

IN THE SUPREME COURT OF THE STATE OF NEVADA

J. MICHAEL SUNDE; AND VIKTORIYA
SOKOL SUNDE,
Appellants,
vs.
ROBERT D. CROCKETT; VICTORIA A.
CROCKETT; NEVADA DIVORCE AND
DOCUMENT SERVICES, INC., A
DOMESTIC CORPORATION; AND
GREG CAMPBELL, INDIVIDUALLY
AND D/B/A WASHOE MEDIA,
Respondents.

No. 57574

FILED

JAN 17 2013

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY *Tracie K. Lindeman*
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is a proper person appeal from a district court order granting a permanent injunction and awarding damages to respondents in a trust, corporate law, contract, and tort action. Second Judicial District Court, Washoe County; Brent T. Adams, Judge.

We review questions of law, including the interpretation of the governing documents of a corporation, de novo. Nevada Classified Sch. Emp. Ass'n v. Quaglia, 124 Nev. 60, 63, 177 P.3d 509, 511 (2008). We must accept the district court's findings of fact and credibility determinations, unless they are not supported by substantial evidence. Id.; Olivero v. Lowe, 116 Nev. 395, 403, 995 P.2d 1023, 1028 (2000). This court reviews the district court's decision to issue a permanent injunction and conduct of the hearing, including advancing the hearing to a trial on the merits, for an abuse of discretion. Commission on Ethics v. Hardy, 125 Nev. 285, 291, 212 P.3d 1098, 1103 (2009); Zupancic v. Sierra Vista Recreation, 97 Nev. 187, 192, 625 P.2d 1177, 1180 (1981).

In the underlying consolidated cases, appellants and respondents filed actions against each other seeking, among other things, injunctive relief prohibiting and undoing the other parties' actions regarding respondent Nevada Divorce and Document Services, Inc. The district court held a preliminary injunction hearing, during which the parties presented extensive documentary and testimonial evidence. After the hearing, the district court advanced the hearing to a trial on the merits under NRCP 65(a)(2), and entered judgment and a permanent injunction in favor of respondents. While the hearing spanned five days over a two-month period, notice of consolidation of the preliminary injunction hearing with the trial on the merits was not provided until the last day of the hearing, after the parties had presented their cases.

Although the preferred method of consolidating a preliminary injunction hearing with a trial on the merits is to provide clear and unambiguous notice to the parties "either before the hearing commences or at a time which will still afford the parties a full opportunity to present their respective cases," we will not disturb the district court's decision unless appellants' rights were substantially prejudiced. Zupancic, 97 Nev. at 191-92, 625 P.2d at 1179-80 (quotation marks omitted). Appellants bear the burden to prove substantial prejudice to their rights, id. at 192, 625 P.2d at 1180, and they have not done so.

The majority of appellants' complaint asserts causes of action alleging wrongdoing by respondent Victoria Crockett in her capacity as trustee of the ERKP Family Trust or as director of Nevada Divorce. Because appellants specifically stated that they only sued Victoria Crockett in her individual capacity, however, these claims must fail.

Substantial evidence supports the district court's judgment against appellants on their remaining claims.

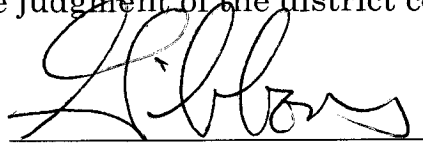
The complaint filed by Nevada Divorce and the Crockett respondents sought a determination of the ownership of the stock and assets of Nevada Divorce. After reviewing the record and considering the parties' arguments, we conclude that substantial evidence supports the district court's findings, including that the purported sales of 900 shares of Nevada Divorce stock are void, the software sales agreement is void, and the assets and documents belonging to Nevada Divorce should be returned to Nevada Divorce. Based on the district court's findings, we likewise conclude that the district court acted within its discretion when it entered a permanent injunction against appellants, enjoining them from interfering with Nevada Divorce.

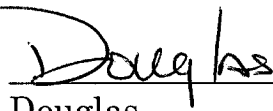
Additionally, we have reviewed the trial transcripts and find no abuse of discretion in regard to the district court's questioning of witnesses or conduct of the hearing. NRS 50.145(2). The district court allowed appellants time to present evidence, testify, and argue their case. To the extent that appellants argue that they should have been allowed a jury trial, appellants did not request a jury trial. Memory Gardens v. Bunker Bros. Mortuary, 91 Nev. 344, 347, 535 P.2d 1293, 1294 (1975). Moreover, while the district court shortened the discovery process because of the pending preliminary injunction hearing, each party did participate in the discovery process. Appellants, in particular, had to be ordered to produce the corporate documents of Nevada Divorce. On appeal, appellants do not point this court to any specific discovery that would reveal crucial evidence or any evidence that was not presented at the hearing that would contradict the judgment. Accordingly, appellants did

not satisfy their burden to demonstrate substantial prejudice, and we perceive no error requiring reversal in the district court's decision to consolidate the preliminary injunction hearing with the trial on the merits and to resolve the matter accordingly. Zupancic, 97 Nev. at 192-93, 625 P.2d at 1180-81. While appellants assert that the judgment and injunction were erroneous because the trust and Nevada Divorce should be operated for appellants' benefit alone, and they are not receiving the amounts of money that they had been in the past, appellants ignore the trust and business structures that they themselves put in place. The trustee of the ERKP Family Trust has discretion to distribute available funds, and Nevada Divorce may be operated using business judgment, which might include lessening or eliminating the payment of dividends in any given year.

Having considered the record, the briefs, and the issues raised by appellants on appeal, we conclude that substantial evidence supports the district court's findings and judgment, and the district court did not abuse its discretion in entering the permanent injunction. Accordingly, we

ORDER the judgment of the district court AFFIRMED.¹


_____, J.
Gibbons


_____, J.
Douglas


_____, J.
Saitta

¹We have considered all of appellants' remaining arguments, including those concerning witness credibility, removal of Viktoriya Sokol Sunde from the courtroom, standing, and federal preemption of copyright, and conclude that they lack merit.

cc: Hon. Brent T. Adams, District Judge
J. Michael Sunde
Viktoriya Sokol Sunde
O'Mara Law Firm, P.C.
Greg Campbell
Washoe District Court Clerk