). Defendants argue the purpose of their appeal will be defeated without a stay because they will be unable to recover any overpayment of rental proceeds. There are two fundamental flaws with this argument.

First, Defendants have not set forth facts and legal authority indicating the orders at issue here are appealable and therefore appropriate for a stay pursuant to NRAP 8. Instead, the law is clear: the orders are not interlocutory orders capable of an interlocutory appeal. NRAP 3A(b). A stay allowed for under NRAP 8, which is the type of stay sought here, is therefore unavailable to Defendants as they seek to stay the Court's January 26, 2023 and March 27, 2023 Orders.

Second, and more importantly, the object of Defendants' purported appeal will not be denied by requiring Defendants to pay a limited portion of the sorely overdue rental proceeds, which have been *conservatively estimated*. Defendants argue they have numerous legal arguments to present on appeal regarding the calculation of the fees; however, Defendants have yet to set forth a single colorable argument. (Compare Motion at 9:22-24, "these orders present substantial legal questions that warrant Supreme Court review" with Order, filed March 27, 2023 at 1:24-25, "these are the arguments which have been rejected by the Court.")

There is nothing irreversible about requiring Defendants to pay these overdue rental proceeds to the Receiver for dissemination to Plaintiffs – who are the rightful owners of such proceeds. In fact, as described in more detail below, there are multiple funding sources from which the Defendants could be reimbursed for any overpayment. Thus, there is no reason the object of the appeal would be denied if a stay is not put into place. This factor therefore weighs heavily against any stay.

### B. The Only Parties Who Will be Harmed by a Stay Are Plaintiffs

There is only one side that has suffered prior to and throughout these proceedings, and will suffer further if a stay is imposed: Plaintiffs. Beginning with Defendants' blatant thievery, to which nothing has been paid on the existing judgment, and continuing with Defendants' gross discovery abuses leading to case-terminating sanctions, a wrongful dismissal which was successfully overturned on appeal, and now Defendants' complete refusal to turn over rental proceeds rightfully owing to Plaintiffs, Plaintiffs have suffered at Defendants' hands for over a decade. Now, Defendants hypocritically argue they will suffer irreparable harm if they are required to turn over the amounts the Receiver has *conservatively underestimated* Defendants have stolen from Plaintiffs during 2020 and 2021. Defendants argue they may not be able to recoup these amounts in the unlikely event the conservative calculations exceed the true calculations, and therefore Defendants will be irreparably harmed. This argument is not only hollow, it falls absolutely flat in light of the history of this case and far short of the threshold necessary to warrant a stay.

"Generally, stays should not be indefinite in nature." <u>Dependable Highway Exp., Inc. v. Navigators Ins. Co.</u>, 498 F.3d 1059, 1066 (9th Cir. 2007). Indeed, a stay "should not be granted unless it appears likely the other proceedings will be concluded within a reasonable time." <u>Levya v. Certified Grocers of California, Ltd.</u>, 593 F.2d 857, 864 (9th Cir. 1979). Only when a stay will be limited in nature can it be non-prejudicial to the other party. <u>Singer v. Las Vegas Athletic Clubs</u>, 376 F.Supp.3d 1062 at 1071 (D. Nev. 2019). When "the underlying proceedings could be unnecessarily delayed by a stay," a stay should not be granted. <u>Hansen</u>, 116 Nev. at 658, 6 P.3d at 987. Defendants imply this stay will remain in place while they seek appellate

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review of the final judgment – for which their opening brief is not due until June 2023 and the parties have estimated will take about eighteen (18) months to be fully decided. This type of significant delay certainly cannot be acceptable - especially provided the circumstances surrounding this litigation. A stay will unnecessarily delay the proceeding because the Receiver will not complete necessary work without payment which, under longstanding Court orders, is derived from the rents the Defendants refuse to release.

Moreover, "if the appeal appears frivolous or if the appellant apparently filed the stay motion purely for dilatory purposes, the court should deny the stay," Mikohn, 120 Nev. at 253, 89 P.3d at 40 (emphasis added). It is clear here that Defendants' motion for stay is a dilatory tactic intended to delay the final resolution of this matter - which will undoubtedly require Defendants to disgorge substantial amounts of stolen rental proceeds to Plaintiffs.

### i. These amounts are rental proceeds, not damages

That the amounts to be paid to the Receiver pursuant to the Court's March 27, 2023 Order are *not* damages cannot be understated; rather, these amounts are rental proceeds. Damages are intended to make a plaintiff whole. Davis v. Beling, 128 Nev. 301, 316, 278 P.3d 501, 512 (2012); Martin v. Sears, Roebuck and Co., 111 Nev. 923, 929, 899 P.2d 551, 555 (1995); Univ. of Nevada v. Tarkanian, 110 Nev. 581, 597-98, 879 P.2d 1180, 1190 (1994). These rental proceeds, on the other hand, are not intended to make Plaintiffs whole as a result of Defendants' bad actions. The rental proceeds to be turned over are simply what Plaintiffs are owed for Defendants' rental of Plaintiffs' units during 2020 and 2021 under the Receiver's Court-approved calculations. Plaintiffs need this rental revenue, in some cases to service debt on the units and in all cases, to fund this endless litigation to protect their property interests.

Indeed, the Court's Findings of Fact, Conclusions of Law and Judgment, filed October 9, 2015 ("FFCLJ"), and the Court's Order granting punitive damages, filed January 17, 2023, are what provide damages to Plaintiffs as a result of Defendants' bad acts. Neither of these Court orders, however, provide for the rental proceeds owed to Plaintiffs from 2020 to present. In fact, the receivership was put into place partially to ensure these proceeds were provided to Plaintiffs, thereby stopping the continuous damages claims. Plaintiffs otherwise would have to reopen the

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 prove-up hearing conducted in March 2015 and show further damages resulting from Defendants continuing to rent Plaintiffs' units and failing to turn over the rental proceeds therefrom from January of 2020 until the sale of the units. As this Court is aware, Plaintiffs forewent that avenue of recovery in favor of having the Receiver take control of the rents – as he is authorized and required to do pursuant to Court orders – and distribute the proceeds to Plaintiffs under the Governing Documents and the Court's orders.

Further, now under the recently recorded Agreement to Terminate, the Receiver should have complete control over the parties' property and indeed the GSRUOA now holds title to all of the units with the Receiver as trustee. The Receiver should therefore be receiving and distributing all of the current rental proceeds. Thus, because the rents are *not* damages and the Receiver has control of the rental proceeds now as trustee over all of the units, there is no legitimate legal issue pertaining to the turnover of the Receiver's *conservatively calculated* fees. Thus, the distinction between the amounts owing to Plaintiffs and any damage amounts must guide the Court to reject Defendants' Motion and order the funds paid immediately.

## ii. There are multiple funding sources from which Defendants could recover for any (highly unlikely) overpayment

Defendants argue they will suffer irreparable harm if they follow the Governing Documents and Court orders to turn over the conservatively calculated proceeds to the Receiver for distribution to Plaintiffs. This argument is wholly belied by the record in this matter, as there are at least three (3) revenue streams from which Defendants could recover any overpayment. At the outset, however, it is critical to note the Receiver has described his own calculations as understated on numerous occasions and believes the actual amounts owed to Plaintiffs will be higher than the amount Defendants must turn over now. (Omnibus Reply at 4:23-25, noting the actual amount owed will likely be "somewhat greater than \$1,103,950.99"; Ex. 4, Receiver's Letter at 2, referring to the calculations as "temporary *but understated*" (emphasis added); Receiver's Reply to Objection at 4:26-5:2, noting that the final amounts owed will be greater than the conservative estimation.) Accordingly, the chances of Defendants overpaying Plaintiffs for the rental of Plaintiffs' units is incredibly slim.

Underlining the audacity of Defendants' irreparable harm arguments, Defendants take in over \$13 million per year from their units in rents. Plaintiffs own approximately 100 condominium units and Defendants own approximately 560. Defendants issued 1099s to Plaintiffs for the annual rental of Plaintiffs' units, an exemplar of which demonstrates that approximately \$30,000 each year is generated in rent from a single unit. (See Ex. 3.) Thus, Plaintiffs' units generate rents of approximately \$3 million annually and Defendants' units more than \$13.5 million annually. Accordingly, turning over \$1,103,950.99 in rents is minimal given that rents have not been paid out since December of 2019. Going back to January of 2020, roughly \$50 million in rental revenue has been received for the *res* of the receivership (Plaintiffs' and Defendants' units) and no rents have been turned over to the Receiver – making a mockery of the Court's orders and the receivership. The \$1,103,905.99 is a long overdue drop in the bucket that certainly will not leave Defendants penniless, as they attempt to imply.

In any case, there are numerous funding sources from which Defendants could recoup any overpayment. First, as Defendants and the Court are keenly aware, Plaintiffs have won a judgment which is approximately \$25 million and will continue to accrue interest until satisfied. (See FFCLJ; Order, filed January 17, 2023.) Despite Defendants' belief that an appeal will overturn this entire monetary award, that is even more unlikely than Plaintiffs being overpaid as a result of the Receiver's conservative calculations. Further, as the Court is aware, portions of the judgment are beyond any dispute whatsoever: Defendants admittedly rented Plaintiffs' units without rental agreements and then stole all the rental revenue. Thus, the judgment is an ample funding source from which Defendants could recoup any unlikely overpayment of these proceeds by way of a setoff.

Second, the Court has ordered the Receiver to continue renting the parties' units until they are sold. (Order, filed March 14, 2023 at 2:2-3, "The Receiver is instructed to continue to rent the former units under the URA.") One exemplar owner account statement shows that even under Defendants' wrongly inflated fees, the unit earns about \$950 per month. (See Ex. 5, Unit 1886 February Statement at 2.) Thus, the Receiver should be receiving a substantial amount each month for Plaintiffs – even under Defendants' wrongly inflated fees. The continued rental

revenues are thus another viable pool of funds from which Defendants could recoup any unlikely 2 overpayment of fees. Lending to the viability of this method of recovery, Defendants did just 3 this after inadvertently over-disgorging previous overcharged fees. (See Receiver's Report re GSRUOA, for the Period from September 1 through September 30, 2019, filed October 7, 2019 4 at 6, discussing unauthorized setoff of over-disgorged fees from rental proceeds.) 5

Finally, the Court has allowed Defendants to terminate the GSRUOA with the expectation that the former units will be sold. (Order Granting in Part and Denying in Part Plaintiffs' Emergency Motion for Instructions to Receiver to Not Execute Documents Terminating the Grand Sierra Resort Unit Owners' Association Without Necessary Revisions to the Subject Documents, filed January 26, 2023 at 3:12-19, 4:1-4.) Although the actual fair market value of the units has yet to be determined, these sale proceeds certainly provide a third source of funds in the unlikely event Defendants overpay those proceeds to Plaintiffs.<sup>3</sup>

As is clear, Defendants' concern about their potential inability to recoup the Receiver's admittedly understated rental proceed calculations is misplaced.<sup>4</sup> Primarily, this concern is of no import because the Receiver has stated several times his calculated total proceeds for 2020 and 2021 are likely understated; thus, upon any true-up, Plaintiffs will be owed more than what Defendants must turn over now.<sup>5</sup> Secondarily, even if Defendants did overpay Plaintiffs these proceeds, there are ample funds from which Defendants could easily recover any overpaid proceeds from Plaintiffs (or the Receiver). There is thus no irreparable harm to Defendants posed by this payout of the rental proceeds because any harm could be easily remedied.

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<sup>&</sup>lt;sup>3</sup> One such task the Receiver must complete is the calculation of the proper fees for all years after 2020 (which will be trued-up against the currently-approved placeholder fees) so the actual rental revenue can be calculated. It is impossible to value the units without the Receiver calculating the fees and the proceeds generated by the units. As the Defendants well know, the value of the units is a function of the income they generate.

<sup>&</sup>lt;sup>4</sup> In fact, the opposite is true: if the Defendants are permitted to continue to steal Plaintiffs' rents, which has occurred since 2020, it might be difficult or impossible for the Plaintiffs to recover the stolen rents from Defendants. The fraudster Defendants should not be permitted to continue to hold Plaintiffs' rents.

<sup>&</sup>lt;sup>5</sup> Plaintiffs are aware of at least one reason the amounts owed to them will be greater than currently calculated by the Receiver. It is undisputed that the Daily Use Fee ("DUF") is at least in part to cover housekeeping services provided to Plaintiffs' units. However, during the COVID-19 pandemic, Defendants were not causing the rooms to be cleaned on a daily basis. Despite this decrease in housekeeping costs, Defendants were still charging Plaintiffs the old DUF on a daily basis, not providing for any reflection of the decreased amount of man hours spent on housekeeping through this time period.

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## iii. <u>Defendants have had years to figure out their options upon the Court</u> rightfully ordering these proceeds be paid to Plaintiffs

Defendants next argue they require more than five judicial days to "consider all options." (Opposition at 6:6-7.) This argument is disingenuous considering the length of time Plaintiffs have been demanding Defendants turn over the rental proceeds rightfully belonging to Plaintiffs. Similarly, the Court has ordered Defendants to turn over these rents on more than one occasion. For example, in the Court's Orders & Instructions, the Court ordered the Receiver to open a separate bank account "into which all rents received by Defendants" for the parties' units would be deposited. (Orders & Instructions at 7:6-9.) The same day, the Court issued another order which directed Defendants "to comply with the Appointment Order's direction to cooperate with the Receiver to effect the dictates of this order," including, but not limited to, depositing rental revenue from the parties' units into a separate account held by the Receiver. (Order Granting Plaintiffs' Motion for Stay of Special Assessment, filed January 4, 2022 at 5:13-17.)

Notably, these orders derived from motions filed in October and August 2021, respectively. Defendants have thus had since at least late 2021 to determine their options if the Court ordered Defendants to turn over rental proceeds belonging to Plaintiffs – as the Court very well should considering the proceeds are Plaintiffs'. It is absurd for Defendants to now argue that during these eighteen (18) months, Defendants did not consider this possibility a single time and plan for the very likely event that Defendants would be ordered to turn over Plaintiffs' rental proceeds. Accordingly, there is simply no irreparable harm to Defendants, either due to the size or the timing of this Court ordered turnover of the rental proceeds.

Rather, Plaintiffs are unduly prejudiced by the threat of a stay in that a stay, and the continued refusal to turn over rental proceeds from 2022 to present deprives Plaintiffs of much-needed proceeds from their properties and causes financial hardship. (See Opposition to Defendants' Motion to Continue April 3, 2023 Trial (First Request), filed March 10, 2023 at Ex. 1 at 2, "I have been financially devastated by Defendants' refusal to pay out the rental proceeds from [my units] since 2020 . . . . ") The balances of hardships related to a stay tips steeply in favor of Plaintiffs.

## C. <u>Defendants Are Highly Unlikely to Succeed on Appeal Because They Cannot</u> Credibly Argue the Fees Are Incorrect

Defendants have made the same, tired arguments about the correctness of the Receiver's fees for many months, if not years, and the arguments have never succeeded. The reality is that the Court has approved these fees – twice. (Fee Approval Order; Order, dated January 26, 2023, accepting Receiver's conservative placeholder fees; see also Order, dated March 27, 2023, overruling Defendants' objections because "these are the arguments which have been rejected by the Court" already.) Nevertheless, Defendants argue that the "Receiver had made erroneous fee calculations that had previously been addressed and corrected by prior orders of the Court." (Motion at 6:18-19.) *This statement is patently false.* Defendants cite the Court's Orders & Instructions to support their assertion. The cited language, however, directly belies Defendants' argument. And, Defendants overlook further language in the very same order which directs the Receiver with respect to the fees.

The Orders & Instructions addressed the Receiver's confusion as to which fees were to be applied following the Court's Order Granting Clarification, filed December 24, 2020. Therein, the Court informed the Receiver that his then-calculated 2020 fees were incorrect and invalid under the Governing Documents. (Order Granting Clarification, filed December 24, 2020 at 3:23-4:10.) The Defendants then argued those fees in place prior to the December 24, 2020 Order, which the Court had stated were incorrect, should be utilized – but the Court soundly rejected this argument because the suggestion to use such fees "directly contradicts the Court's December 24, 2020 Order, is inequitable, and thus is outright denied." (Orders & Instructions at 2:10-11.) The fees the Court deemed incorrect and rejected were the fees Defendants had improperly influenced by convincing the Receiver a plethora of additional expenses not provided for in the Governing Documents were to be charged to Plaintiffs. (December 24, 2020 Order at 3:11-17, "Defendants' interpretation of the Court's October Order, . . . , was inaccurate and not supported by the language of the orders or the record.") The only fees the Court has deemed patently incorrect then *are those Defendants argued for and wrongly convinced the Receiver to apply*.

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The Court accordingly ordered the fees to be recalculated and the prior Receiver's fees to be applied until such recalculation. (Id.) The Court then reconsidered the December 24, 2020 Order and struck the application of the prior Receiver's fees. (Findings of Fact, Conclusions of Law and Order, filed September 29, 2021.) In the Orders & Instructions, the Court further clarified that "[t]hose fees in place prior to the Court's September 27, 2021 Order shall remain in place until the fees for 2020 are recalculated and approved by this Court." (Orders & Instructions at 7:3-5.) In the Order Approving Fees, issued the same day, the Court issued such a subsequent Court order approving fees to be "immediately applied retroactive to January 2020 and going forward until a subsequent order from the Court is issued." (Order Approving Fees at 2:3-5.) Thus, it is clear that after January 4, 2022, the Receiver's calculations approved in the Order Approving Fees were to be retroactively applied from 2020 going forward until new fees were submitted and approved: "in the interim, *rental revenue shall be calculated based upon the Receiver's 2021 calculations*." (Id. at 2:14-15.)

Defendants argue they have set out the "clear errors" in the Receiver's calculations in both their opposition to the Receiver's recent Motion for Orders & Instructions, and in Defendants' Objection. (Motion at 6:17-19.) To begin, Defendants' opposition does not even address the propriety of the actual fees – nor could it, because the Receiver did not submit those calculations until he filed his Omnibus Reply, to which the Court duly allowed the parties to respond. (Order, dated January 26, 2023.)

Defendants make a single, convoluted argument in both Defendants' Objection and Motion: the fees the Receiver applied in his conservative calculations cannot be correct because they "most certainly had not been approved at or prior to September 27, 2021." (Objection at 8:28-9:1.) This single argument has a gaping factual chasm that, when taken into consideration, completely remedies the purported error: the Court *approved the Receiver's calculations for 2020 in the Order Approving Fees* and such approved fees were to be applied "immediately . . . retroactive to January 2020." (Order Approving Fees at 2:4.) Thus, the fact that these fees were not approved until January 4, 2022 makes no difference – they are to be applied immediately, retroactively to January 2020, and going forward until a further order. (Id.) These approved fees

OPPOSITION TO DEFENDANTS' MOTION FOR STAY PAGE 18

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501 thereby displaced and superseded whatever fees were being charged prior to the September 27, 2021 order. Indeed, *this* is what the Receiver's calculations are correctly based upon. Any argument to the contrary must absolutely fail. Most importantly, the Court again approved the fees in the orders Defendants now seek to stay, making any argument about the need for corrections to these calculations under the prior orders entirely moot.

Finally, Defendants make no arguments as to the veracity of the actual fee calculations themselves. The Receiver supplied a comprehensive analysis of his conservative calculations, setting forth the exact ways the Receiver implemented various Court orders. Defendants provide no response or objection to the Receiver's actual numerology. Instead, they simply attack the Receiver's purported failure to apply now-superseded calculations – which, again, is irrelevant because the Court has approved the Receiver's calculations and ordered such fees be applied retroactively to January 2020 and going forward until further order. There is simply no support in the record on appeal for Defendants to dispute the fees.

In short, Defendants have argued *ad nauseum* that the January 4, 2022 orders are conflicting, confusing, and require clarification. Plaintiffs have easily interpreted these orders and the Receiver has similarly interpreted these orders with ease. Defendants are the only parties in this matter who struggle to comprehend simultaneously issued orders which clearly work in harmony with one another. The Court's orders are clear, unambiguous, and provide for the Receiver to apply his fees as he has done to warrant the payment of over \$1 million to Plaintiffs: funds which are long overdue and sorely needed.

## D. <u>The Receivership Must Be Paid to Function Properly and Prevent Further</u> <u>Prejudice to the Plaintiffs</u>

This matter is effectively hamstrung until Defendants remit rental proceeds to the Receiver such that the Receiver's invoices can be brought current and the Receiver can undertake his many overdue tasks, and so Plaintiffs can be partially paid a conservatively calculated estimate of their two years' worth of wrongfully withheld rental revenue. The Court is no stranger to the circumstances surrounding the Receivership and the critical necessity to get the Receiver paid so he can perform vital tasks to bring this litigation to a close.

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All unit owners will endure considerable prejudice if the Receiver is not paid so he can actively manage the units now that the units are owned by the GSRUOA with the Receiver as trustee. (See Agreement to Terminate at 2, "following termination, title to that real estate, upon execution of this termination agreement, vests in the Association with the Receiver as trustee for the holders of all interest in the units.") The current situation wherein the Receiver is not doing necessary work because he is not getting paid is a recipe for disaster and cannot continue.

### V. CONCLUSION

This matter has grinded to a halt as a result of Defendants refusing to turn over rental proceeds to the Receiver so the Receiver can be paid and the appropriate proceeds can be distributed to Plaintiffs. Defendants have been wrongly withholding these proceeds since January 2020 – effectively stealing from Plaintiffs for over three years without repercussion. Now that the Court has ordered Defendants to pay a conservatively calculated amount to the Receiver for these reasons, Defendants have made a concerted effort to dodge any such order and continue refusing to turnover the rents. The Court must see through Defendants' transparent attempts as they are nothing more than a continuation of Defendants' previous efforts to do "everything possible to make the proceedings unjust, dilatory, and costly." (FFCLJ at 2:24-25.)

Granting Defendants' request for stay would only serve to further delay this matter, as the Receiver cannot and will not work without payment, and such payment is to come from the rental proceeds. Accordingly, the Court must deny Defendants' motion in full in order to bring this litigation to a close. Plaintiffs urge the Court to do so.

### **AFFIRMATION**

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

RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of April, 2023.

ROBERTSON, JOHNSON, MILLER & WILLIAMSON

By: /s/ Jarrad C. Miller
Jarrad C. Miller, Esq.
Briana N. Collings, Esq.
Attorneys for Plaintiffs

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Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

### **CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson,
Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of
18, and not a party within this action. I further certify that on the 4 <sup>th</sup> day of April, 2023, 1
electronically filed the foregoing OPPOSITION TO DEFENDANTS' MOTION FOR STAY
OF ORDER GRANTING RECEIVER'S MOTION FOR ORDERS & INSTRUCTIONS
ENTERED JANUARY 26, 2023 AND THE MARCH 27, 2023 ORDER OVERRULING
DEFENDANTS' OBJECTIONS RELATED THERETO, PENDING REVIEW BY THE
NEVADA SUPREME COURT with the Clerk of the Court by using the ECF system which
served the following parties electronically:

Abran Vigil, Esq.	Ann O. Hall, Esq.
Meruelo Group, LLC	David C. McElhinney, Esq.
Legal Services Department	Meruelo Group, LLC
5 <sup>th</sup> Floor Executive Offices	2500 E. 2 <sup>nd</sup> Street
2535 Las Vegas Boulevard South	Reno, NV 89595
Las Vegas, NV 89109	Attorneys for Defendants
Attorneys for Defendants	MEI-GSR Holdings, LLC,
MEI-GSR Holdings, LLC,	Gage Village Commercial
Gage Village Commercial	Development, LLC, and
Development, LLC, and	AM-GSR Holdings, LLC
AM-GSR Holdings, LLC	

Jordan T. Smith, Esq.	F. DeArmond Sharp, Esq.
Pisanelli Bice PLLC	Stefanie T. Sharp, Esq.
400 South 7 <sup>th</sup> Street, Suite 300	Robison, Sharp Sullivan & Brust
Las Vegas, NV 89101	71 Washington Street
Attorneys for Defendants	Reno, NV 89503
MEI-GSR Holdings, LLC;	Attorneys for Receiver
Gage Village Commercial	Richard M. Teichner
Development, LLC; and	
AM-GSR Holdings, LLC	

/s/ Stefanie Martinez An Employee of Robertson, Johnson, Miller & Williamson

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

### **EXHIBIT INDEX** Ex. No. Description **Pages** Agreement to Terminate Email from Stefanie Sharp Sample 1099 Receiver's Letter dated March 23, 2023 Unit 1886 February Statement Declaration of Jarrad C. Miller, Esq. OPPOSITION TO DEFENDANTS' MOTION FOR STAY

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501

PAGE 22

FILED
Electronically
CV12-02222
2023-04-04 04:20:56 PM
Alicia L. Lerud
Clerk of the Court
ransaction # 9594421 : yviloria

# EXHIBIT 661 39 Alicia L. Lerud Clerk of the Court Transaction # 9594421 : yviloria

## EXHIBIT "1"

### DOC #5365056

02/27/2023 08:44:06 AM
Electronic Recording Requested By
LEACH KERN GRUCHOW ANDERSON SO
Washoe County Recorder
Kalie M. Work
Fee: \$43.00 RPTT: \$0
Page 1 of 15

APNS: 012-211-24; 012-211-28; 012-211-36; 012-491-01; 012-491-02; 012-491-04; 012-491-05; 012-491-08; 012-491-12; 012-491-13; 012-492-01 through 012-492-06; 012-492-08; 012-492-08; 012-492-14 through 012-492-16; 012-492-18; 012-493-01; 012-493-02; 012-493-04 through 012-493-06

When recorded please mail to: Grand Sierra Resort Unit Owners Association c/o Associa Sierra North 10509 Professional Circle #200 Reno, NV 89521

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

AGREEMENT TO TERMINATE CONDOMINIUM HOTEL, CONDOMINIUM HOTEL ASSOCIATION, AND DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS

Condominium Hotel : Hotel-Condominiums At Grand Sierra Resort

Association : Grand Sierra Resort Unit - Owner's Association

<u>Declaration</u>: Declaration of Covenants, Conditions, Restrictions and Reservation

of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoc County, Nevada and all amendments thereto, including but not limited to the Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort recorded June 27, 2007 as Document No. 3548504 and the Ninth Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort re-recorded November 30, 2021 as Document No. 5253317.

Real Property: The legal description is included in Exhibit A attached hereto. This legal description is Exhibit A from the Declaration.

,

The undersigned Hotel Unit Owner and the owners of units at the Condominium Hotel representing at least eighty percent (80%) of the votes in the Association defined above (the "80% Units' Owners") hereby agree as follows:

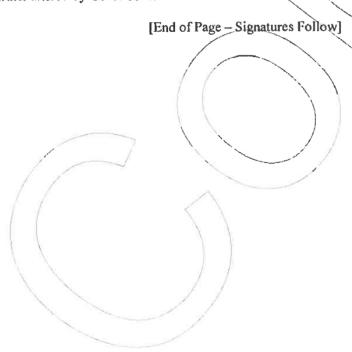
### 5365056 Page 2 of 15 - 02/27/2023 08:44:06 AM

- 1. <u>Termination of Condominium Hotel</u>. At a meeting conducted by the Association on January 18, 2023 (the "<u>Meeting</u>"), Hotel Unit Owner and 80% Units' Owners approved the termination of the Condominium Hotel. The Condominium Hotel is terminated effective upon the filing of this Agreement in the records of the Office of the County Recorder of Washoe County, State of Nevada.
- 2. Sale of Common Elements, Shared Components, and Units. Following termination of the Condominium Hotel, all of the common elements, shared components, and units of the Condominium Hotel shall be sold pursuant to the terms of a subsequently drafted Agreement for Sale of Condominium Hotel Interests and further Court Order from the Second Judicial District Court of the State of Nevada in and for the County of Washoe in Case No. CV12-02222 ("Receivership Action"). Pursuant to NRS 116.2118(5), approval of the yet to be drafted Agreement for Sale of Condominium Hotel Interests must take place at a meeting and receive approval from the Hotel Unit Owner and 80% of the Units' Owners and be approved by the Court in the Receivership Action.
- 3. Approval of Sale of Real Estate. At the Meeting, Hotel Unit Owner and 80% Units' Owners authorized the Association controlled by the Receiver appointed in the Receivership Action, on behalf of the Units' Owners, to contract for the sale of real estate owned by the Units' Owners in the Condominium Hotel. For all real estate to be sold following termination, title to that real estate, upon execution of this termination agreement, vests in the Association with the Receiver as trustees for the holders of all interests in the units. And as long as the Association hold title to the real estate, each of the Unit's Owners shall have a right of occupancy as provided in the Declaration and during that period of occupancy, each of the Units' Owners shall remain liable for all assessments, shared expenses and other obligations imposed on Units' Owners by applicable Nevada law or the Declaration.
- 4. Termination of Association. At the Meeting, Hotel Unit Owner and 80% of Units' Owners approved the termination of the Association. The Association defined above now has all powers necessary and appropriate to affect the sale. Until the sale has been concluded and the proceeds thereof distributed upon Court approval in the Receivership Action, the Association continues in existence with all powers it had before termination under the receivership. Upon execution of the sale documents and distribution of the proceeds and an order issued in the Receivership Action the Association will be terminated.
- 5. Termination of Declaration. The Declaration is terminated effective upon the filing of this Agreement in the records of the Office of the County Recorder of Washoe County, State of Nevada unless otherwise ordered by the Court in the Receivership Action, or the Association is terminated in accordance with paragraph 4 herein. A Rescission and Notice of Termination of the Declaration shall also be recorded on or before the date identified in Section 8 below.
- 6. Severability. If any provision of this Agreement is held to be invalid or unenforceable to any extent, the invalidity or unenforceability of that provision shall not affect any other provision of this Agreement so long as the essential terms of the transactions contemplated

### 5365056 Page 3 of 15 - 02/27/2023 08:44:06 AM

by this Agreement remain enforceable or otherwise ordered in the Receivership Action. The stricken provision or part shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision or part as is legally possible so as to effect the original intent of the parties as closely as possible. If modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, the entire Agreement is to be held unenforceable.

- 7. Compliance. To the extent that any provisions of this Agreement, should be deleted, modified, or amended in order to comply with the provisions of the Declaration or Nevada Revised Statutes, those provisions shall be deleted, modified, or amended accordingly in a self-executing manner to the same extent necessary to achieve compliance and achieve the essential purposes of this Agreement unless otherwise ordered in the Receivership Action. All other terms of this Agreement shall remain in full force and effect.
- 8. <u>Effectiveness of Agreement</u>. This Agreement will be void unless it is recorded on or before December 1, 2050.
- 9. General Provisions. This Agreement may be executed in counterparts and may be further altered by Court Order.



### 5365056 Page 4 of 15 - 02/27/2023 08:44:06 AM

### **EXECUTION**

The parties executed this Agreement as of Janu	nary 25, 2023.
HOTEL UNIT OWNER:	80% of UNITS' OWNERS:
MEI-GSR HOLDINGS, LLC, a Nevada limited liability company  By: Alex Meruelo Manager	AM-GSR HOLDINGS LLC a Nevada limited liability company  By:  Alex Meruelo Manager  GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a California limited liability company
CERTIFICATIO	By: Alex Meruelo Manager  ON ON NEXT PAGE

### 5365056 Page 5 of 15 - 02/27/2023 08:44:06 AM

### Certification

The undersigned, hereby certifies, under penalty of perjury, that this Agreement to Terminate (a) was provided to its members for action and that at least eighty percent (80%) voted in favor of termination of the Association and termination of the Declaration; (b) that the affirmative action was taken by those members whose votes are recorded in the official records of the Association, and (c) that such affirmative vote conforms with the requirements found in the Declaration.

the Association, and (c) that such affirmation.	tive vote conforms with the requirements found in the
	ASSOCIATION:
	Grand Sierra Resort Unit-Owners Association, A Nevada Nonprofit Corporation
	By: Richard M. Teichner, Receiver
STATE OF NEVADA )	$\mathcal{A}(\mathcal{A}(\mathcal{A}))$
COUNTY OF)	
STATE OF NEVADA  COUNTY OF WASHOE  This instrument was acknowled as Receiver of Grand Sierra corporation.	ged before me on 2/3, 2023, by a Resort Init-Owners Association, a Nevada nonprofit
Chotal	y Public 4 / O

### 5365056 Page 6 of 15 - 02/27/2023 08:44:06 AM

### Certification

The undersigned, hereby certifies, under penalty of perjury, that this Agreement to Terminate (a) was provided to its members for action and that at least eighty percent (80%) voted in favor of termination of the Association and termination of the Declaration; (b) that the affirmative action was taken by those members whose votes are recorded in the official records of the Association, and (c) that such affirmative vote conforms with the requirements found in the Declaration.			
ASSOCIATION:			
Grand Sierra Resort Unit-Owners Association, A Nevada Nonprofit Corporation			
By:			
Richard M. Teichner, Receiver			
STATE OF NEVADA ) SEE ATTACHED			
COUNTY OF )			
This instrument was acknowledged before me on			
Notary Public			

### **ACKNOWLEDGMENT**

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

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

On JANUARY 25, 2023, before me, MARIO A. TAPANES, a Notary Public, personally appeared ALEX MERUELO, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Mario A. Tapanes Notary Public

Notary Commission No.: 2425842 Commission Expires: 11/08/2026 Notary Phone: (562) 745-2355 MARIO A. TAPANES
COMM. #2425842
Notary Públic - California
Los Angelès County
My Comm. Expires Nov. 8, 2026

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

Signer Capacity: Manager of entities set forth below

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

Commercial Development, LLC

Title/Type of Document: Agreement to Terminate Condominium Hotel, Condominium Hotel

Association, and Declaration of Covenants, Restrictions and Reservation

of Easments

Date of Document: January 25, 2023

Number of Pages: Twelve (12) excluding this page

### **EXHIBIT A**

### **Legal Description**

The land referred to herein is situated in the State of Nevada, County of, described as follows:

### PARCEL 1:

All that certain lot, piece or parcel of land situated in the City of Reno, County of Washoe, State of Mevado, Section Seven (7), Township Wineteen (19) North, Range Twenty (20) Bast, M.D.K.:

BEGINNING at the Northwest corner of Parcel Map No. 340, recoxded November 10, 1976, Official Records, Washos County, Nevada, said POINT OF BEGINSING being further described as lying on the Southerly right of way of Glandale Avenue,

THEMOE North 88°15'47" East along said Southerly right of way 347.44 foot to a found 5/8" rebar with cap, stamped "Summit Engineers RIS 4787", said point also being the Northeast dorner of Parcel 1 of Parcel Map 338, recorded November 10, 1976, Official Records, Washon County, Navada,

THENCE South 00°06'54" Rest along the Bast line of said Parcel 1, a distance of 208,59 feet;

THENCE South 89°53'06" West, 174.30 feet;

THENCE South 00°05'54" East, 158.86 feet to the South line of said Parcel 2:

THENCE North 89°23'54" West along said South line, a distance of 174.31 feet to a Sound 5/8" rebar, being the Bouthwest corner of said Parcel 14

THENCE North 00°08'36" East along the West line of Parcel 1, a distance of 355.44 feet to the POINT OF BEGINNING.

Said parcel is elso shown as Adjusted Parcel 2 on Record of Survey No. 2004.

APN: 012-211-24.

PARCEL 1-A:

A non-exclusive easement for the right, privilege and authority Continued on next page for the purpose only of ingress and egress of vehicles and/or porsons in, upon and over the roadway and cuts, located on the land and premises, situated in the County of Washoe, State of Nevada, described as follows:

The following describes a parcel of ground located within the South 1/2 of Section 7. Township 19 Morth, Range 20 East, M.D.B.&M., County of Washoe, State of Nevada, and being more particularly described as follows:

peginwing at the Mortheast corner of Parcel B, as shown on Parcel Map No. 227, filed in the office of the Mashoe County Recorder on the 26th day of February, 1976, File No. 397925; thence South 89°23'54" East, 51.51 feet;

THENCE North 89°53'06" East, 10.80 feet to the true point of beginning; thence North 0°06'54" West, 29.91 feet, thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 60.00 feet; thence 15.71 feet on the arc of a curve to the left whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0'06'54" West, 80.00 feet; thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00";

THENCE North 0°06'54" West, 50.00 feet; thence 15.71 feet on the arc of a curve to the left, whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a centul angle of 90°00'00"; thence North 0°06'54" West, 90.00 feet;

THENCE 15.55 feet on the arc of a tangent ourve to the right, having a radius of 9.72 feet and a central angle of 91°37′19° to a point on the Southerly right of way of Glendale Avenue; thence along said Boutherly right of way line North 88°15'47° East, 69.74 feet; thence departing said Southerly right of way line, 15.42 feet on the arc of a curve to the right, whose tangent bears South 88°15'47° West, having a radius of 10.00 feet and a central angle of 88°22'41°; thence South 0°06'54° East, 361.61 feet; thence South 88°53'06° West, 50.00 feet to the true point of beginning.

Continued on next page

EXCEPT all that portion of said easement lying within the bereinshove described Parcel 1.

Document Number 2292338 is provided pursuant to the requirements of Section 1. NRS 111.312

#### PARCEL 2:

A portion of the North Helf (N 1/2) of Section 18, Township 19 North, Range 20 East, M.D.M., more particularly described as follows:

COMMENCING at the Section corner common to Sections 7, 8, 17 and 18, Township 19 Worth, Range 20 East, M.D.M. and proceeding South 10°25'59" East, a distance of 97.98 feet to a 1/2 inch diameter pin, said pin being at the Northeast corner of that land conveyed from Matley, et al, to Lee Brothers, in a deed recorded as Document No. 306898 of the Official Records of Washoe County, Nevada; themce North 89°00'20" West, along the Morthorly line of soid Parcal, a distance of 683.20 feet to a 1/2 inch diameter iron pin; thence South 00°59'40" West, a distance of 187.77 foot to a 1/2 inch diameter iron pin; thence Worth 84°35'28" West, a distance of 24.46 feet to the TRUE POINT OF BEGINNING; thence North 84 35'28" West, a distance of 231.51 feet; thence South 00°54'52" West, a distance of 370.06 feet to a galvanized steel fence post, thence North 54°40'01" West, a distance of 335.84 feet to a point on the Southerly right of way line of Greg Street, thence along the Southerly right of way line of Greg Street the following four (4) courses and distances: 1) North 47°58'37" Bast, a distance of 232.02 feet: 2) from a tangent which bears the last named course, along a circular curve to the right with a radius of 760.00 feet and a central angle of 19°23'43", an arc length of 257.27 feet to a point of compound curvature; 3) along said compound circular curva to the right with a radius of 45,00 feet and central angle of 83°54°13", an arc length of 65.90/feet; 4) South 28°43'28" East a distance of 134.97 feet to the TRUE POINT OF BEGINNING, all as shown and set forth on that certain accord of Survey for NGW GRAND, filed in the office of the County Recorder of Washoe County, Nevada, on November 24, 1981, as File Mo. 769946.

APN: 012-231-29

Continued on next page

Document Number 2292339 is provided pursuant to the requirements of Section 1. NRS 111.312

#### PARCEL 3:

A parcel of land situate in Sections 7 & 18, Township 13 North, Range 20 East, M.D.M., Reno, Washos County, Nevada, and more particularly described as £0110ws.

Beginning at the intersection of the Northerly line of Mill Street with the Easterly Line of U.S. Righway 395 as shown on Record of Survey Map Number 1518, File Number 769946 of the Official Records of Washos County, Nevada, from which the Mortheast corner of said Section 18 bears North 86°22'05" East a distance of 3260.13 feat; thence along the Easterly line of Interstate 580 the following eight (8) courses and distances: 1) North 09°34'52" West, a distance of 352.44 feet; 2) North 03°28'05° West, a distance of 425.16 feet; 3) North 01°26'55" West, a distance of 498.41 feet: 4) North 01°24'09" West, a distance of 434,30 feet; 5) from a tangent which bears North 01°25'23" Nest, along a circular curve to the right with a radius of 858.05 feet and a central angle of 36°09'39", an are length of 541.54 feet; 6) from an tungent which bears North 3404416" East along a dircular curve to the left with a radius of 900.00 feet and a central angle of 28°28'08", an arc length of 447.19 feet; 7) North 06°16'08" Bast a distance of 117.19 feet; 8) from a tangent which bears the lest named course, along a circular curve to the right with a radius of \$1.15 feet and a central angle of 83°37'49", an arc length of 89.26 feet to a point on the Southerly line of Glendale Avenue, thence along the Southerly line of Glondale Avenue the following four (4) courses and distances; 1) North 89°53'57" East, a distance of 196.41 feet; 2) North 00°06'21" East, a distance of 4.00 feet; 3) North 89°53'57" East, a distance of 11.17 feet; 4) North 88°16'07" East, a distance of 80.83 fast to a point on the Westerly line of Watson and Mechan Corporation Property, said point being the Northeasterly corner of Parcel No. 1, as shown on the Parcel Map No. 340, filed in the Office of Washoo County Recorder on November 10, 1976 File No. 434463; thence along the Westerly, Southerly, and Besterly lines of said Watson and Machan Corporation Property the following three (3) dourses and distances: 1) South 00:05'56" West, a distance of 355.44 feet; 2) South Continued on next page

89°23'34" Hest, a distance of 348.62 fact, 3) North 00°06'34" West, a distance of 369.63 feet to a point on the Southerly right of way line of Glandale Avenue, said point being the Mortheasterly corner of Farcel No. 1, as shown on the Parcel Map No. 338, filed in the Office of Washoe County Recorder on November 10, 1976, File No. 434451; thence North 88°16'07" East, along the Southerly right of way line of Glendale Avenue, a distance of 156.65 feet; thence South 02º12'06" East a distance of 4.24 feet to the Northeast corner of a concrete block wall, thouce South 02"12'06" East, along Easterly face of said block wall, a distance of 13.05 feet to an angle point in said block wall; thence North 68°00'20" East, along the Northerly line of said block wall, a distance of 51.31 feet to a chain-link fence; thence along said chain link fence the following seventeen (17) courses and distances; 1) South 88°11'19" East, a distance of 10.04 feet; 2) South 79°03'12" Bast, a distance of 10.54 feet; 3) South 70°04'24" East, a distance of 9.08 feet; 4) South 56°48'54" East, a distance of 10.33 feet; 5) South 52.50'24" Bast, a distance of 49.76 feet; 6) South 49°03'32" Rast, a distance of 10.57 feet; 7) South 38°43'47" East, a distance of 78.93 feet; 8; South 41°22'11" Bast, a distance of 10.14 feet; 9) South 48°20'20" Best, a distance of 10.07 feet; 10) South 54°50°53" East, a distance of 10.04 Feet, 11) South 59°44'13" East, a distance of 39.96 feet; 12) South 50°21'10" East, a distance of 10.37 feet; 13) South 39°50'28" East, a distance of 10.12 feet; 14) South 31°57'47" East, a distance of 105.60 feet/ 15) South 20°08'38" East, a distance of 76.52 fest; 16) South 34°19'10" Eust, a distance of 165.32 feet; 17) South 14°17'58° East, a distance of 279.78 feet; thence along a line that is more or less chincident with said chain link fence the following fifteen (15) courses and distances: 1) South 06°44'18" East, a distance of 109'36 feet; 2) South 05715'13" Hast, a distance of 158.53 feet; 3) South 27"57/06" Bast, a distance of 129.07 feet; 4) Bouth 43°18'46" Engt, a distance of 228.10 feet; 5) South 44°58'46" East, a distance of 133.07 feet; 6) South 38°2'46" gast, a distance of 64.06 feet; 7) South 47°15'55" East, a distance of 107.92 feet; 8) South 50°50'59" East, a distance of 489.05 feet; 9) South 55°41'02" East, a distance of 45.51 feet; 10) South 46°38'29" East, a distance of 98.99 feet; 11) South 62°53'42" Mast a distance of 151.28 feet; 12) South 52°31'06" East, a distance of 151.08 fact; 13) Continued on next page

North 78°53'28" East, a distance of 75.55 feet; 14) South 73°46'40" Bast, a distance of 132.04 feet; 15) South 64°35'20" Zast, a distance of 98.69 feet to a point on the Northerly right of way line of Grag Street; thence along the Northerly tight of way line of Greg Street the following ten (10) courses and distances: 1) South 20°40'40" West, a distance of 294.78 fast; 2) from a tangent which bears Bouth 47"48'19" West, along a circular curve to the right with a radius of 750.00 feet and a; central angle of 27°10'38", and are langth of 355.75 feet; 3) South 74°58'57" West, a distance of 120.67 feet: 4) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet an a central angle of 31°49'67", an arc length of 20,00 feet to a point of compound curvature; 5) along said compound circular curve to the right with a radius of 116.00 feet and a central angle of 32°40'13", en are length of 66.14 feet; 6) South 71°14'17" West, a distance of 50.82 feet; 7) South 11'03'06" East, a distance of 8.54 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 fest and a central angle of 76°26'61", an arc length of 48.02 feet to a point of reverse curvature; 9) along said reverse circular curve to the left with a radius of 604.00 feat and a dentral angle of 17°23'58", an arc length of 183.42 feet; 10) South 47°58'57" West, a distance of \$24.51 feet to the Northeast corner of parcel conveyed to Sruno Benna, et al, recorded as Domment No. 83899, Official Records of Washon County, Mevada; thence North 63,46,57" West along the Northerly line of said Benna Parcel, a distance of 1099.66 feet to the Northeasterly corner of Parcel B as shown on Parcel Map No. 343, filed in the office of Washoe County recorded on November 10, 1976, File No. 434484, thence South 26-13'03" West, along the Restorly line of said Percel B, a distance of 266.37 feet; thence South 18°46'57" Bast and distance of 28.28 feet to a point on the Northerly right of way line of Mill Street; thence North 63 44'52" West, along said Northerly right of way line, a distance of 80.00 feet; thence North 25°13'03" East, a distance of 286.32 feet to the Northerly line of said Bounc Purcel; thence from a tengent which bears North 63°43'05" East, along a circular curve to the left with a radius of 86.58 feet and a central angle of 01'31'20" an arc length of 123.19 feet; thence North 77°48'23" West a distance of 234.00 feet; thence South 26"13'03" West a distance of 280.15 foot to the Continued on next page

Northerly line of Mill Street; thence North 63°44'52" West, along the Northerly line of Mill Street, a distance of 208.34 feet to the Point of Baginning.

said land is shown and delineated as Parcel & on Record of Survey Map No. 3804, recorded June 23, 2000 as Document No. 2458502, Official Records.

BASIS OF BEARINGS: Recorded of Survey Map Number 2775, File No. 1834848 of the Official Records of Washos County, Nevada; NAD 83, Navada Wost Kone.

APN: 012-211-26

Document Number 2456501 is provided pursuant to the requirements of Section 1. NRS 111.312





## WASHOE COUNTY RECORDER

OFFICE OF THE RECORDER KALIE M. WORK, RECORDER

1001 E. NINTH STREET RENO, NV 89512 PHONE (775) 328-3661 FAX (775) 325-8010

### **LEGIBILITY NOTICE**

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, based on the undersigned's representation (1) that a suitable copy will be submitted at a later date (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed it may not reproduce a legible copy.

Signature February 27, 2023

Teresa A. Gearhart
Printed Name

Terisa

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2023-04-04 04:20:56 PM
Alicia L. Lerud
Clerk of the Court
ransaction # 9594421 : yviloria

# EXHIBIT 66233 Alicia L. Lerud Clerk of the Court Transaction # 9594421 : yviloria

## EXHIBIT "2"

### Jarrad Miller

From: Stefanie Sharp <ssharp@rssblaw.com>
Sent: Stefanie Sharp <ssharp@rssblaw.com>
Saturday, April 1, 2023 4:51 PM

To: Jarrad Miller

Cc: David McElhinney; Ann Hall; Richard Teichner

Subject: RE: GSR

### Good afternoon Jarrad.

- 1. The Receiver does not know if the Plaintiffs' and Defendants' units are still being rented. As you are aware, the Defendants have complete control over the rental program for the units, and as there are no funds to operate the Receivership (since the Defendants have refused to turn over the rents as ordered by the Court).
- The rents for the units formerly owned by Defendants and Plaintiffs are NOT being provided to
  the Receiver and the Defendants are well aware that they are supposed to be renting the units and tuning the
  rents over to the Receiver which they have failed and refused to do.

The Receiver has not and will not perform any additional work until the outstanding amounts owed to the Receiver and our firm are paid. Right now, we are doing the minimum amount of work possible as we do not wish to generate any more fees with no indication whatsoever if or we will ever be paid. The Court agreed with the Receiver's calculations (as set forth in its January 26<sup>th</sup> order) and issued a subsequent order on March 27<sup>th</sup> in which the Court confirmed its agreement with the Receiver's calculations and ordered that the Defendants were to comply with the prior orders of the Court, which include the deposit of \$1,103,950.99 with the Receiver. There is now a pending motion to stay these orders. As soon as the amounts due and owing to the Receiver and our office are paid and there is a mechanism in place to pay future fees, the Receiver will commence work.

Best regards,

Stefanie

Stefanie T. Sharp, Esq.



Robison Sharp Sullivan Brust

71 Washington Street Reno, NV 89503 Phone - 775.329.3151 Fax - 775.329.7941 www.rssblaw.com

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From: Jarrad Miller < jarrad@nvlawyers.com> Sent: Thursday, March 30, 2023 2:33 PM To: Stefanie Sharp < ssharp@rssblaw.com>

Cc: David McElhinney <a href="mailto:David.McElhinney@meruelogroup.com">David.McElhinney@meruelogroup.com</a>; Ann Hall <a href="mailto:Ann.Hall@meruelogroup.com">Ann.Hall@meruelogroup.com</a>;

Subject: GSR

### Stefanie:

On February 27, 2023 pursuant to the Agreement to Terminate Condominium Hotel . . . recorded as Doc No. 5365056, title to that real estate [the 670 condominiums and common areas] vested "in the Association with the Receiver as trustee for the holders of all interests in the units." Id. at page 2, paragraph 3. Further, on March 14, 2023, the Receiver was instructed by the Court to continue to rent the former units.

Can you please confirm the following now that the units are owned by the Association with the Receiver as trustee:

- 1. That the Plaintiffs' and Defendants' units are still being rented.
- 2. That the rents for the units formerly owned by Defendants and Plaintiffs are being provided to the Receiver given that the Association owns the units? If not, has the Receiver, since February 27, 2023, demanded the rents from the Defendants or demanded that those rents be deposited in the Association's account, under the control of the Receiver?

Your attention to this matter would be greatly appreciated as we would like to proceed with the appropriate motion practice if now that the units are owned by the Association, under the exclusive control of the Receiver, the rents are still being stolen by the Defendants.

### Best regards,

Jarrad C. Miller, Esq. Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, NV 89501 Telephone: (775) 329-5600

Facsimile: (775) 348-8300

Email: JARRAD@NVLAWYERS.COM

Website: www.nvlawvers.com

### Important:

### Please do not forward this e-mail without the expressed consent of the Author.

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recommending to another person any tax-related matter addressed herein. TRANSMISSION OF THIS INFORMATION IS NOT INTENDED TO CREATE, AND RECEIPT DOES NOT CONSTITUTE, AN ATTORNEY-CLIENT RELATIONSHIP.

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2023-04-04 04:20:56 PM
Alicia L. Lerud
Clerk of the Court
Transaction # 9594421 : yviloria

# EXHIBIT "3"

## EXHIBIT "3"

		RECTED (if checked)		.1
PAYER'S name, street address, city or foreign postal code, and telepho MEI GSR HOLDINGS L 2500 EAST SECOND S	y or town, state or province, country, ZI ne no. LC		OMB No. 1545-0115	# / 7 7 5 Miscellaneous Information
RENO, NV 89595		\$	Form 1099-MISC	
		3 Other income	4 Federal income tax v	vithheld
DANGER OF THE STATE OF THE STAT		\$	\$	Copy 2
PAYER'S TIN	RECIPIENT'S TIN	5 Flshing boat proceeds	6 Medical and health care p	To be filed with recipient's state income tax return
DECIDIENTIA	Confederation .	\$	\$	when required
RECIPIENT'S name TAYLOR RYAN		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale	8 Substitute payments i dividends or interest	n lieu of
Street address (including apt. no.) 898 LUXURY DRIVE		9 Crop insurance proceeds	10 Gross proceeds paid attorney	to an
City or town, state or province, cour	ntry, and ZIP or foreign postal code	\$ 11 Fish purchased for resale	\$ 12 Section 409A deferra	als
CONCORD, CA 94518		\$	\$	
Account number (see instructions)	FATCA filing requirement	13 Excess golden parachute payments	14 Nonqualified deferred compensation	
		15 State tax withheld \$	16 State/Payer's state n	o. 17 State income
om 1099-MISC	www.irs.gov/Form1099	MISC	Department of the Tre	assury - Internal Revenue Service

Department of the Treasury - Internal Revenue Service

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2023-04-04 04:20:56 PM
Alicia L. Lerud
Clerk of the Court
Transaction # 9594421 : yviloria

# EXHIBIT "4"

## EXHIBIT "4"



March 23, 2023

Honorable Elizabeth Gonzales, Senior Judge Second Judicial Court Department Number 10 75 Court 'Street Reno, Nevada 89501

Re: Receivership In Re Case No. CV12-02222

Re: ex parte communication with the Court regarding judicial action

### Dear Judge Gonzales:

I am writing this letter to Your Honor pursuant the *Order Appointing Receiver and Directing Defendants' Compliance*, filed on January 7, 2015 (attached), in which, at paragraph 1.d. it states that the Receiver "is entitled to effectuate [its] duties conferred by this Order, including the authority to communicate *ex parte* on the record with the Court when in the opinion of the Receiver, emergency judicial action is necessary".

I need guidance and assistance from the Court so that I am able to carry out the Court's Orders forthwith, and in particular am able to collect the rental income from the rental of the Plaintiffs' and Defendants' condominium units and to make certain that rental income that I receive is based on compliance with the provisions of Unit Rental Agreement in terms of there being a fair rotation of the rentals between the Plaintiffs' and Defendants' units, that there are no improper or excessive number of complimentary nights of occupancy of any of the units, and that rents charged for the rooms are consistent between the Plaintiffs' and Defendants' units in respect to the square footages and types of rooms.

Any further delay in my ability to carry out the Orders is depriving the Plaintiffs to receive the net rentals to which they are entitled, subject to adjustments to be made for the fee charges for 2020 and 2022, and for year-to-date 2023, and to the reserve charges for 2020 through year-to-date 2023, all of which will be in the Plaintiffs' favor. In this regard, the following events are most relevant for enabling this Receiver to fully comply with the Court Orders.

• On March 3, 2023, the Court granted the Motion for Instructions to Receiver Concerning Termination of The Grand Sierra Resort Unit Owners' Association and Rental of Units Until Time of Sale that was filed on January 26, 2023 in which "the Receiver should be instructed to continue to rent Plaintiffs' and Defendants' units under the existing receivership orders...", despite the Defendants' Opposition to this Motion filed on February 14, 2023.

In the Court's granting of this Motion filed on March 3, 2023, it said, "The Receiver is instructed to continue to rent the former units under the URA" (Emphasis added).

3500 Lakeside Court, Suite 210 • Reno, NV 89509 Phone: (775) 828-7474 • Fax: (775) 201-2110 8275 South Eastern Ave, Suite 200 • Las Vegas, NV 89123 Phone: (702) 724-2645 • Fax: (702) 441-4007

• However, on February 13, 2023, the Defendants had filed a Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel, to which, on February 24, 2023, Plaintiffs filed an Opposition to Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel. Lastly, on March 3, 2023, the Defendants filed its Reply to Opposition to Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel.

The Court has not yet rendered a decision whether or not to grant Defendants' Motion.

• Additionally, on January 26, 2023, included in the Court's ruling on the Receiver's Motion for Orders & Instructions, filed on December 1, 2022, the Court stated that "If either Plaintiffs or Defendants object to the [Receiver's] calculations... a written objection shall be filed within 15 judicial days", and that "If an objection is filed, the Receiver may file a response to the objection within 15 days of the filing of the objection". On February 16, 2023, Defendants filed Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions and on February 24, 2023, the Receiver filed "Reply to Defendants Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions.

The Court has not yet rendered a decision on whether the net rentals due to Plaintiffs, as calculated in Exhibit 1 to *Receiver's Motion for Orders & Instructions*, filed on December 1, 2022, in the amount of \$1,103,950.99, is to be paid to the Receiver by the Defendants.<sup>1</sup>

The issue of timing for the Plaintiffs and Defendants being able to receive the correct total of net rentals due to them to date is that the fee charges and reserve charges need to be calculated and approved by the Court. The process of determining the proper fee charges involves performing an in-depth analysis in order to ascertain that they will be calculated in accordance with the governing documents. This process, among other things, includes the Receiver going to GSR to test enough of the expenditures that it reports in its annual budget and for determining the daily use fees ("DUF") to be assured that those expenditures used in determining the fee charges and DUF charges agree with the expenditures in GSR's general ledger and in turn in the relevant components used in preparing its annual financial statements.

In order for me as to be able to move forward with being in compliance with the Court Order to rent the condominium units and collect the rents and in turn pay the Plaintiffs and Defendants the net rentals, after determining the appropriate fee and reserve charges to be deducted from the gross rentals to be collected, I, along with my attorney, must be paid the outstanding balance owed to us, which continues to increase each month, and need to continue to be paid for the substantial amount of work that is yet to be performed. If I, as Receiver, could at least receive the \$1,103,650.99 that I calculated as a "temporary but understated" amount due to Plaintiffs at the

<sup>&</sup>lt;sup>1</sup>This Receiver intends to file a Motion to request guidance along with my suggestions primarily regarding the manner on which I am to carry out the process of renting the Plaintiffs' and Defendants' units, paying the net rentals to each of the unit owners, and the issuance of monthly statements to each of them. (The Defendants have not been issued monthly reports since I was appointed as Receiver.)

Honorable Judge Gonzales, Senior Judge March 23, 2023

time I calculated it, then from that amount I could pay the outstanding fees due to me and my attorney, and retain a portion of the \$1,103.650.99 for the additional work that needs to be performed in order to calculate all the proper amount of fees owing to the Plaintiffs and Defendants from past rentals and ongoing rentals.

Respectively,

Richard M. Louchner Richard M. Teichner,

Receiver for the Grand Sierra Resort Unit Owners' Association



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CODE: 3245
Jarrad C. Miller, Esq. (NV Bar No. 7093)
Jonathan J. Tew, Esq. (NV Bar No. 11874)
Robertson, Johnson, Miller & Williamson
50 West Liberty Street, Suite 600
Reno, Nevada 89501
(775) 329-5600
Attorneys for Plaintiffs

## FILED

JAN - 7 2015

JACQUELINE BRYANT, CLERK By: DEPUTY CLERK

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

ALBERT THOMAS, individually; et al.,

Plaintiffs,

VS.

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

Defendants.

Case No. CV12-02222 Dept. No. 10

### ORDER APPOINTING RECEIVER AND DIRECTING DEFENDANTS' COMPLIANCE

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

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

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

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Ropo, Nevada 89501

ORDER APPOINTING RECEIVER
PAGE I

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

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

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

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

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

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

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

### 1. General

- a. To review and/or take control of:
  - i. all the records, correspondence, insurance policies, books and accounts of or relating to the Property which refer to the Property, any ongoing construction and improvements on the Property, the rent or liabilities pertaining to the Property.
  - ii. all office equipment used by Defendants in connection with development; improvement, leasing, sales, marketing and/or conveyance of the Property and the buildings thereon; including all computer equipment, all software programs and

ORDER APPOINTING RECEIVER
PAGE 2

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

- iii. all deposits relating to the Property, regardless of when received, together with all books, records, deposit books, checks and checkbooks, together with names, addresses, contact names, telephone and facsimile numbers where any and all deposits are held, plus all account numbers.
- iv. all accounting records, accounting software, computers, laptops, passwords, books of account, general ledgers, accounts receivable records, accounts payable records, cash receipts records, checkbooks, accounts, passbooks, and all other accounting documents relating, to the Property.
- v. all accounts receivable, payments, rents, including all statements and records of deposits, advances, and prepaid contracts or rents, if applicable, including, any deposits with utilities and/or government entities relating to the Property.
- vi. all insurance policies relating to the Property.
- vii. all documents relating to repairs of the Property, including all estimated costs or repair.
- viii. documents reasonably requested by Receiver.
- b. To use or collect:
  - The Receiver may use any federal taxpayer identification number relating to the Property for any lawful purpose.
  - ii. The Receiver is authorized and directed to collect and; open all mail of GSRUOA relating to the Property.

ORDER APPOINTING RECEIVER
PAGE 3

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Renn Nevada 89501 c. The Receiver shall not become personally liable for environmental contamination or health and safety violations.

- d. The Receiver is an officer and master of the Court and, is entitled to effectuate the Receiver's duties conferred by this Order, including the authority to communicate ex.parte on the record with the Court when in the opinion of the Receiver, emergency judicial action is necessary.
- e. All persons and entities owing, any money to GSRUOA directly or indirectly relating to the Property shall pay the same directly to the Receiver. Without limiting the generality of the foregoing; upon presentation of a conformed copy of this order, any financial institution holding deposit accounts, funds or property of GSRUOA turnover to the Receiver such funds at the request of the Receiver.

### 2. Employment

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

### 3. Insurance

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

ORDER APPOINTING RECEIVER PAGE 4

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### 7. Reporting

- a. The Receiver shall prepare on a monthly basis, commencing the month ending 30 days after his appointment, and by the last day of each month thereafter, so long as the Property shall remain in his possession or care, reports listing any Receiver fees (as described herein below), receipts and disbursements, and any other significant operational issues that have occurred during the preceding month. The Receiver is directed to file such reports with this Court. The Receiver shall serve a copy of this report on the attorneys of record for the parties to this action.
- b. The Receiver shall not be responsible for the preparation and filing of tax returns on behalf of the parties.

### 8. Receivership Funds / Payments / Disbursements

- a. To pay and discharge out of the Property's rents and/or GSRUOA monthly dues collections all the reasonable and necessary expenses of the receivership and the costs and expenses of operation and maintenance of the Property, including all of the Receiver's and related fees, taxes, governmental assessments and charges and the nature thereof lawfully imposed upon the Property.
- b. To expend funds to purchase merchandise, materials, supplies and services as the Receiver deems necessary and advisable to assist him in performing his duties hereunder and to pay therefore the ordinary and usual rates and prices out of the funds that may come into the possession of the Receiver.
- c. To apply, obtain and pay any reasonable fees for any lawful license permit or other governmental approval relating to the Property or the operation thereof, confirm the existence of and, to the extent, permitted by law, exercise the privilege of any existing license or permit or the operation thereof, and do all things necessary to protect and maintain such licenses, permits and approvals.
  - d. To open and utilize bank accounts for receivership funds.

ORDER APPOINTING RECEIVER PAGE 6

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### 9. Administrative Fees and Costs

- a. The Receiver shall be compensated at a rate that is commensurate with industry standards. As detailed below, a monthly report will be created by the Receiver describing the fee, and work performed. In addition, the Receiver shall be reimbursed for all expenses incurred by the Receiver on behalf of the Property.
- b. The Receiver, his consultants, agents, employees, legal counsel, and professionals shall be paid on an interim monthly basis. To be paid on a monthly basis, the Receiver must serve, a statement of account on all parties each month for the time and expense incurred in the preceding calendar month. If no objection thereto is filed with the Court and served on the attorneys of record for the parties to this action on or within ten (10) days following service thereof, such statement of account may be paid by the Receiver. If an objection is timely filed and served, such statement of account shall not be paid absent further order of the Court. In the event objections are timely made to fees and expenses, the portion of the fees and expenses as to which no objection has been interposed may be paid immediately following the expiration of the ten-day objection period: The portion of fees and expenses to which: an objection has been timely interposed may be paid within ten (10) days of an agreement among the parties or entry of a Court order adjudicating the matter.
- c. Despite the periodic payment of Receiver's fees and administrative expenses, such fees and expenses shall be submitted to the Court for final approval and confirmation in the form of either, a stipulation among the parties or the, Receiver's final account and report.
- d. To generally do such other things as may be necessary or incidental to the foregoing specific powers directions and general authorities and take actions relating to the Property beyond the scope contemplated by the provisions set forth above, provided the Receiver obtains prior court approval for any actions beyond the scope contemplated herein.

### 10. Order in Aid of Receiver

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

- a. Interfering with the Receiver, directly or indirectly; in the management and operation of the Property.
- b. Transferring, concealing, destroying, defacing or altering any of the instruments, documents, ledger cards, books, records, printouts or other writings relating to the Property, or any portion thereof.
- c. Doing any act which will, or which will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Property or the interest of Plaintiffs in the Property.
- d. Filing suit against the Receiver or taking other action against the Receiver without an order of this Court permitting the suit or action; provided, however, that no prior court order is required to file a motion in this action to enforce the provisions of the Order or any other order of this Court in this action.

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

- a. Turn over to the Receiver all documents which constitute or pertain to all licenses, permits or, governmental approvals relating to the Property.
- b. Turn over to the Receiver all documents which constitute or pertain to insurance policies, whether currently in effect or lapsed which relate to the Property.
- c. Turn over to the Receiver all contracts, leases and subleases, royalty agreements, licenses, assignments or other agreements of any kind whatsoever, whether currently in effect or lapsed, which relate to any interest in the Property.
- d. Turn over to the Receiver all documents pertaining to past, present or future construction of any type with respect to all or any part of the Property.

PAGE 8

ORDER APPOINTING RECEIVER

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ORDER APPOINTING RECEIVER

PAGE 9

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Alicia L. Lerud
Clerk of the Court
Transaction # 9594421 : yviloria

# EXHIBIT "5"

## EXHIBIT "5"



### OWNER ACCOUNT STATEMENT

Account Number:

50683

Unit Number:

1886

Invoice Date:

March 17, 2023

Period:

02/01/2023 - 02/28/2023

\*\* Balance (to)/ from Owner:

\$(7,897.06)

NADINES REAL ESTATE INVEST ATTN: NADINE SANDBERG PO BOX 191 LIGNITE, ND 58752

Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees	Additional Revenue (If Any
02/02/2023	02/03/2023	UH	1886	1	\$60.48	\$40.40	\$10.04	\$(10.04)	\$(19.98)
02/03/2023	02/13/2023	UH	1886	3	\$119.00	\$40.40	\$39.30	\$(39.30)	
02/06/2023	02/07/2023	UH	1886	1	\$75.65	\$40.40	\$17.63	\$(35.50) \$(17.63)	\$(15.00)
02/07/2023	02/08/2023	UH	1886	1	\$69.30	\$40.40	\$14.45	\$(14.45)	\$(19.98)
02/09/2023	02/11/2023	UH	1886	2	\$251.00	\$80.80	\$85.10		\$(19.98)
02/11/2023	02/13/2023	UH	1886	2	\$250.00	\$80.80	\$84.60	\$(85.10)	\$(39.95)
02/14/2023	02/15/2023	UH	1886	1	\$67.20	\$40.40	\$13.40	\$(84.60)	\$(39.95)
02/15/2023	02/17/2023	UH	1886	2	\$80.80	\$80.80	\$0.00	\$(13.40)	\$(19.98)
02/17/2023	02/18/2023	UH	1886	1	\$128.88	\$40.40	\$44.24	\$0.00	\$(39.95)
02/18/2023	02/20/2023	UH	1886	2	\$452.24	\$80.80	\$185.72	\$(44.24)	\$(19.98)
02/21/2023	02/22/2023	UH	1886	1	\$92.65	\$40.40	\$26.13	\$(185.72)	\$(39.95)
02/22/2023	02/23/2023	UH	1886	1	\$65.00	\$40.40	100000000000000000000000000000000000000	\$(26.13)	\$(19.98)
02/23/2023	02/24/2023	UH	1886	1	\$67.68		\$12.30	\$(12.30)	\$(19.98)
02/24/2023	02/25/2023	UH	1886	1	\$152.10	\$40.40	\$13.64	\$(13.64)	\$(19.98)
					φ102.10	\$40.40	\$55.85	\$(55.85)	\$(19.98)
		T	OTAL	20	\$1,931.98	\$727.20	\$602.39	\$(602.39)	\$(354.58)

lisc. Credit/Expenses			
Description			Amount

Please Make Checks Payable to:

GRAND SIERRA RESORT ATTN: ACCOUNTS RECEIVABLE 2500 EAST SECOND ST. RENO, NV 89595

(Room Revenue) / Fees:	\$(602.39)
Additional Revenue (if Any):	\$(354.58)
Contracted Hotel Fees *:	\$991.44
Misc. (Credits) / Expenses:	\$0.00
Previous Balance:	\$(7,931.53)
Payment Received:	\$0.00
Net Due to Owner:	\$(7,897.06)
Net Due from Owner:	\$0.00

<sup>\*</sup> This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E). Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

### Please Make Checks Payable to:

GRAND SIERRA RESORT ATTN: ACCOUNTS RECEIVABLE 2500 EAST SECOND ST. RENO, NV 89595

<sup>\*\*</sup> Expenses under review

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Alicia L. Lerud
Clerk of the Court
Transaction # 9594421 : yviloria

# EXHIBIT "6"

## EXHIBIT "6"

1	CODE: 1520							
2	Jarrad C. Miller, Esq. (NV Bar No. 7093) Briana N. Collings, Esq. (NV Bar No. 14694)							
	Robertson, Johnson, Miller & Williamson							
3	50 West Liberty Street, Suite 600 Reno, Nevada 89501							
4	Telephone: (775) 329-5600 Facsimile: (775) 348-8300							
5	jarrad@nvlawyers.com briana@nvlawyers.com							
6								
7	Robert L. Eisenberg, Esq. (NV Bar No. 0950) Lemons, Grundy & Eisenberg							
8	6005 Plumas Street, Third Floor Reno, Nevada 89519							
9	Telephone: (775) 786-6868 Facsimile: (775) 786-9716							
10	rle@lge.net							
11	Attorneys for Plaintiffs							
12	SECOND JUDICIAL DISTRICT CO	OURT OF THE STATE OF NEVADA						
	IN AND FOR THE COUNTY OF WASHOE							
13								
14	ALBERT THOMAS, individually; et al.,							
15	Plaintiffs,							
16	VS.	Case No. CV12-02222						
17		Dept. No. OJ41						
18	MEI-GSR HOLDINGS, LLC, a Nevada limited liability company, GRAND SIERRA							
19	RESORT UNIT OWNERS' ASSOCIATION, a Nevada nonprofit corporation, GAGE							
20	VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada limited							
21	liability company; AM-GSR HOLDINGS, LLC, a Nevada limited liability company; and							
22	DOÉ DEFENDANTS 1 THROUGH 10, inclusive,							
23	Defendants.							
24								
25	DECLARATION OF JARRAD C. MILLER  L. Jarrad C. Miller, hereby state:							
26	I, Jarrad C. Miller, hereby state:							
27	1. I am a shareholder attorney at the law firm of Robertson, Johnson, Miller &							
	Williamson, counsel of record for the Plaintiffs i	n die above-endded action.						
28 son,		VADDAD CAMALED						
treet,		JARRAD C. MILLER GE 1						

Robertson, Johnson, Miller & Williamson 50 West Liberty Street, Suite 600 Reno, Nevada 89501