

IN THE SUPREME COURT OF THE STATE OF NEVADA

CHAPMAN INDUSTRIES, AN
ILLINOIS LIMITED PARTNERSHIP;
MYRON CHAPMAN; AND AUDREY
SCHLOSSBERG,

Appellants,

vs.

UNITED INSURANCE COMPANY OF
AMERICA, AN ILLINOIS
CORPORATION,
Respondent.

No. 47464

FILED

FEB 15 2008

TRACEE K. LINDEMAN
CLERK OF SUPREME COURT
BY  DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from a district court judgment, entered on remand, awarding and calculating interest on a shareholder appraisal judgment. Second Judicial District Court, Washoe County; Janet J. Berry, Judge.

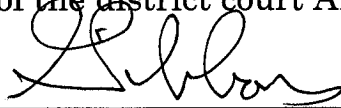
This matter was remanded to the district court to determine what interest rate was proper under NRS 92A.340.¹ Initially, the district court imposed a simple interest rate to determine the time value of dissenting shareholders' shares to a corporate merger. Appellants Chapman Industries, Myron Chapman, and Audrey Schlossberg (collectively, "Chapmans") argue that the simple interest rate of 5.82% is not "fair and equitable" under all of the circumstances under NRS 92A.340. We disagree.

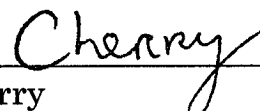
¹United Ins. Co. v. Chapman Indus., 120 Nev. 745, 100 P.3d 664 (2004).


A district court's determination of interest rate is reviewed for abuse of discretion.² If a district court's decision is not supported by substantial evidence, that decision is arbitrary and capricious and, therefore, is an abuse of discretion.³

After hearing arguments and testimony, and reviewing supporting evidence, the district court concluded that the appropriate rate was the same as the average rate at which Unitrin, Inc., a parent company of respondent United Insurance Company of America (United), could have borrowed on behalf of United. The court's decision was based upon the LIBOR rate on the date of the judgment, plus 20 basis points.⁴ Here, substantial evidence supports the district court's conclusion. Accordingly, we conclude the district court's awarding of the simple interest was not an abuse of discretion, and

ORDER the judgment of the district court AFFIRMED.


_____, C.J.
Gibbons


_____, J.
Cherry


_____, J.
Saitta

²In re Acequia, Inc., 34 F.3d 800, 818 (9th Cir. 1994).

³Stratosphere Gaming Corp. v. Las Vegas, 120 Nev. 523, 528, 96 P.3d 756, 760 (2004).

⁴"LIBOR" stands for London Inter Bank Offer Rate. It is the rate of interest at which banks offer to lend money to one another in the wholesale money market in London, England.

cc: Hon. Janet J. Berry, District Judge
Robert G. Berry, Settlement Judge
Hoy & Hoy
Burton Bartlett & Glogovac
Lemons Grundy & Eisenberg
Washoe District Court Clerk