

1 ORDD

2 DISTRICT COURT

3 CLARK COUNTY, NEVADA

4 David Corbett,

Case No.: A-26-947806-B

5 Plaintiff,

Dept. No. IX

6 vs.

7 Gary Rhea Insurance Agency,

8 Defendant.

9 **Order Denying Plaintiff's Motion for Preliminary Injunction, Accounting, Preservation of**
10 **Records, Segregation of Disputed Revenues, and Related Equitable Relief**

11 This case arises from the purchase and sale of an insurance agency. The facts underlying
12 the dispute are straightforward. Defendant Gary Rhea Insurance Agency purchased the assets of
13 an insurance agency from Plaintiff David Corbett, to include Corbett's book of business, customer
14 relationships, commissions, renewal rights, and related assets. The Agency failed to make the
15 required payments under the parties' purchase and sale agreement, including failing to reissue a
16 \$120,000 installment payment after the check became non-negotiable and failing to make another
17 installment payment due in January 2026.

18 The Agency continues to operate while in alleged default, even though the agreement
19 provides that if in default, Corbett "shall have all rights to [the] agency, including commissions,
20 termination payments, and receivables of the Agency." It appears the Agency may be withholding
21 the payments past due based on a claim that Corbett failed to disclose information concerning the
22 Agency's finances and book of business in due diligence and that, as a result, the Agency acquired
23 assets that are not performing as well as anticipated.

24 On June 25, 2026, Corbett filed a motion seeking a preliminary injunction, accounting,
25 preservation of records, segregation of disputed revenues, and related equitable relief on order
26 shortening time, including a constructive trust in the alternative, and leave to seek appointment of
27 an equity receiver in a second alternative. On July 13, 2026, the Agency filed an opposition to the
28 motion. The Agency's opposition is 4 days late. Pursuant to the order shortening time, the

1 Agency had to file and serve its opposition by July 9, 2026, which also constitutes the ordinary
2 course (14 day) deadline under EDCR 2.20(e). The Agency did not file a motion to extend the
3 time for filing an opposition. Without a motion, the court cannot consider an extension and/or
4 assess good cause for the belated filing. Accordingly, the court is constrained to disregard the
5 opposition.¹ See generally NRCP 6(b); *El Cortez Reno Holdings, LLC v. PFPCO.'s Noble Pie*
6 *Parlor*, 141 Nev. Adv. Op. 68, 581 P.3d 416, 422 (2025).

7 Failure to file an opposition can have consequences. See *El Cortez*, 581 P.3d at 422.
8 Pursuant to EDCR 2.20(e), “[f]ailure of the opposing party to serve and file written opposition
9 may be construed as an admission that the motion and/or joinder is meritorious and a consent to
10 granting the same.” *Id.* (emphasis added.) Although EDCR 2.20(e) can be severe, the rule is
11 permissive, not mandatory, and permits the court to exercise its discretion in determining whether
12 to enforce the admission and consent to the requested relief.

13 While the court does not consider the opposition, given the *extraordinary* relief Corbett
14 seeks, the court does not treat the opposition’s absence as consent to the imposition of the
15 injunction, accounting, freeze order, and other requested relief. Rather, the court reviews the
16 motion to determine whether Corbett has established a *prima facie* case for a preliminary
17 injunction. See *Black’s Law Dictionary* 1209 (Bryan A. Garner ed., 7th ed., West 1999)
18 (explaining that a “prima facie case” means the “production of enough evidence to allow the fact-
19 finder to infer the fact at issue and rule in the party’s favor.”)

20 In reviewing the motion, the court presumes that the Agency has failed to pay as required
21 under the parties’ agreement and focuses on the merits of Corbett’s claim of irreparable harm.

22 ¹ The Agency may also be in default pursuant to NRCP 55(b)(1). On July 9, 2026, Corbett filed
23 an application for entry of a clerk’s default. Because with its current workload it can take the
24 clerk’s office several days to several weeks to process a clerk’s default, it is not entirely clear to
25 the court whether Corbett submitted the form of a default to the clerk’s office for the Clerk of
26 Court’s signature, along with filing his application. To the extent Corbett has done so, it will be
27 processed and if granted backdated to July 9, 2026. (In this regard, the court notes that the
28 declaration in support of the clerk’s default indicates that the Agency was served on the *future* date
of July 17, 2026. In reviewing the declaration of service filed on June 23, 2026, it appears the
reference to July may be a typographical error.) To the extent Corbett has not done so, the court
notes that the clerk’s office does not process a default until the form of the default is submitted
through Odyssey File & Serve.

1 Corbett asserts in his motion that his “rights to the agency, including the agency’s commissions,
2 termination payments, and receivables,” constitute revenue streams generated through the
3 operation of the business. He argues that revenue streams change over time and that he is entitled
4 to control such evolving assets. Corbett further asserts that absent equitable relief, he has no
5 practical means of determining whether the Agency’s revenues are being preserved, distributed,
6 transferred, dissipated, or otherwise used in a manner inconsistent with his rights under the
7 agreement.

8 Presuming without deciding that what appears to be security interest in the Agency’s
9 income stream is valid and enforceable, there is a question as to whether control of collateral can
10 constitute irreparable harm. While Corbett generally touched on this issue, Corbett did not
11 provide adequate authorities to guide the court’s analysis. That said, the court is aware of case law
12 establishing that when a creditor holds a security interest in collateral, including accounts
13 receivable, dissipation of assets can constitute irreparable harm when done to frustrate a future
14 judgment against the debtor. *See, e.g., Borey v. National Union Fire Ins. Co.*, 934 F.2d 30, 34 (2d
15 Cir.1991) (“A preliminary injunction may issue to preserve assets as security for a potential
16 monetary judgment where the evidence shows that a party intends to frustrate any judgment on the
17 merits by making it uncollectible.”)

18 Here Corbett has not come forward with sufficient evidence to establish dissipation of
19 Agency assets—whether in the form of its income stream or otherwise—is actual or imminent.
20 Corbett presents only speculation of dissipation, explaining in his declaration that he is
21 “concerned” that revenues may be disposed of. That does not establish a *prima facie* case of
22 irreparable harm.

23 Accordingly, the court DENIES the request for a preliminary injunction whether in the
24 form of segregation of assets, an accounting, a freeze order, a constructive trust, or something else.
25 Further, the court DENIES the request for an order to preserve the Agency’s books and records.
26 The parties are already under a mutual obligation to preserve evidence relevant to the claims and
27 defenses in this case, and thus, the court sees no need to impose a preservation order absent
28 evidence of actual or imminent spoliation, which Corbett did not provide. The court does not

1 weigh in on Corbett's second alternative request for leave to seek additional remedies, including
2 the appointment of an equity receiver. Corbett does not need this court's leave to file additional
3 motions and should move forward as he sees fit.

4 Given the issuance of this order, the court VACATES the July 16, 2026, hearing on the
5 motion. Counsel for the Agency shall forthwith file a notice of entry of this order.

6 IT IS SO ORDERED.

Dated this 15th day of July, 2026

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8 A handwritten signature in black ink, appearing to read 'Maria Gall', is written over a horizontal line.

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11 Maria Gall
12 District Court Judge
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1 **CSERV**

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3 DISTRICT COURT
CLARK COUNTY, NEVADA

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6 David Corbett, Plaintiff(s)

CASE NO: A-26-947806-B

7 vs.

DEPT. NO. Department 9

8 Gary Rhea Insurance Agency
9 Inc, Defendant(s)

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11 **AUTOMATED CERTIFICATE OF SERVICE**

12 This automated certificate of service was generated by the Eighth Judicial District
13 Court. The foregoing Order Denying was served via the court's electronic eFile system to all
recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 7/15/2026

15 Ty Kehoe

TyKehoeLaw@gmail.com

16 Jonathan Leleu

jon@horizonnv.com

17 Kerrie Kramer

kerrie@horizonnv.com

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