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AND FILED

DEC 1 2 27 PM '83

CAROL S. FITZGERALD
CLERK
BY *[Signature]*
DEPUTY

EARL MONSEY
ROGERS, MONSEY, WOODBURY & BERGGREEN
723 South Third Street
Las Vegas, Nevada 89101
(702) 382-6040

ENTERED

Attorneys for Thomas L. Karsten
Associates, as Investment Manager
of the Southern Nevada Culinary and
Bartenders Pension Trust

DEC 1 1983

CLERK, U.S. DISTRICT COURT
DISTRICT OF NEVADA

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

RAYMOND J. DONOVAN, Successor to
RAY MARSHALL, Secretary of Labor,
et al.,

CASE NO. CV-LV-77-47-RDF

Plaintiff,

JUDGMENT

vs.

BEN SCHMOUTEY, et al.,

Defendants.

RELATED CROSS-ACTIONS AND THIRD
PARTY ACTIONS

THOMAS L. KARSTEN ASSOCIATES, as
Investment Manager of the Southern
Nevada Culinary and Bartenders Pension
Trust,

Plaintiff-Intervenor,

vs.

SIERRA CHARTER CORPORATION OF NEVADA,
a Nevada corporation, MORRIS A.
SHENKER AND I.J.K. NEVADA, INC., a
Nevada corporation,

Defendants.

BOOK 19 PAGE 006

2116

1 The claims of Plaintiff-Intervenor Thomas L. Karsten
2 Associates, as investment manager of the real estate-related
3 assets of the Southern Nevada Culinary and Bartenders Pension
4 Trust, came on regularly for trial before the Honorable Roger
5 D. Foley and a jury, commencing on June 1, 1983, and the
6 jury returned special verdicts on November 28, 1983 and
7 November 30, 1983, on issues submitted to the jury for decision.
8 On October 26, 1983, the Court granted Karsten's motion for
9 a directed verdict on the counterclaims and third party
10 complaints of defendants Sierra Charter Corporation of Nevada,
11 Inc. and Morris A. Shenker against Karsten.

12
13 NOW, THEREFORE, IT IS ORDERED ADJUDGED AND DECREED AS
14 FOLLOWS:

15 (1) Plaintiff-Intervenor Thomas L. Karsten Associates
16 is awarded damages in the amount of \$28,227,364 against
17 defendant Sierra Charter Corporation of Nevada, Inc., together
18 with interest thereon in accordance with the Second Addendum
19 at the rate of eleven percent (11%) per annum, compounded
20 monthly, from August 2, 1983 through the date of entry of
21 this judgment.

22
23 (2) Plaintiff-Intervenor Thomas L. Karsten Associates
24 is awarded damages in the amount of \$33,939,360 against
25 defendant Morris A. Shenker.
26
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28

1 Thomas L. Karsten Associates Plaintiff-Intervenor, shall
2 also recover interest on said amount from August 2, 1983
3 through the date of entry hereof, as follows:

4 (a) interest on the sum of \$28,227,304 in accordance
5 with the Second Addendum at the rate of eleven percent (11%)
6 per annum, compounded monthly;

7
8 (b) interest on the sum of \$1,881,600 in accordance
9 with the \$2,000,000 Murrieta loan agreement at the rate of
10 ten percent (10%) per annum;

11
12 (c) interest on the sum of \$3,524,222.98 at the rate
13 of seven percent (7%) per annum in accordance with the Riverside
14 County, California Judgment, marked trial exhibit 2237, and
15 applicable California law.

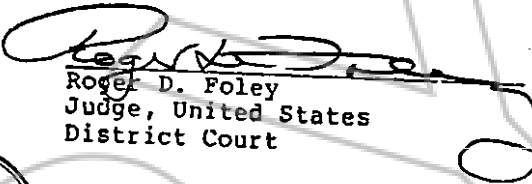
16
17 (3) Plaintiff-Intervenor Thomas L. Karsten Associates
18 shall recover costs and attorneys' fees against defendants
19 Sierra Charter Corporation of Nevada, Inc. and Morris A.
20 Shenker, jointly and severally, in such amounts as may be
21 subsequently determined by the Court.

22
23 (4) Defendants Sierra Charter Corporation of Nevada,
24 Inc. and Morris A. Shenker shall take nothing under their
25 counterclaims and third party complaints against Karsten.
26
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1 (5) The entire amount of this judgment shall bear interest
2 from date of judgment as provided by law.
3

4 Copies of the special verdicts upon which this judgment
5 is based are attached hereto as Exhibit A.
6

7 DATED: December 12, 1983


Roger D. Foley
Judge, United States
District Court

10
11 SEAL
12 Affixed

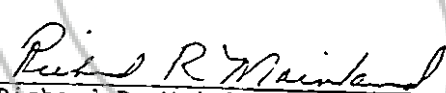
I hereby attest and certify on 12/13/83
that the foregoing document is a full, true and correct
copy of the original on file in my office, and in my
legal custody.

CAROL C. FITZGERALD
CLERK, U. S. DISTRICT COURT
DISTRICT OF NEVADA

By  Deputy

18 PRESENTED BY:

19 MITCHELL, SILBERBERG & KNUPP
20

21
22 By 
23 Richard R. Mainland
24 Attorneys for Thomas L. Karsten
25 Associates, as Investment Manager
26 of the Southern Nevada Culinary
27 and Bartenders Pension Trust
28

U.S. DISTRICT COURT
DISTRICT OF NEVADA
FILED

NOV 28 1983

CAROL E. FITZGERARD, CLERK
BY [Signature] DEPUTY

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

RAYMOND J. DONOVAN, Successor to
RAY MARSHALL, Secretary of Labor,

Plaintiff,

and

Civil-LV 77-47, RDF

SOUTHERN NEVADA CULINARY AND
BARTENDERS PENSION TRUST,

Involuntary-Plaintiff,

and

THOMAS L. KARSTEN ASSOCIATES,
as Investment Manager of the
Southern Nevada Culinary and
Bartenders Pension Trust,

Plaintiff-Intervenor,

vs.

SIERRA CHARTER CORPORATION OF
NEVADA, a Nevada corporation,
MORRIS A. SHENKER and I.J.K.
NEVADA, INC., a Nevada
corporation,

Defendants.

VERDICTS

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EXHIBIT A

SPECIAL VERDICTS

(LIABILITY)

I. CLAIMS AGAINST SIERRA

A. Breach of Contract Claims

Do you find that Sierra breached the Sierra loan agreements and is liable to the Pension Trust for any damages caused by the breach:

(a) Under the \$8,000,000 Sierra loan agreement?

X
Yes

No

(b) Under the Sierra First Addendum?

X
Yes

No

(c) Under the Second Addendum?

X
Yes

No

1 B. Unjust Enrichment Claims

2 Do you find that Sierra is indebted to the Pension Trust
3 under Karsten's unjust enrichment claims:

4 (a) Under the \$8,000,000 Sierra loan agreement?

5 X
6 Yes

 No

7
8
9 (b) Under the Sierra First Addendum?

10 X
11 Yes

 No

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14 (c) Under the Second Addendum?

15 X
16 Yes

 No

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II. CLAIMS AGAINST SHENKER

A. Breach of Contract Claims

Do you find that Shenker breached his obligations as the guarantor under the Sierra loan agreements and is personally liable to the Pension Trust for any damages caused by Sierra's breach of contract:

(a) Under the \$8,000,000 Sierra loan agreement?

X
Yes

No

(b) Under the Second Addendum?

X
Yes

No

1 B. Alter Ego Claims

2 1. Do you find that Shenker is personally liable for
3 the indebtedness of Sierra to the Pension Trust because
4 Sierra is Shenker's alter ego:

5 (a) Under the \$8,000,000 Sierra loan agreement?

6 ☒ Yes ☐ No

8
9 (b) Under the Sierra First Addendum?

10 ☒ Yes ☐ No

11
12 (c) Under the Second Addendum:

13 ☒ Yes ☐ No

14
15
16
17 2. Do you find that Shenker is personally liable for the
18 indebtedness of Murrieta to the Pension Trust because
19 Murrieta is Shenker's alter ego:

20 (a) Under the \$2,000,000 Murrieta loan agreement?

21 ☒ Yes ☐ No

22
23 (b) Under the \$5,000,000 Murrieta loan agreement?

24 ☒ Yes ☐ No

1 C. Unjust Enrichment Claims

2 Do you find that Shenker is personally indebted to the
3 Pension Trust under Karsten's unjust enrichment claims:

4 (a) Under the \$2,000,000 Murrieta loan agreement?

5 ☒
Yes

☐
No

6
7
8 (b) Under the \$5,000,000 Murrieta loan agreement?

9 ☒
Yes

☐
No

10
11
12 (c) Under the \$8,000,000 Sierra loan agreement?

13 ☒
Yes

☐
No

14
15
16 (d) Under the Sierra First Addendum?

17 ☒
Yes

☐
No

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19
20 (e) Under the Second Addendum?

21 ☒
Yes

☐
No

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III. CLAIMS UPON THE PAYMENT BY THE PENSION TRUST TO VALLEY BANK

1. Do you find that the Pension Trust is entitled to recover from Sierra \$1,951.445 that the Pension Trust paid to the Valley Bank on the Pension Trust's guaranty of Sierra's \$2,450,000 loan from the Valley Bank?

X
Yes No

2. If your answer to Question 1 above is yes, Do you find that Shenker is liable to the Pension Trust for \$1,951,445 because Sierra is Shenker's alter ego?

X
Yes No

3. If your answer to Question 1 is yes, Do you find that Shenker is liable to the Pension Trust for \$1,951,445 as the guarantor of Sierra's debt?

X
Yes No

SPECIAL VERDICT

(DAMAGES)

FAIR MARKET VALUE

We, the jury, upon our oaths, based upon the evidence in this case, do find the fair market value, as of the appropriate credit dates, of each of the following properties to be as follows:

1. Gardnerville Units 6 & 7.	\$ 1,340,000
2. Gardnerville Units 8 & 9	\$ 1,035,000
3. Prosser Heights	\$ 108,140
4. Timber Shore	\$ 889,450
5. Murrieta - Yoder	\$ 5,086,980
6. Murrieta - Core	\$ 3,454,441
7. Murrieta - Kanlund	\$ 1,100,000
8. Murrieta - 163 Mobile Home Lots	\$ 815,000
9. Murrieta - 13 Mobile Home Lots	\$ 65,000
10. Murrieta - 43 R-3 Lots	\$ 1,185,000

DATE: Nov 28, 1983

W. P. Wierman
FOREMAN

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U.S. DISTRICT COURT
DISTRICT OF NEVADA
FILED

NOV 30 1983

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BY [Signature] DEPUTY

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RAYMOND J. DONOVAN, Successor to
RAY MARSHALL, Secretary of Labor,

Plaintiff,

Civil-LV 77-47, RDF

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NEVADA, INC., a Nevada
corporation,

Defendants. /

VERDICTS

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SPECIAL VERDICTS

(DAMAGES).

1. As of August 1, 1983, what amount of money, after subtracting payments and credits, is due and owing to the Pension Trust under the \$2,000,000 Murrieta loan?

\$ 1,881,600

2. As of August 1, 1983, what amount of money, after subtracting payments and credits, is due and owing to the Pension Trust under the \$5,000,000 Murrieta loan?

\$ 3,830,396

3. As of August 1, 1983, what amount of money, after subtracting payments and credits, is due and owing to the Pension Trust under the Sierra loan agreements?

\$ 26,275,919

DATED: Nov 30, 1983

W. D. Williams
FOREMAN

RECORDED AT REQUEST OF
Mitchell, Silbertberg & Knupp
BOOK 119 PAGE 6

83 DEC 20 AM 11:44

OFFICIAL RECORDS
EUREKA COUNTY, CALIFORNIA
H.M. RECREATION RECORDS
FILE NO. 91570
FEE \$18.00

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