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Requested By:

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Douglas County - NV
Karen Ellison - Recorder

Page: 1 Of 10 Fee: 23.00 BK-0610 PG-2465 RPTT: 0.00



Recording Requested by: The Law Office of Darcy K. Houghton, P.C. 777 E. William Street, Suite 107 Carson City, NV 89701

Title of Document: Order Confirming Arbitrator's Award, Entering Judgment of Award, and for Attorney's Fees and Costs

This page added to provide additional information required by NRS 111.312 Sections 1-2.

(Additional recording fee applies)

This cover page must be typed or legibly hand printed.

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DISTRICT COURT CLER!

DEPT. NO. 1

CASE NO. 05-CV-0322

FILED

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IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF WELL AND A

IN AND FOR THE COUNTY OF DOUGLAS, WILFERT CEPUTY

Mary Ann Guzy and Caroline Guzy Engle,

Plaintiffs,

VS.

Arbor Company, a California limited partnership: Arbor Company, a Nevada limited partnership; Darrell James Guzy, Sr.; Marcia O. Guzy; Darrell James Guzy, Jr.; Pamela Rae Guzy; John S. Guzy; Merrill, Lynch, Pierce, Fenner & Smith, Inc., dba Merrill Lynch & Co., Inc., a Delaware corporation; SRC Computers, Inc., a Colorado corporation; and DOES 1 - 10,

ORDER CONFIRMING ARBITRATOR'S AWARD, ENTERING JUDGMENT ON AWARD, AND FOR ATTORNEY'S FEES AND COSTS

Defendants.

An award was entered by an arbitrator in connection with a dispute under a Settlement Agreement made as of February 12, 2009, between Arbor Company, LLLP, D. James Guzy, Sr., Marcia O. Guzy, Mark Guzy, Mary Ann Guzy, Caroline Guzy Engle and Arbor Financial Corporation. The Arbitrator's Award is attached hereto as Exhibit A. This Court hereby confirms the Arbitrator's Award pursuant to NRS 38, directs that judgment be entered on the Arbitrator's Award and, in addition, directs entry of a judgment in favor of Mary Ann and against Arbor Company, LLLP, D. James Guzy, Sr., and Marcia O. Guzy for her attorney's fees and costs in the amount of \$____



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In re the Arbitration Between:

MARY ANN GUZY,

Claimant,

and

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ARBOR COMPANY, D. JAMES GUZY, SR., MARCIA O. GUZY, and ARBOR FINANCIAL CORPORATION,

Respondents

Demand for Arbitration

Dated: February 19, 2010

AWARD, DECISION AND ORDER

Telephone Hearing Date: March 11, 2010 Telephone Hearing Time: 11:00 a.m. (PST)

Hearing Date: March 16, 2010
Hearing Time: 9:30 a.m. (PDT)
Location: 755 Page Mill Road
Palo Alto, CA 94304

I, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with Article XIII(F) of the Settlement Agreement made as of February 12, 2009 (the "Settlement Agreement") (a copy of which is attached hereto and incorporated herein by reference as Exhibit D), entered into by, among others, the above-named parties (the "Parties") and having duly heard the proofs and allegations of the Parties, do hereby, enter the following AWARD, DECISION, AND ORDER, as follows:

A telephone hearing (the "Telephone Hearing") was held by this Arbitrator on Thursday, March 11, 2010, to hear Mary Ann Guzy's claims against Mark Guzy. Maslon Edelman Borman & Brand, LLP by William Z. Pentelovitch, Joseph Alexander and Mary Vasaly represented Mary Ann Guzy at the Telephone Hearing. Mary Ann Guzy and John Sabre participated by telephone. Alan R. Smith represented Mark Guzy at the Telephone Hearing. Mark Guzy participated by telephone.

A nearly five-hour hearing (the "Hearing") was held by this Arbitrator at the offices of Morrison & Foerster, LLP, 755 Page Mill Road, Palo Alto, CA 94304 on March 16, 2010 to consider all Parties' claims other than those heard at the Telephone Hearing. The Parties agreed to hold the Hearing in Palo Alto, California and to conduct the arbitration in the manner and pursuant to rules prescribed from time to time by this Arbitrator. William Z. Pentelovitch and Joseph Alexander represented Mary Ann Guzy at the Hearing. Mary Ann Guzy was present in person and John Sabre participated by telephone. Fullbright & Jaworski, L.L.P. by Andrew Demetriou and Robert Darby represented the Arbor Parties at the Hearing.

Among other matters, the parties agreed that William D. Sherman, Esq., who also has acted as mediator involving the Parties, would act as the Arbitrator (the "Arbitrator") of issues under the Settlement Agreement.

This Arbitrator has determined that all claims asserted by the parties herein are arbitrable pursuant to the Settlement Agreement.

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The undersigned Arbitrator previously determined that only limited discovery would be allowed and that all evidence would be submitted at or prior to the Telephone Hearing and the Hearing in document form. The Parties presented papers to this Arbitrator in support of and in opposition to the list of issues to be arbitrated (the "List of Issues") presented by certain of the Parties. In the Telephone Hearing and the Hearing, the Parties made opening statements; offered replies to opening statements and answered numerous questions from the Parties and this

Arbitrator regarding the Parties' assertions in their papers and oral arguments.

This Award, Decision and Order is being rendered after review and analysis of all papers and documents containing the evidence from the Parties, oral arguments by counsel for the Parties as well as answers to questions posed by the Parties, counsel for the Parties and this Arbitrator at the Telephone Hearing and the Hearing. The issues and this Arbitrator's findings related to those issues are set forth in Section II below.

The February 22, 2010 Order of this Arbitrator directing that all of the parties to the Settlement Agreement refrain from taking any actions with respect to the assets subject to the Settlement Agreement is vacated.

A court reporter transcribed the proceedings.

I. Reasoned Award

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The parties have agreed to forego a statement of the reasons for this Award, Decision and Order.

II. Parties' Claims, Issues, and Arbitrator's Findings

A. The Telephone Hearing

1. Item B of Mary Ann's Issues; Item C of Mary Ann's Issues

Issue: What is the fair value of Mark Guzy's occupancy of the London Property?

Issue: Should Mark Guzy pay such amount to Mary Ann Guzy or should such amount be charged against further distributions to Mark Guzy?

Issue: What are the respective occupancy rights of Mary Ann Guzy and Mark Guzy in the London Property?

Answer: Mary Ann's claim for relief against Mark Guzy is granted in part and denied in part, as specifically set forth in the email decision rendered by this Arbitrator dated March 15, 2010, which is attached hereto and incorporated by reference herein as Exhibit A. This Exhibit contains this Arbitrator's award in favor of Mary Ann Guzy and against Mark Guzy in the amount of \$24,600, to be paid on or before April 1, 2010, and if not paid by that date, in the principal amount plus interest from April 1, 2010, at a rate 6% per annum.

The Hearing В.

Item 1 of Arbor Parties' Issues: and Item A of Mary Ann's 1.

Issue: Should Sabre be removed from his role as a Liquidation Fiduciary?

Answer: No. It is ordered, however, that Sabre and Engle, whether acting alone or together as Liquidation Fiduciaries, shall each act from the date hereof in accordance and compliance with the Procedures as defined in II.B.3. below.

Issue: Should Engle be removed from his role as a Liquidation Fiduciary?

Answer: No. It is ordered, however, that Sabre and Engle, whether acting alone or together as Liquidation Fiduciaries, shall each act from the date hereof in accordance and compliance with the Procedures.

Issue: Should Sabre serve as sole Liquidation Fiduciary?

Answer: Yes, in part. Sabre shall continue to act as sole Liquidation Fiduciary with respect to those assets (the "Assets Subject to Prior Orders") covered by this Arbitrator's Memorandum of Decision by Mediator dated October 14, 2009 and November 4, 2009 attached hereto and incorporated by reference herein as Exhibits B and C. Sabre shall act in accordance and compliance with the Procedures. Sabre shall not, however, be required to seek the participation or approval of Engle in respect of any of the Assets Subject to Prior Order.

Item 2 of Arbor Parties' Issues

Issue: Should Sabre's exclusive authority to act as a Liquidation Fiduciary pursuant to this Arbitrator's Orders of October 14, 2009 and November 4, 2009 be revoked?

Answer: No. It is ordered, however, that Sabre, as a Liquidation Fiduciary, shall act in accordance and compliance with the Procedures. Sabre shall not, however, be required to seek the participation or approval of Engle in respect of any of the Assets Subject to Prior Order.

Item 3 of Arbor Parties' Issues

Issue: Should this Arbitrator order that additional liquidation procedures be followed to insure that further asset dispositions are handled in a fair and transparent manner?

Answer: Yes. Counsel for the Arbor Parties shall, on or before March 30, 2010 provide to counsel for Mary Ann and counsel for Mark a draft list of specific commercially reasonable procedures that such counsel proposes be followed in respect of the disposition of Assets pursuant to the Settlement Agreement. Counsel for Mary Ann and counsel for Mark shall, on or before March 31, 2010, provide proposed revisions, if any, to the draft list of procedures. Counsel for

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the Arbor Parties, counsel for Mark and counsel for Mary Ann shall thereafter confer in good faith in order to reach agreement on or before April 2, 2010 on final procedures (the "Procedures") which shall thereafter be the procedures for disposing of Assets by either or both of the Liquidation Fiduciaries. Failing agreement on the Procedures, this Arbitrator retains jurisdiction to determine which processes and procedures shall be the Procedures. Thereafter, the Procedures shall be followed by the Parties as ordered herein.

4. <u>Item 4 of Arbor Parties' Issues</u>

Issue: Should any amounts, including the approximately \$102,000 of legal fees paid to the Maslon law firm, be deducted by Sabre from the proceeds of sale of any of the Assets? Should such amounts be applied as a credit against Mary Ann's judgment?

Answer: Yes. Ordinary and necessary expenses of sale of the Assets, including the approximately \$102,000 of legal fees paid to the Masion law firm, should be deducted from the proceeds of the sale of the Assets. Such expenses shall not be applied as a credit against Mary Ann's judgment. However, no Liquidation Fiduciary shall henceforth deduct from the proceeds of the sale of any Assets any fees paid to legal counsel for any of the Parties. The Liquidation Fiduciaries are authorized to engage legal counsel to advise them in connection with the liquidation of Assets and the exercise of their rights and duties under existing agreements, and such legal fees shall be expenses of liquidation under the existing agreements.

5. Item D of Mary Ann's Issues

Issue: Should the Arbor Parties be ordered to pay all outstanding fees associated with or necessary to permit the transfer of the Metheringham Limited shares?

Answer: Yes. As soon as possible, but no later than April 2, 2010, any of the Parties or either of the Liquidation Fiduciaries may directly or through counsel request Equity Trust to provide to the Parties in writing (a) an updated schedule of outstanding creditors and amounts owing by Metheringham Limited, including, without limitation, amounts owing to attorneys, appraisers, common interest community and Equity Trust ("Outstanding Metheringham Debt"), and (b) a detailed list of unfulfilled requirements (including any forms of necessary documents) to accomplish the transfer of the beneficial ownership of shares of Metheringham Limited from the Arbor Parties to Mark and Mary Ann ("Unfulfilled Requirements"). Within 10 business days after the receipt of the written response from Equity Trust regarding the Outstanding Metheringham Debt and the Unfulfilled Requirements, the Arbor Parties will pay the Outstanding Metheringham Debt, and the Parties will each promptly fulfill the particular Unfulfilled Requirements which pertain to them in order to transfer the beneficial ownership of shares of Metheringham from the Arbor Parties to Mark and Mary Ann.

6. Item E of Mary Ann's Issues

• Issue: Should the Arbor Parties be ordered immediately to disclose to Sabre the location of all Personal Property referred to in paragraph IV(c)(3) and Exhibit G of the Settlement Agreement and attachments thereto including the furniture, art and jewelry?

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Answer: Yes. The Arbor Parties are ordered, on or before April 1, 2010, to disclose to Sabre and Engle and this Arbitrator the location of all such pieces of Personal Property, including those pieces whose location has been previously described in the Settlement Agreement as "Unknown".

Issue: Should the Arbor Parties be ordered to deliver to Sabre the above-described Personal Property?

Answer: Yes, in part. The Arbor Parties are ordered, subject to compliance with the Procedures, to deliver immediately, but no later than April 30, 2010, to Sabre or his agent that portion of the above-described Personal Property which constitutes Assets Subject to Prior Orders and to deliver as soon as possible, but no later than April 30, 2010, to Sabre and Engle the remaining portion of the Personal Property. The delivery and sale of any of the Assets shall be made according to and in compliance with the Procedures.

Issue: Should Sabre be authorized to sell the Personal Property and to pay the proceeds to Mary Ann as a credit against her judgment?

Answer: Yes, in part. Sabre is authorized to sell that portion of the Personal Property which constitutes Assets Subject to Prior Orders and to pay the proceeds of such sale to Mary Ann as a credit against her judgment. Sabre and Engle are so authorized as to the remaining portion of the Personal Property and are authorized to pay the proceeds to Märy Ann.as a credit against her judgment.

7. Item F of Mary Ann's Issues

Issue: Should Sabre be authorized to incur the costs to demolish and remove improvements (the "Demolition Costs") relating to the 1380 Arbor Road property?

Answer: The Arbor Parties and Mary Ann shall, on or before April 12, 2010 each seek out, in good faith, the written opinion of separate independent licensed real estate brokers as to whether or not the demolition and removal of improvements on the 1380 Arbor Road Property is more likely than not to result in a higher sale price net of Demolition Costs for, or a more rapid closing of the sale of the 1380 Arbor Road Property. If both such brokers conclude that incurring Demolition Costs is more likely than not to result in a higher sale price, net of Demolition Costs, or a more rapid closing of the sale of the 1380 Arbor Road Property, then Sabre shall provide this Arbitrator with a copy of both such opinions following which this Arbitrator will determine if Sabre is authorized to incur the Demolition Costs and to effect such demolition and removal of improvements.

Issue: Should Sabre be authorized to pay for the Demolition Costs from the proceeds of the liquidation of assets and account for the Demolition Costs as expenses of the Liquidation Fiduciaries.

Answer: Yes. The Demolition Costs shall not, however, exceed \$50,000 unless this Arbitrator shall have approved a greater amount prior to their incurrence.

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8. Item G of Mary Ann's Issues

Issue: Should the Airplane be immediately delivered to John Sabre?

Answer: Yes, in part. The Airplane shall be delivered immediately, but no later than April 30, 2010, to Sabre and Engle as Liquidation Fiduciaries according to and in compliance with the Procedures.

9. Item H of Mary Ann's Issues

Issue: Should Sabre, unilaterally without the participation of Engle, have the authority to sell the Airplane and the Johnson Street Property?

Answer: No. The authority to sell the Airplane and the Johnson Street Property shall continue to rest jointly with Sabre and Engle as Liquidation Fiduciaries.

Issue: Should the Arbor Parties cooperate with the sale and transfer of possession of the Airplane and the Johnson Street Property?

Answer: Yes. .

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Issue: Should the proceeds of the sale of the Airplane and the Johnson Street Property be distributed to Mary Ann and credited against Mary Ann Guzy's judgment?

Answer: Yes.

10. Item I of Mary Ann's Issues

On March 16, this Item was withdrawn from this Arbitration by counsel for Mary Ann.

11. Item J of Mary Ann's Issues

This Arbitrator concludes that; (a) Mary Ann Guzy is the prevailing party in this arbitration will respect to Claims and Issues, II.A.1 (in part), II.B.1. (in part), II.B.2., II.B.4, II.B.5., II.B.6. and II.B.7. (in part); (b) Mark Guzy is the prevailing party in this arbitration with respect to Claim and Issue II.A.1 (in part), and (c) the Arbor Parties are the prevailing party in this arbitration with respect to Claims and Issues, II.B.1 (in part), II.B.3, II.B.7. (in part), II.B.8., and II.B.9. Accordingly Mary Ann, Mark and the Arbor Parties are ordered to pay their own costs, disbursements and attorney fees of the Telephone Hearing and the Hearing. Mary Ann, Mark and the Arbor Parties are ordered to pay the aggregate fees of this Arbitrator relating to the Telephone Hearing and the Hearing, in the respective percentages of 30%, 10% and 60%.

Ш. Other

This Arbitrator recognizes that pursuant to the Settlement Agreement, any party has the right to seek entry of judgment upon this Award, Decision and Order in Douglas County, Nevada. In the event such a judgment is entered, and in the event any party fails to comply with the

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requirements of this Award, Decision and Order, nothing herein contained is intended to restrict the ability of any party to seek, or of the Court to grant, such writs, executions, replevins, orders, or other judicial relief, aid, or assistance as is necessary and proper to carry out, enforce, and effectuate the terms hereof.

Any of the Parties seeking to have judgment entered with respect to this Award, Decision and Order, shall redact or file under seal all portions of the Settlement Agreement and exhibits thereto as are extraneous to the judgment sought to be entered.

March 29, 2010

William D. Sherman

Arbitrator

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original in file and of record in my office.

DATE_____

TED THRAN Clerk of the 9th Judicial District Court of the State of Nevada, in and for the County of Douglas.

By Dept.

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