## IN THE SUPREME COURT OF THE STATE OF NEVADA

CARLOS LOPEZ, AN INDIVIDUAL AND AS A DIRECTOR OF THE CARSTAN CORPORATION; AND THE CARSTAN CORPORATION, A NEVADA CORPORATION,

Appellants,

vs.

G. STANMORE RASMUSSEN, AN INDIVIDUAL AND AS A DIRECTOR OF THE CARSTAN CORPORATION, Respondent. No. 43114

FEB 1 6 2006 JANETTE M. BLOOM CLERK OF SUPPREME COURT BY\_\_\_\_\_CHEF DEPUTY CLERK

FILED

## ORDER OF REVERSAL AND REMAND

This is an appeal from a district court order that granted, on remand, a motion to dismiss for lack of standing and corporate authority in a corporate shareholder action. Second Judicial District Court, Washoe County; Connie J. Steinheimer, Judge.

The parties are familiar with the facts, and we do not recount them except as necessary for our disposition.

The appellants appeal a district court order dismissing Carlos Lopez's derivative corporate opportunities claim, after the claim was remanded for a new trial pursuant to this court's previous order.<sup>1</sup>

<sup>1</sup><u>See Rasmussen v. Lopez</u>, Docket No. 36958 (Order Affirming in Part, Reversing in Part and Remanding, July 11, 2002, p. 4) (citing <u>Wynn</u> <u>v. Smith</u>, 117 Nev. 6, 16-17, 16 P.3d 424, 430 (2001)).

OF NEVADA

(O) 1947A

In our previous order we clarified that Lopez did not have an individual partnership claim, but that he did have a derivative claim on behalf of Carstan for the alleged usurpation of Carstan's corporate opportunities. Due to the confusing and overlapping nature of the partnership and corporate opportunity instructions, it was our intent to reverse the jury's verdict as to Carstan's corporate opportunities claim and to remand this claim for a retrial.

On remand, the respondents argued, and the district court agreed, that this court did not reverse the jury's verdict as to Carstan's corporate opportunities claim. The district court consequently dismissed Lopez's derivative corporate opportunities claim under the doctrine of judicial estoppel and on unrelated procedural grounds. This dismissal was not in accord with the language and intent of our previous order. Therefore, we hold the district court erred in dismissing Lopez's derivative claim.

Lopez's derivative claim for the usurpation of Carstan's corporate opportunities must be retried.<sup>2</sup> Therefore, we once again remand Lopez's derivative corporate opportunities claim for a new trial. Accordingly, we

<sup>2</sup>We need not reach the merits of judicial estoppel, NRCP 23.1, or NRS 78.585. Furthermore, even after reviewing the record and the parties' arguments, we note that these mechanisms do not apply to bar Lopez's derivative corporate opportunities claim.

SUPREME COURT OF NEVADA

(O) 1947A

ORDER the judgment of the district court REVERSED AND REMAND this matter to the district court for proceedings consistent with this order.

J. Douglas

J.

Becker

J. Parraguirre

cc:

Hon. Connie J. Steinheimer, District Judge Hale Lane Peek Dennison & Howard/Reno Molof & Vohl John P. Echeverria Jeffer, Mangels, Butler & Marmaro, LLP Washoe District Court Clerk

SUPREME COURT OF NEVADA