## Recording requested By EINAR ERICKSON Eureka County - NV Mike Rebaleati - Recorder APN# <u>"09-330-0</u> Page 1 of 29 Fee: \$67.00 Recording Requested by: Name: Silver Viking Corporation Address: 545 5. Valley View Dn. #/W City/State/Zip: St. George, Ut. 84770 Recorded By. FES RPTT. Book- 503 Page- 0063 Mail Tax Statements to: Name: Eindr C Erickson Address: 545 S. Valley View Dr #100 City/State/Zip: St. Goorge, Ut. 84710 Please complete Affirmation Statement below: I the undersigned hereby affirm that this document submitted for recording contains the social security number of a person or persons as required by law: Title Signature (Print name under signature) (Insert Title of Document Above) \*\*\*\*\*\*\*\*\*\*\*\*\*\* Only use the following section if one item applies to your document This document is being re-recorded to \_\_\_\_\_ This document is being recorded to correct document # , and is correcting If legal description is a metes & bounds description, furnish the following information: Legal description obtained from \_\_\_(Document Title), Book (date) in the Page \_\_\_ Document #\_ Eureka County Recorder's Office. -OR-If Surveyor, please provide name and address:

This page added to provide additional information required by NRS 111.312 Sections 1-4. (Additional recording fee applies)

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1 FFCL JAMES E. WHITMIRE, ESQ. 2 Nevada Bar No. 6533 jwhitmre@nevadafirm.com 3 SANTORO, DRIGGS, WALCH, KEARNEY, HOLLEY & THOMPSON 400 South Fourth Street, Third Floor 4 Las Vegas, Nevada 89101 5 Telephone: 702/791-0308 Facsimile: 702/791-1912 6 Attorneys for Defendants / Counterclaimants 7

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#### DISTRICT COURT

#### CLARK COUNTY, NEVADA

BELGO-NEVADA LTD., a Nevada corporation; DE SONNEVILLE GOLD LLC, a Delaware limited liability company; and DE SONNEVILLE MINING LLC, a Delaware limited liability company,

A-10-608861-B

Case No.:

Dept. No.:

Plaintiffs,

v.

SILVER VIKING CORPORATION, a Nevada corporation; EINAR C. ERICKSON, a Utah resident; WARREN M. CHURCH, a Utah Resident; DOES 1 through X, inclusive; and ROE CORPORATIONS I through X, inclusive.

FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER STRIKING PLEADINGS AND ENTERING DEFAULT AGAINST DENNIS VAN KERREBROECK, BELGO-NEVADA LTD., DE SONNEVILLE GOLD LLC, AND DE SONNEVILLE MINING LLC

Hearing Date: June 30, 2010 Hearing Time: 8:30 a.m.

Defendants.

ALL RELATED CLAIMS

On June 11, 2010, Defendants/Counterclaimants SILVER VIKING CORPORATION ("SVC"), EINAR C. ERICKSON ("Erickson"), and WARREN M. CHURCH ("Church" and collectively with SVC and Erickson for purposes of this Order "Counterclaimants") filed their Motion for Order to Show Cause why the Court should not Hold Plaintiffs/Counterdefendants in Contempt and Strike their Pleadings ("Motion for OSC"). The Motion was scheduled for hearing on June 30, 2010, at 8:30 a.m.

On June 30, 2010, the matter was called. Counterclaimants appeared and were represented by the law firm Santoro, Driggs, Walch, Kearney, Holley & Thompson. The hearing transcript is hereby incorporated by reference as if fully set forth herein.

Plaintiffs/Counterdefendants DENNIS VAN KERREBROECK ("DVK"), BELGO-NEVADA LTD. ("Belgo"), DE SONNEVILLE GOLD LLC ("DSG"), and DE SONNEVILLE MINING LLC ("DSM") (collectively "Counterdefendants"), and each of them, failed to appear either personally or through retained counsel.

Notwithstanding Counterdefendants' failure to appear, the Court conducted an evidentiary hearing. In connection therewith, the Court accepted evidence and testimony from Counterclaimants relating to the allegations in the Counterclaim and the allegations, requests, and arguments in the Motion. In connection with the hearing, among other things, Counterdefendants presented evidence and arguments regarding the factors and considerations under Young v. Johnny Ribeiro Bldg., Inc., 106 Nev. 88, 787 P.2d 777 (1990) and Foster v. Dingwall, 2010 WL 679069 (Nev. 2010).

Having carefully reviewed the papers and pleadings filed in this action, the arguments of counsel, and the evidence and testimony presented at the evidentiary hearing, the Court now finds, concludes and orders as follows:

#### FINDINGS OF FACT

- 1. Plaintiffs Belgo, DSG and DSM served their Complaint and Motion for Temporary Restraining Order and Preliminary Injunction on Order Shortening Time ("Motion for TRO") on or about January 29, 2010, seeking to restrain and enjoin Silver Viking from asserting any right or claim to title to certain mining claims Silver Viking had owned for decades.
- 2. Counterclaimants opposed the Motion for TRO and filed a Verified Counterclaim seeking, *inter alia*, quiet title to the mining claims and alleging that DVK was the alter-ego of the Counterdefendant entities. See Verified Countercl.
- 3. On February 9, 2010, the Court heard argument on the Motion for TRO and issued an Interim Order prohibiting either set of parties from alienating, transferring, selling, or

otherwise encumbering the mining claims. <u>See</u> Interim Order. The Court instructed the parties not to shred anything or erase any computer information and further ordered that an evidentiary hearing would be set by the Court at the time of the parties' mandatory Rule 16 conference.

#### A. Counterdefendants Fail to Comply with Court's Orders.

- 4. On March 1, 2010, the parties, through their respective counsel, submitted the mutually agreed upon date of March 26, 2010 to the Court for their Rule 16 Conference.
- 5. On March 4, 2010, the Court issued a Business Court Order whereby it ordered the mandatory Rule 16 conference would be held on March 26, 2010 in District Court Department XI. See Business Court Order. The Court further ordered that the parties were required to attend and that failure to comply with the order may result in the imposition of sanctions. See id.
  - i. Counterdefendants' First Failure to Appear at Mandatory Rule 16 Conference.
- 6. On March 26, 2010, Counterdefendants failed to appear for the mandatory Rule 16 conference and moved to continue the conference.
- 7. Counterclaimants appeared at the Rule 16 conference and opposed the motion to continue citing the facial implausibility of Counterdefendants' claims and the fact that DVK would not be able to appear at future hearings based reports that he was on the lam due to his connection with a stolen 68-carat diamond. See Opp'n to Mot. to Continue.
- 8. The Court denied Counterclaimants' request to strike Counterdefendants' pleadings and sanctioned Counterdefendants \$750 to be paid to the Clark County Pro Bono Project. See Order regarding Mot. to Continue.
- 9. Counterdefendants' counsel noted that DVK, the designated representative of the Plaintiff, would be available after April 17, 2010. See March 26, 2010 minute order.
- 10. The mandatory Rule 16 conference was rescheduled for April 30, 2010, and Counterdefendants were warned that failure to appear may result in additional, more severe sanctions. See Order regarding Mot. to Continue.

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- ii. Counterdefendants' Second Failure to Appear at Mandatory Rule 16 Conference.
- 11. On April 30, 2010, Counterclaimants again appeared for the continued Rule 16 conference; however, Counterdefendants failed to appear for the second conference which had been rescheduled to a time that Counterdefendants stated that they would be able to participate.
- 12. The Court allowed DVK to appear telephonically and warned him, "I'm going to give you one last chance to be here in the state of Nevada for my Rule 16 conference . . . And I anticipate you're probably going to get to have your deposition taken at the same time." See 4/30/10 Hr'g Tr.
- 13. Counterclaimants again requested the Court strike Counterdefendants' pleadings and enter judgment in Counterclaimants' favor due to Counterdefendants' failure to comply with the Court's Orders.
- 14. The Court denied Counterclaimants' second request. Accordingly, the Court continued the Rule 16 conference for a second time, to June 11, 2010. <u>See id.</u>
  - iii. Counterdefendants' Third Failure to Appear at Mandatory Rule 16 Conference.
- 15. On June 11, 2010, Counterclaimants again appeared and Counterdefendants failed to appear for the third mandatory Rule 16 conference which had been rescheduled for a time agreeable to Counterdefendants.
- 16. At that time, Counterclaimants again requested the Court strike Counterdefendants' pleadings. The Court declined to grant the request.
- 17. Counterclaimants then submitted their Motion for OSC and the Court ordered that Counterdefendants, by and through DVK, appear on June 30, 2010 at 8:30 a.m. and show cause why they should not be held in contempt, why their pleadings should not be stricken, and why judgment should not issue in favor of Counterclaimants. See Mot. for OSC.
  - iv. Counterdefendants' Failure to Appear at Order to Show Cause Hearing.
- 18. On June 30, 2010, DVK, on his own behalf and on behalf of the Counterdefendant entities, failed to appear, as ordered, to show cause why they should not be held in contempt, why their pleadings should not be stricken, and why judgment should not issue in favor of Counterclaimants.

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- 19. Counterdefendants have been ordered to appear at four separate hearings, scheduled at their convenience, and have failed to appear each time.
- 20. Conversely, Counterclaimants have appeared at each of the aforementioned hearings.

#### B. Counterdefendants Fail to Participate in Discovery in Good Faith.

- i. Counterdefendants Fail to Retain Evidence and Provide Adequate Responses.
- 21. On March 8, 2010, Counterclaimants propounded their first set of Requests for Production of Documents upon Counterdefendants seeking, *inter alia*, to examine the computer(s) upon which business related to the claims and defenses had been conducted.
- 22. Counterclaimants have alleged that Counterdefendants had filed false deeds to the subject property by manipulating signatures pages from authentic documents and wrongfully attaching them to fraudulent deeds.
- 23. Accordingly, examination of Counterdefendants' computers was critical to prove Counterdefendants' fraudulent conduct.
- 24. Pursuant to NRCP 34(b), Counterdefendants' responses were due on April 12, 2010. See also EDCR 1.14(d).
- 25. On April 16, 2010, four days after the responses were due, Counterdefendants provided Counterclaimants with incomplete responses to Counterclaimants' RFPs.
- 26. Counterdefendants failed to respond to certain requests, failed to provide Counterclaimants with any additional documents, and responded that "the laptop computer upon which Mr. Van Kerrebroeck drafted, sent and received email correspondence and generated documents during the time frame relevant to this matter 'blew up' and files on the hard drive were unrecoverable." See Counterdefendants' Resps. to RFPs.
- 27. At the second Rule 16 conference on April 30, 2010, the Court inquired regarding the status of the laptop. DVK, via telephone, represented he had conducted all business relevant to the claims at issue on his laptop, that he had not backed his hard drive up, and that all data on his laptop was irretrievably lost. See 4/30/10 Hr'g Tr. DVK represented that he had taken the laptop to Relvate IT, a computer repair store in Toronto, Canada. See id.

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- The Court instructed DVK to provide the contact information for Relvate IT to 28. Counterclaimants by May 5, 2010. See id. DVK failed to provide Counterclaimants with the information as instructed by the Court. Counterclaimants have been unable to locate any information for Relvate IT in Toronto, Canada and have been unable to verify DVK's representations. Counterdefendants Fail to Appear for Deposition or Respond to Interrogatories. ii.
- At the April 30, 2010, Rule 16 conference, the Court instructed DVK to be 29. prepared to have his deposition taken at the June 11, 2010 Rule 16 conference. See id.
- The parties agreed on the record that DVK's deposition would be taken on June 30. 10, 2010. See id.
- Counterclaimants' propounded interrogatories and noticed the deposition of DVK 31. for June 10, 2010. Both the interrogatories and the notice of deposition were served by receipt of copy on May 7, 2010. Pursuant to NRCP 33(b)(3) the answers to the interrogatories were due on June 7, 2010.
  - DVK failed to respond to the interrogatories. 32.
  - 33. DVK failed to appear for deposition on June 10, 2010.
  - iii. Counterdefendants Fail to Reply or Respond to Amended Counterclaim.
- 34. On May 18, 2010 Counterclaimants filed their First Amended Counterclaim and served it by mail. Pursuant to NRCP 12(a)(4)(B), and allowing three days for mailing, Counterdefendants' Reply was due on June 4, 2010.
  - 35. Counterdefendants failed to Reply to the First Amended Counterclaim.
- 36. On June 28, 2010, Counterclaimants served a Three Day Notice of Intent to Take Default.
  - On July 9, 2010, Counterclaimants filed Default documents with the Court. 37.

#### C. Summary of Counterdefendants' Litigation Abuses.

The following sets forth a non-exclusive list of Counterdefendants' abuses during 38. the litigation process. Counterdefendants have: (1) ignored valid Court orders by failing to appear at three Rule 16 conferences and failing to appear and show cause why they should not be

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held in contempt; (2) failed to participate in discovery by failing to preserve evidence, failing to provide adequate responses to RFPs, failing to respond at all to interrogatories, and failing to appear at their deposition; and (3) failed to comply with pleading rules by failing to respond to the First Amended Counterclaim.

#### D. Counterclaimants Provide Prima-Facia Evidence of Their Claims and Defenses.

- 39. At the evidentiary hearing on June 30, 2010, the Court heard testimony from Counterclaimant Erickson regarding the allegations, claims and defenses at issue in this case.
- 40. Erickson is the president of SVC and was thoroughly involved with the history and facts of this case.
- 41. Erickson testified that he had personally verified the allegations contained in the Counterclaim. More specifically, he testified that neither he nor anyone acting on his or SVC's behalf, executed the Grant Bargain Sale Deeds ("Deeds") which purportedly transferred interest in the mining claims to Belgo.
  - 42. Erickson testified that the Deeds were false and fraudulent.
- 43. Counterclaimants received no payment or consideration of any kind from Counterdefendants in exchange for the mining claims.
- 44. Neither Erickson nor anyone acting on his or SVC's behalf executed the purported Claims Transfer Agreement whereby Counterclaimants ostensibly agreed to transfer their mining claims to Counterdefendants.
  - 45. Erickson testified that the Claims Transfer Agreement was false and fraudulent.
- 46. The Court finds that Counterclaimants presented credible, prima-facia evidence in support of their claims for Slander of Title and requests for Declaratory Judgment and Quiet Title.

#### E. Counterclaimants Provided Evidence that Counterdefendants Consented to a Quiet Title Judgment in Favor of Silver Viking

47. During the course of the hearing on June 30, 2010, Counterclaimants introduced into the record a settlement agreement and related deeds that evidenced Counterdefendants' consent to having a quiet title judgment entered in favor of Silver Viking. Those documents are

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in the possession of the Court and were made part of the record. Putting aside Counterdefendants' voluntary acknowledgment of the resolution of this matter, the Court nonetheless continues with the following analysis given that Counterclaimants' have not yet received the original notarized settlement documents and deeds from Counterdefendants.

#### F. Analysis of Ribeiro factors:

- The Court finds that it is critical that all parties participate in discovery and the 48. litigation process.
- Failure to do so results in prejudice to the non-offending party, loss of discovery, 49. and failure to adjudicate a case on the merits.
- Because the Court concludes below that it is now appropriate to impose ultimate 50. sanctions against Counterdefendants, the Court hereby sets forth its consideration of the Ribeiro factors:

#### First Factor - The Degree of Willfulness of the Offending Party.

- The Court finds the degree of willfulness associated with Counterdefendants' 51. continued and willful refusal to participate in discovery and to comply with this Court's orders is extreme for the following reasons:
  - a. The Court finds that Counterdefendants knowingly and willfully violated the Court's orders. The parties were ordered to appear at the business court's Rule 16 conference to allow the Court to, among other things, coordinate discovery, discuss settlement potential, and set hearings on dispositive hearings. Counterdefendants represented they would be available at each of the Rule 16 conferences and were offered dates to appear based on their availability. Despite the Court allowing Counterdefendants to participate in choosing the conference dates, Counterdefendants failed to appear at each of three consecutive Rule 16 conferences, spanning a course of more than two months. Thus, the Court has been unable to perform its function and progress this case due to Counterdefendants' intentional and calculated decision to not comply with the Court's orders.

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- b. Counterdefendants were ordered to appear and show cause why they should not be held in contempt and why their pleadings should not be stricken. Again, Counterdefendants failed to respond and failed to appear. Counterdefendants' refusal to comply with the Court's order was again knowing, willful, and intentional.
- c. Counterdefendants were served with interrogatories which they failed to respond to and failed to request any sort of extension.
- d. DVK's deposition was noticed for June 10, 2010, a date he represented to the Court he would be available. DVK failed to appear and failed to request his deposition be rescheduled.
- e. Counterdefendants failed to file a reply to Counterclaimants' First Amended Counterclaim. Accordingly, entry of default against Counterdefendants is warranted on that basis alone.
- f. Finally, the Court ordered Counterdefendants to appear and show cause why their pleadings should not be stricken. Again, with full knowledge that the Court intended to strike their pleadings if they failed to appear, Counterdefendants failed to respond or appear.
- g. The Court finds that Counterdefendants knowingly and willfully failed to comply with the Court's orders and knowingly and willfully failed participate in discovery.
- 52. The Court finds that Counterdefendants were aware of each Rule 16 conferences, were aware of their duty to respond to discovery and appear at their depositions, and were aware of the Court's Order to Show Cause hearing.
- 53. Counterdefendants understood the Court's repeated warnings to them, they repeatedly represented that they would comply, and they repeatedly failed to comply.
- 54. Counterdefendants' failure to even attempt to comply with the Court's repeated orders and discovery demonstrates recalcitrance, brazenness, and a very high degree of willful disobedience.

#### Second Factor – Extent of Prejudice to Non-Offending Party.

- 55. The Court previously carefully considered and imposed lesser sanctions in response to Counterclaimants' repeated requests that it strike Counterdefendants' pleadings. On March 26, 2010, Counterclaimants requested the case be dismissed based on Counterdefendants' failure to appear; however, the Court issued a less severe monetary sanction of \$750 to be paid to the Clark County Pro Bono Project. Additionally, the Court warned that more severe sanctions may issue for future failures to appear. On April 30, 2010, Counterclaimants again requested the Court strike Counterdefendants' pleadings. The Court declined to impose ultimate sanctions but expressly warned Counterdefendants that they were receiving one last chance to appear on June 11, 2010. Counterdefendants again failed to appear at the June 11, 2010 conference. Counterdefendants' overt defiance and disregard of the Court's orders demonstrates that lesser sanctions were not effective and that anything less than the ultimate sanctions of striking their pleadings and entering judgment against them would be ineffective and unjust.
- 56. The Court finds that the normal litigation process has been halted due to Counterdefendants' unresponsiveness and that Counterclaimants have been prejudiced by the resulting interminable delay and uncertainty as to their legal rights. See Skeen v. Valley Bank of Nev., 89 Nev. 301, 303, 611 P.2d 1053, 1054 (1973). Accordingly, the Court further finds that lesser sanctions would only compound the prejudice to Counterclaimants.
- 57. The Court finds that the subject matter of this litigation concerns unique and valuable property and rights thereto. Accordingly, Counterclaimants' rights are further prejudiced by the continued cloud to the title of the property at issue. The inability to proceed with this litigation impedes pending transactions with third-parties. The prejudice imposed on Counterclaimants by Counterdefendants' intentional delays cannot be cured by the Court requiring Counterclaimants to suffer further delays associated with the scheduling of indefinitely postponed discovery, hearings and trial dates.
- 58. The Court finds that Counterdefendants' willful and deliberate failure to participate in discovery has prejudiced Counterclaimants' ability to obtain relevant and important discovery to progress the case and quiet title to the subject property.

59. Thus, the Court finds the prejudice to Erickson, SVC, and Church from the repeated discovery and litigation abuses of Counterdefendants is clear and substantial.

#### Third Factor - Severity of Striking of Pleadings Relative to Severity of Abuses.

- 60. Counterdefendants' litigation and discovery abuses have been so pervasive that such have completely prevented *any* substantive progression of this case since its initial hearing.
- 61. Counterdefendants knowingly and willfully disregarded the authority of this Court, the Nevada Rules of Civil Procedure, and the civil litigation process on numerous occasions. Counterdefendants have failed to appear at mandatory court hearings and depositions. They have failed to respond to discovery and have failed to retain significant evidence.
- 62. Counterdefendants were given several opportunities to comply with the Court's orders and to participate in the litigation process; however, they provided no indication of any inclination to reform their abusive conduct.
- 63. Counterdefendants' failure to appear and refusal to participate in the litigation and discovery process has caused this Case to stall indefinitely.
- 64. Accordingly, the Court finds that Counterdefendants' abuses sufficiently warrant the ultimate sanction of the striking of their pleadings.

#### Fourth Factor - Whether any Evidence has been Irreparably Lost:

- 65. Lost evidence can take at least two forms: (a) lost tangible evidence, such as destroyed documents; and (b) lost intangible evidence, such as lost testimony, due to faded memories, death of a witness, or inability to locate a witness.
- 66. In the present case, Counterclaimants alleged that DVK, on his own behalf and on behalf of the Counterdefendant entities, used computer software to manipulate the signature pages from genuine documents and place them on fraudulent Deeds and settlement agreements. Accordingly, Counterclaimants requested to review all computers and/or hard drives used by the Counterdefendants throughout the relevant time period. Counterdefendants responded that all business by and between Counterclaimants and Counterdefendants was conducted on a single laptop which "blew up" and that the "files on the hard drive were unrecoverable."

- 67. The Court further inquired into the status of the laptop. DVK again represented he had conducted all business relevant to the claims at issue herein on his laptop, that he had not backed his hard drive up, and that all data on his laptop was irretrievably lost. DVK represented that he had taken the laptop to Relvate IT, a computer repair shop in Toronto, Canada. See 4/30/10 Hr'g Tr.
- 68. The Court instructed DVK to provide the contact information for Relvate IT to Counterclaimants by May 5, 2010. See id. DVK failed to provide Counterclaimants with the information as instructed by the Court. Counterclaimants have been unable to locate any contact information for Relvate IT in Toronto, Canada.
- 69. The Court finds that the loss and destruction of Counterdefendants' laptop, the sole source of business evidence, having been irreparably lost and not preserved is concerning and has prejudiced Counterclaimants' ability to prove the fraudulent nature of the documents they claim are fraudulent.

#### Fifth Factor – The Feasibility and Fairness of Alternative, Less Sever Sanctions.

- 70. The Court finds that imposing anything less than ultimate sanctions would be neither fair nor feasible.
- 71. The Court already imposed alternative, less severe sanctions throughout the history of Counterdefendants' discovery and litigation abuses. Because Counterdefendants failed to even attempt to comply with any of the multiple second chances they have been provided, the Court has no reason to believe that Counterdefendants will begin to comply if given additional chances.
- 72. This demonstrated lack of respect for the Court's orders causes the Court to conclude and find that anything less than ultimate sanctions would merely reward and embolden Counterdefendants and thereby undermine the integrity of the judicial system, all to the further prejudice of Counterclaimants.
- 73. Further, the Court is mindful of its prior warnings to Counterdefendants advising that subsequent failure to appear would result in escalating sanctions. After Counterdefendants had failed to appear on several occasions and failed to participate in discovery in good faith, the

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Court ordered Counterdefendants to appear and show cause why their pleadings should not be stricken. However, Counterdefendants again failed to appear and failed to provide the Court with any reason why their pleadings should not be stricken. Accordingly, imposing alternative, lesser sanctions again would be unfair and unfeasible under the circumstances. Sixth Factor – The Policy Favoring Adjudication on the Merits.

- The Court acknowledges that Nevada has a sound policy of resolving matters on 74. their merits. The Court concludes, however, that the policy of resolving matters on their merits can be outweighed at times by other considerations.
- The Court finds that the policy of resolving matters on their merits cannot be 75. accomplished when parties knowingly and willfully refuse to participate in the litigation process.
- The Court finds that Counterdefendants' litigation and discovery abuses have 76. been so pervasive so as to prevent this case from being resolved on its merits. Counterdefendants have repeatedly represented they would comply with the Court's orders and have repeatedly failed to do so. Indeed, Counterdefendants have provided no indication that that their behavior will change in the future.
- Counterdefendants appear to have little interest in obtaining adjudication on the 77. merits, and this Court will not act to protect an interest which they themselves appear to care little about. Thus, the Court finds that Nevada's policy of favoring adjudication on the merits cannot be realized in this case and is outweighed by the circumstances herein.

#### Seventh Factor - Whether Sanctions Unfairly Operate to Penalize a Party for the Misconduct of its Attorney.

- Counterdefendants were represented by counsel until June 10, 2010, when this 78. Court granted counsel's motion to withdraw. Counterdefendants were not represented by any counsel past that date.
- 79. The Court finds that Counterdefendants' former counsel represented its clients competently, appeared at the required hearings, and attempted to participate in discovery.
- 80. Counterdefendants' failure to communicate with their former counsel and participate in this litigation was due to their own misconduct, not that of their former counsel.

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Therefore, the Court finds that imposing ultimate sanctions will not penalize 81. Counterdefendants for the conduct of their attorney.

#### Eighth Factor - The Need to Deter Both the Parties and Future Litigants from Similar Abuses.

- The Court finds that Counterdefendants have demonstrated themselves to be 82. recalcitrant litigants.
- The Court has provided repeated opportunities for Counterdefendants to comply 83. with its orders.
  - Each opportunity has been knowingly flaunted and ignored. 84.
- Even if Counterdefendants were to begin to comply with future discovery orders 85. entered in this case, "other parties to other lawsuits would feel freer than we think Rule 37 contemplates they should feel to flout other discovery orders of other courts." See Nat'l Hockey League v. Metro. Hockey Club, Inc., 427 U.S. 639, 643 (1976).
- Counterdefendants failed to appear or otherwise respond when ordered to show 86. cause and failed to provide any testimony contrary to the foregoing findings.
- The Court finds that Counterdefendants would not fully comply with the litigation and discovery process if given additional opportunities.
- The Court concludes and finds, under the circumstances presented here, that anything less than ultimate sanctions would only embolden Counterdefendants and provide an excuse for other litigants to engage in similarly abusive conduct.
- 89. Any of the foregoing Findings of Fact which constitute a conclusion of law shall be deemed a Conclusion of Law.

#### CONCLUSIONS OF LAW

- 1. The Court notes it has reviewed Counterclaimants' Motion for Order to Show Cause and concludes that it is meritorious.
- 2. The Court has given thoughtful and thorough consideration to all the pertinent factors affecting the Court's discretion to impose ultimate sanctions against Counterdefendants, including all factors announced in Young v. Johnny Ribeiro Bldg., Inc., 106 Nev. 88, 787 P.2d

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777 (1990), as well as the factors set forth in Foster v. Dingwall, 2010 WL 679069 (Nev. 2010). 3. The Court concludes that Counterdefendants' actions and abuses in this case clearly warrant the presumption that their claims and defenses are meritless. 4. The prejudice to Counterclaimants through the repeated abuses is clear.

- 5. Based on the foregoing, the Court concludes that striking Counterdefendants' pleadings is an appropriate sanction pursuant to NRCP 37, EDCR, 7.60(b) and this Court's inherent powers.
- 6. Any of the foregoing Conclusions of Law which constitute a finding of fact shall be deemed a Finding of Fact.

#### ORDER

- 1) The relief requested in the Motion for OSC is hereby **GRANTED** in part;
- 2) All pleadings filed by Belgo-Nevada, LTD, De Sonneville Gold, LLC, De Sonneville Mining, LLC and Dennis Van Kerrebroeck are hereby stricken.
- 3) Default judgment in favor of Silver Viking and against Plaintiffs/Counterdefendants is hereby granted.
- 4) The Judgment and Order Quieting Title to Mining Claims in Favor of Counterclaimant Silver Viking in the form attached hereto as Ex. 1 is being separately executed by the Court. The respective/relevant County Recorder's Offices are hereby Ordered to immediately record such Judgment.

Dated this | day of July, 2010.

ELIZABETH GOFF GONZ

Submitted by:

Ev

3S, WALCH, EY & THOMPSON

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AMES E. WHITMIRE, ESQ. / NBN 6533 00 South Fourth Street, Third Floor

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1 JUDG JAMES E. WHITMIRE, ESQ. 2 Nevada Bar No. 6533 jwhitmre@nevadafirm.com 3 SANTORO, DRIGGS, WALCH, KEARNEY, HOLLEY & THOMPSON 4 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 5 702/791-0308 Telephone: 702/791-1912 Facsimile: 6 Attorneys for Defendants / Counterclaimants 7 8 DISTRICT COURT 9 CLARK COUNTY, NEVADA BELGO-NEVADA LTD., a Nevada corporation; 10 DE SONNEVILLE GOLD LLC, a Delaware Case No.: A-10-608861-B limited liability company; and DE 11 XISONNEVILLE MINING LLC, a Delaware Dept. No.: 12 limited liability company, 13 Plaintiffs, 14 v. 15 SILVER VIKING CORPORATION, a Nevada corporation; EINAR C. ERICKSON, a Utah 16 resident; WARREN M. CHURCH, a Utah Resident; DOES I through X, inclusive; and 17 ROE CORPORATIONS I through X, inclusive, 18 Defendants. 19 ALL RELATED CLAIMS

# JUDGMENT AND ORDER QUIETING TITLE TO MINING CLAIMS IN FAVOR OF COUNTERCLAIMANT SILVER VIKING CORPORATION

The above-entitled matter having come before this Court, this Court being fully advised, this Court having entered its FINDINGS OF FACT AND CONCLUSIONS OF LAW after an evidentiary hearing, and this Court having stricken the pleadings and entered default of Plaintiffs/Counterdefendants (BELGO-NEVADA LTD. ("Belgo"), DE SONNEVILLE GOLD LLC ("DSG"), DE SONNEVILLE MINING LLC ("DSM") and DENNIS VAN KERREBROECK ("DVK" and collectively with Belgo, DSG and DSM "Counterdefendants"), it

is hereby ORDERED, ADJUDGED AND DECREED as follows:

- 1. Over the course of several decades, EINAR C. ERICKSON ("Erickson") and SILVER VIKING CORPORATION ("SVC" and collectively with Erickson, "Silver Viking") acquired rights, title and interest in certain mining claims throughout Nevada.
- 2. In the above-captioned case, Silver Viking sought, *inter alia*, to quiet title to certain Patented and Unpatented Lode Mining Claims in Eureka County, Nye County, White Pine County, and Lincoln County, Nevada, as further identified and described in Exhibit "A" attached hereto and incorporated herein ("Mining Claims").
- 3. The quiet title relief sought by Silver Viking was filed after Silver Viking had recorded Notices & Affidavits of Fraudulent Deed in response to certain actions that had been previously taken by one or more of the Counterdefendants.
- 4. More particularly, on or about January 27, 2009, Belgo recorded documents to ostensibly transfer from Silver Viking to Belgo all of Silver Viking's right, title, and interest in and to those portions of the Mining Claims constituting: (i) patented mining claims situated in Eureka County, Nevada (the "Eureka Patented Claims") and, (ii) unpatented mining claims situated in Eureka County, Nevada (the "Eureka Unpatented Claims"). The documents relating to the Eureka Patented Claims were recorded with the County Recorder for Eureka County, Nevada, as Document No. 0213062 in Book No. 0485, Page No. 0102. The documents relating to the Eureka Unpatented Claims were recorded with the County Recorder for Eureka County, Nevada, at Document No. 0213061 in Book No. 0485, Page No. 0098. Silver Viking has alleged that the above-referenced ostensible transfer was fraudulent.
- 5. Belgo later recorded documents to ostensibly transfer from Silver Viking to Belgo all of Silver Viking's right, title, and interest in and to those portions of the Mining Claims situated in Nye County, Lincoln County, and White Pine County, Nevada (the "Nye County Mining Claims"). The documents relating to the Nye County Mining Claims were recorded with the County Recorder for Nye County, Nevada, as Document No. 731191. Silver Viking has alleged that the above-referenced ostensible transfer was fraudulent.

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- 6. On or about December 30, 2009, Belgo recorded documents to ostensibly transfer title in the Eureka Patented Claims to DSG. The documents were recorded with the County Recorder for Eureka County, Nevada as Document No. 214387 in Book No. 0496, Page Nos. 324-327. Silver Viking has alleged that the above-referenced ostensible transfer was fraudulent.
- 7. On or about December 30, 2009, Belgo recorded documents to ostensibly transfer title to the Eureka Unpatented Claims to DSG. The documents were recorded with the County Recorder for Eureka County, Nevada as Document No. 214386 in Book No. 0485, Page Nos. 320-323. Silver Viking has alleged that the above-referenced ostensible transfer was fraudulent.
- 8. On or about June 30, 2010, Counterdefendants were ordered to appear and show cause why their pleadings should not be stricken.
- 9. Counterdefendants and each of them failed to appear and the Court ordered the pleadings of Counterdefendants to be stricken and directed the clerk of the court to enter default against Counterdefendants.
- 10. The Court heard and accepted testimony from Erickson that Counterdefendants had recorded forged Grant Bargain Sale Deeds, or Grant Bargain Sale Deeds containing false signatures.
- 11. The Court found Erickson's testimony to be credible and has issued this judgment in favor of Counterclaimants.
- 12. Accordingly, title to the Mining Claims is hereby quieted in favor of Silver Viking Corporation, a Nevada limited liability company.
- 13. Silver Viking is hereby adjudged to be the owner of the same right, title, and interest, in and to the Mining Claims it possessed prior to the recording of any Deeds by Plaintiffs/Counterdefendants Belgo, DSG, DSM and DVK relating to the Mining Claims.
- 14. Plaintiffs/Counterdefendants Belgo, DSG, DSM and DVK (and any persons purporting to take any interest in the Mining Claims by or through them) have no right, title, or interest in or to the Mining Claims by virtue of the purported Grant Bargain Sale Deeds, Claims Transfer Agreement, Quitclaim Deeds or otherwise and are hereby enjoined from taking any action inconsistent with Silver Viking's rights set forth herein.

15. A certified copy of this Judgment and Order shall be recorded with the Count
Recorder's Offices in Eureka County, Nye County, White Pine County, and Lincoln
County, Nevada to document and give notice that SILVER VIKING CORPORATION is the
rightful owner of the Mining Claims identified in Exhibit A.

#### IT IS SO ORDERED

Dated this \_\_\_\_ day of July, 2010.

DISTRICT COURT JUDGE

Submitted by:

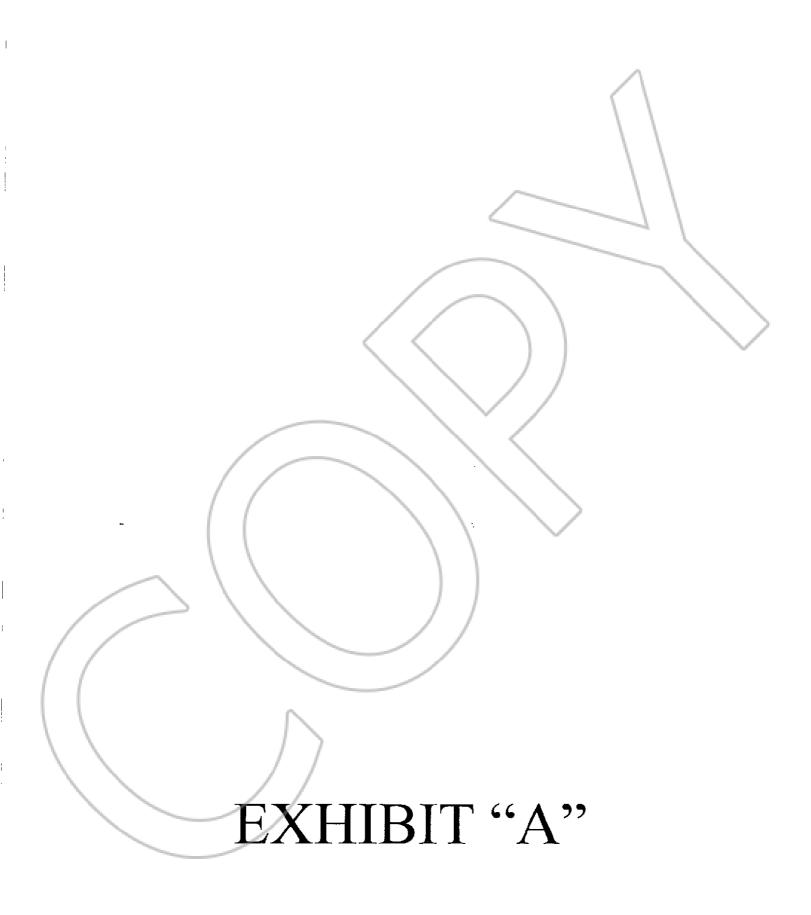
SANTORO, DROGGS, WALCH, KEARNEX, HOLLEY & THOMPSON

AMES E. WHITMIRE, ESQ. Nevada Bar No. 6533 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101

Attorneys for Defendants / Counterclaimants

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# Exhibit A To Quiet Title Judgment Legal Description

#### PATENTED LODE MINING CLAIMS

The following patented lode and mill site claims are located in Sections 3, Township 18 North, Range 53 East, and Sections 13, 14, 27, 29, 30, 31, 32, 33 and 34, Township 19 North, Range 53 East, M.D.B.&M., in the County of Eureka, State of Nevada.

	10 10 11
Claim Name and Number	Mineral Survey Number
Antelope	215
Avon - 85%	243
Apache	178
Banner	156
Cloud	194
Clyde	129
Compass - 9/16	302
Daylesford	264A
Dead Broke	191
Delaware	157
Diamond	221
East Oakland	186
Eldorado No. 2 -1/8	140
Eureka Tunnel - 3/16	No Survey
Excelsior & Carlo Zeno	142 :
Excelsior	181
Fanny & Frankie Scott	198
Fourth of July	82
Gas Light	145
General Washington	128A
Goban & Sinnor	237
Gore	162
Hawkeye	223
Hibernia	311
Hugenot	115
Ida	199
Kentucky No. 1	236
Kentucky No. 3	238
Kit Carson	163
Krao	319

183
188
303
224
166
179
144
171
127A
132&135
233
169A
234
235
320
193
245A
282
158
177
296
185
187
182
312
205
184
168
170
263

#### PATENTED MILL SITES

Claim Name and Number	<u> Mineral Survey Number</u>				
Metamoras	127B				
Old Put	245B				
Daylesford	264B				

#### UNPATENTED LODE MINING CLAIMS

The following unpatented lode and mill site claims are located in Sections 2, 3 and 4, Township 18 North, Range 53 East, and Sections 27, 28, 33 and 34, Township 19 North, Range 53 East, M.D.B.&M., in the County of Eureka, State of Nevada.

Claim Name	BLM Serial Number
August	NMC 798897
August #1	NMC 798989
August #9	NMC 798903
Baltic	NMC 798864
Grover Cleveland	NMC 798869
Forth of July Fraction	NMC 798863
Hillside	NMC 798872
Hillside 3	NMC 798875
Hillside 4	NMC 798876
Hillside 6	NMC 798878
Huckleberry	NMC 789862
Leviathan	NMC 798870
Nevada	NMC 798867
NorthernLight	NMC 798866
Omega 1	NMC 798889
Omega 2	NMC 798890
Omega 3	NMC 798891
Omega 4	NMC 798892
Omega 5	NMC 798893
Omega 6	NMC 798894
Omega 7	NMC 798895
Omega 8	NMC 798896
Ophir 1	NMC 798905
Ophir 3	NMC 798907
Ophir 4	NMC 798908
Parnell	NMC 798871
PMJV 3	NMC 817579
PMJV 4	NMC 817580
PMJV 5	NMC 817581
PMJV 6	NMC 817582
PMJV 10	NMC 817586
PMJV 14	NMC 817590
DI CHILL	3.D. (C. 01-100

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**PMJV 16** 

NMC 817592

NMC 817593
NMC 798868
NMC 798880
NMC 798881
NMC 798882
NMC 798883
NMC 798884
NMC 798885
NMC 798886
NMC 798888
NMC 798879
NMC 197574

### UNPATENTED LODE MINING CLAIMS

	<u>Claim</u>	. / /	/	/ /		
Serial No.	Name/Number	<u>County</u>	<u>Mr.</u>	Twn	Rng	Sec
NMC 588055	Reveille 701	NYE	21	2N	51.5E	1
NMC 588056	Reveille 702	NYE	21	2N	51.5E	1
NMC 588058	Reveille 704	NYE	21	2N	51.5E	1
NMC 11005	Reveille # 368	NYE	21	2N	51.5E	14
NMC 11006	Reveille # 369	NYE	21	2N	51.5E	14
NMC 4886	Willow Creek # 20	NYE	21	4N	56E	8
NMC 4886	Willow Creek #20	NYE	21	4N	56E	17
NMC 19491	Golden Arrow # 1	NYE	21	2N	48E	32
NMC 19492	Golden Arrow #2	NYE	21	2N	48E	32
NMC 126854	Golden Arrow #3	NYE	21	2N	48E	29
NMC 126854	Golden Arrow #3	NYE	21	2N	48E	32
NMC 19496	Golden Arrow # 6	NYE	21	2N	48E	32
NMC 19498	Golden Arrow #8	NYE	21	2N	48E	28
NMC 19498	Golden Arrow #8	NYE	21	2N	48E	29
NMC 19499	Golden Arrow #9	NYE	21	2N	48E	32
NMC 19499	Golden Arrow #9	NYE	21	2N	48E	33
NMC 19500	Golden Arrow # 10	NYE	21	2N	48E	29
NMC 19500	Golden Arrow # 10	NYE	21	2N	48E	32
NMC 19501	Golden Arrow # 11	NYE	21	2N	48E	29
NMC 19501	Golden Arrow # 11	NYE	21	2N	48E	32
NMC 126855	Golden Arrow # 12	NYE	21	2N	48E	28
NMC 126855	Golden Arrow # 12	NYE	21	2N	48E	29

NMC 126855	Golden Arrow # 12	NYE	21	2N	48E	32
NMC 126855	Golden Arrow # 12	NYE	21	2N	48E	33
NMC 126856	Golden Arrow # 13	NYE	21	2N	48E	28
NMC 126856	Golden Arrow # 13	NYE	21	2N	48E	33
NMC 19504	Golden Arrow # 14	NYE	21	2N	48E	28
NMC 19506	Golden Arrow # 16	NYE	21	2N	48E	33
NMC 19507	Golden Arrow # 17	NYE	21	2N	48E	33
NMC 19508	Golden Arrow # 18	NYE	21	2N	48E	32
NMC 19516	Golden Arrow # 26	NYE	21	2N	48E	29
NMC 19516	Golden Arrow # 26	NYE	21	2N	48E	32
NMC 19518	Golden Arrow # 28	NYE	21	2N	48E	29
NMC 19518	Golden Arrow # 28	NYE	21	2N	48E	32
NMC 19526	Golden Arrow # 36	NYE	21	1N	48E	5
NMC 19526	Golden Arrow # 36	NYE	21	2N	48E	32
NMC 19527	Golden Arrow # 37	NYE	21	1N	48E	5
NMC 19527	Golden Arrow #37	NYE	21	2N	48E	32
NMC 19528	Golden Arrow #38	NYE	21	1N	48E	5
NMC 19528	Golden Arrow #38	NYE	21	2N	48E	32
NMC 19529	Golden Arrow # 39	NYE	21	1N	48E	5
NMC 19529	Golden Arrow # 39	NYE	21	2N	48E	32
NMC 19530	Golden Arrow # 40	NYE	21	1N	48E	4
NMC 19530	Golden Arrow # 40	NYE	21.	1N	48E	5
NMC 19530	Golden Arrow # 40	NYE	21	2N	48E	32
NMC 19530	Golden Arrow # 40	NYE	.21	2N	48E	33
NMC 19531	Golden Arrow # 41	NYE	21	1N	48E	4
NMC 19531	Golden Arrow #41	NYE	21	2N	48E	33
NMC 19532	Golden Arrow # 42	NYE	21	2N	48E	33
NMC 19533	Golden Arrow # 43	NYE	21	2N	48E	33
NMC 19534	Golden Arrow # 44	NYE	21	2N	48E	33
NMC 19543	Steptoe # 1	NYE	21	2N	48E	32
NMC 19544	Steptoe # 2	NYE	21	2N	48E	32
NMC 19544	Steptoe # 2	NYE	21	2N	48E	33
NMC 19545	Aero # 1	NYE	21	2N	48E	32
NMC 19546	Aero # 2	NYE	21	2N	48E	32
NMC 19454	Keystone # 98	NYE	21	7N	49E	25
NMC 126859	Keystone # 232	NYE	21	7N	50E	19
NMC 159860	Keystone # 230	NYE	21	7N	50E	19
NMC 156041	Keystone # 209	NYE	21	7N	50E	19
NMC 156041	Keystone # 209	NYE	21	7N	50E	30
NMC 156047	Keystone # 215	NYE	21	7N	50E	25
NMC 156048	Keystone # 216	NYE	21	7N	50E	25

NMC 156049	Keystone #217	NYE	21	7N	50E	25
NMC 156059	Keystone # 228	NYE	21	7N	50E	19
NMC 156060	Keystone # 229	NYE	21	7N	50E	19
NMC 156061	Keystone # 231	NYE	21	7N	50E ¶	19
NMC 156065	Keystone # 236	NYE	21	7N	50E	18
NMC 156065	Keystone # 236	NYE	21	7N	50E	19
NMC 156066	Keystone # 237	NYE	21	7N	50E	18
NMC 156066	Keystone # 237	NYE	21	7N	50E	19
NMC 423607	Fraction # 1	NYE	21	7N	50E	20
NMC 423608	Fraction # 2	NYE	21	7N	50E	20
NMC 423609	Fraction #3	NYE	21	7N	50E	20
NMC 423609	Fraction # 3	NYE	21	7N	50E	29
NMC 423610	Fraction # 4	NYE	21	7N	50E	19
NMC 423610	Fraction # 4	NYE	21	7N	50E	20
NMC 423610	Fraction # 4	NYE	21	7N	50E	29
NMC 423610	Fraction # 4	NYE	21	7N	50E	30
NMC 423611	Fraction # 5	NYE	21	7N	50E	19
NMC 423611	Fraction # 5	NYE	21	/ 7N/	50E	20
NMC 423612	Fraction # 6	NYE	21	7N	50E	19
NMC 423613	Fraction # 7	NYE	21	7N	50E	19
NMC 423614	Fraction # 8	NYE	21 <	7N	50E	19
NMC 423615	Fraction # 9	NYE	21	7N	50E	19
NMC 423616	Fraction # 10	NYE	21	7N	50E	19
NMC 423617 /	Fraction # 11	NYE	21	7N	50E	19
NMC 423618	Fraction # 12	NYE	21	7N	50E	19
NMC 423619	Fraction # 13	NYE	21	7N	50E	19
NMC 423620	Fraction # 14	NYE	21	7N	50E	19
NMC 423620	Fraction # 14	NYE	21	7N	50E	20
NMC 423621	Fraction # 15	NYE	21	7N	50E	20
NMC 574133	Willow Creek # 222	LINCOLN	21	5S	64E	28
NMC 574134	Willow Creek # 223	LINCOLN	21	5S	64E	28
NMC 574135	Willow Creek # 224	LINCOLN	21	1N	57E	29
NMC 574136	Willow Creek # 225	LINCOLN	21	1N	57E	29
NMC 117802	Grand # 1	WHITE PINE	21	16N	62E	6
NMC 117803	Grand # 2	WHITE PINE	21	16N	62E	6
NMC 117804	Grand # 3	WHITE PINE	21	16N	62E :	. 6.
NMC 117805	Grand # 4	WHITE PINE	21	-	`62 <b>E</b> `	6
NMC 117810	Grand # 9	WHITE PINE	21	17N -	:62E ,	3.1

