

IN THE COURT OF APPEALS OF THE STATE OF NEVADA

AZG LIMITED PARTNERSHIP, A
NEVADA LIMITED PARTNERSHIP,
Appellant,
vs.
CLERK OF THE COURT, STEVEN
GRIERSON, GARNISHEE,
Respondent.

No. 88589-COA

FILED

JAN 23 2026

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY 
DEPUTY CLERK

ORDER OF AFFIRMANCE

AZG Limited Partnership appeals from a final order in a garnishment action. Eighth Judicial District Court, Clark County; Jessica K. Peterson, Judge.

In the underlying proceeding, AZG obtained a default judgment against defendants, and non-parties to this appeal, MMJ America Holding Company, LLC, and MMJ America JS, LLC (MMJ America). As part of its efforts to collect on the default judgment, AZG served a writ of garnishment on respondent Clerk of the Court, Steven Grierson. Pursuant to NRS 31.290, the writ included interrogatories that asked whether Grierson had in his possession, in his charge, or under his control, any money “in action of [defendants].” Grierson responded, stating “[t]he Writ of Garnishment notes three security deposits that the Eighth Judicial District Court Clerk of Court is holding, pursuant to court orders in Case A-22-855697-C,” which is a separate proceeding. Grierson further stated that the deposits totaled

26-03665

\$10,000 but that he could make “no representation as to [MMJ America’s] interest in them.”

AZG then filed a motion to traverse responses to garnishee interrogatories and charge garnishee with judgment and alternate motion for turnover of monies. Grierson filed an opposition which argued, in part, that he took no position as to who the funds belong to because the funds were deposited as an injunctive bond pursuant to a court order in Case No. A-22-885697-C (the second matter). Grierson further alleged that AZG had filed a motion for a turnover of one of the bonds in the second matter and that the district court overseeing the second matter had scheduled a hearing to determine who the bond fund should be paid to. AZG filed a reply which argued, in part, that the purpose of the deposits was irrelevant and that Grierson knew the money belonged to MMJ America because the deposit receipts confirmed MMJ America paid the bonds.

The district court held a hearing and subsequently entered a written order finding that the money held by the clerk’s office was deposited as a result of various court orders and that the district court overseeing the second matter could choose to either return the money to MMJ America or alternatively could order the clerk to release the funds to the parties that were wrongfully enjoined. The court thus concluded that it must deny the motion but would nevertheless enter an order stating that if the district court overseeing the second matter determines that the funds should be returned to MMJ America, Grierson must instead release the funds to AZG. AZG now appeals.

This court reviews questions of law de novo. *L. Offs. of Barry Levinson, P.C. v. Milko*, 124 Nev. 355, 362, 184 P.3d 378, 384 (2008). We further review questions of statutory interpretation de novo. *See I. Cox. Constr. Co. v. CH2 Invs., LLC*, 129 Nev. 139, 142, 296 P.3d 1202, 1203 (2013). On appeal, AZG asserts it was entitled to traverse Grierson’s interrogatory response because his response was untrue or legally insufficient. Specifically, AZG argues that because Grierson knew MMJ America deposited the funds, his response that he could make no representation regarding the ownership of the funds was untrue or legally insufficient and thus the district court erred by denying its motion.¹ In response, Grierson asserts that his response was legally sufficient and accurate because the district court overseeing the second matter had yet to issue an order allocating ownership of the injunctive bonds and that under NRCPC 65(c) the funds could belong to either MMJ America *or* the restrained party. In reply, AZG asserts a court clerk is “nothing more than a bank teller at a financial institution” who was holding money for MMJ America and that the purpose of the deposit is irrelevant.

¹AZG asserts that reversal is mandated because the district court orally found that once a garnishee responds to interrogatories, the garnishor cannot traverse the responses simply because it disagrees with them. However, such a finding was not included in the written order, and thus, we need not address this argument. *See Eby v. Johnston L. Off., P.C.*, 138 Nev. 660, 670, 518 P.3d 517, 526-27 (Ct. App. 2022) (holding the written order controls over oral pronouncements).

We reject AZG's position that the purpose of the deposits is irrelevant because a writ of garnishment may only attach to "money, credits, effects, debts, choses in action and other personal property of the defendant." NRS 31.240 (emphasis added). Because the funds were held pursuant to an injunctive bond, and the district court overseeing the second matter had yet to allocate ownership, Grierson's response was accurate and legally sufficient. Pursuant to NRCP 65(c), a court may only grant an injunction or temporary restraining order if "the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained." "The expressed purpose of posting a security bond is to protect a party from damages incurred as a result of a wrongful injunction." *Am. Bonding Co. v. Roggen Enters.*, 109 Nev. 588, 591, 854 P.2d 868, 870 (1993). Further, an injunctive bond is a type of judicial bond that "create[s] a unique relationship" which gives "the suretyship relationship [a] special character." *Id.* Indeed, the injunctive bond requirement is fundamental to the issuance of an injunction such that the failure to require a bond renders the order "absolutely void." *Strickland v. Griz Corp.*, 92 Nev. 322, 323, 549 P.2d 1406, 1407 (1976).

Because the money was held pursuant to a court order in the second matter to potentially compensate a party wrongfully enjoined, only the district court overseeing the injunctive relief in the second matter could release the funds after determining who should receive the bond money. *Cf. Maybee v. Machart*, 757 P.2d 967, 968 (Wash. 1988) (holding funds held by a court clerk are held "in custodia legis" and cannot be garnished); *see also*

United States v. Van Cauwenberghe, 934 F.2d 1048, 1062 (9th Cir. 1991) (recognizing money held by courts is not subject to garnishment under the doctrine of custodia legis which “prohibits any attachment of property in a court’s registry that would prevent the court from allocating the property in accord with the purpose for which it was deposited”). Thus, Grierson’s response that he could not determine MMJ America’s interest in the funds was accurate and the district court correctly denied the motion to traverse responses.² Accordingly, we

ORDER the judgment of the district court AFFIRMED.


_____, C.J.
Bulla


_____, J.
Gibbons


_____, J.
Westbrook

²The record before us indicates the district court overseeing the second matter scheduled a hearing to determine whether the defendants in that matter were wrongfully enjoined and thus entitled to the bond funds. However, the record does not contain the result of that hearing or indicate whether the funds at issue have already been paid through the second matter.

Insofar as AZG raises arguments that are not specifically addressed in this order, we have considered the same and conclude that they do not present a basis for relief.

cc: Hon. Jessica K. Peterson, District Judge
HOA Lawyers Group, LLC
Attorney General/Carson City
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Eighth District Court Clerk