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UNITED STATES DISTRICT COURT

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DISTRICT OF NEVADA

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TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA,

2:12-cv-0058-LDG-RJJ

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Plaintiff,

**TEMPORARY RESTRAINING
ORDER**

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v.

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WILLIAMS BROTHER, INC., et al.,

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Defendants.

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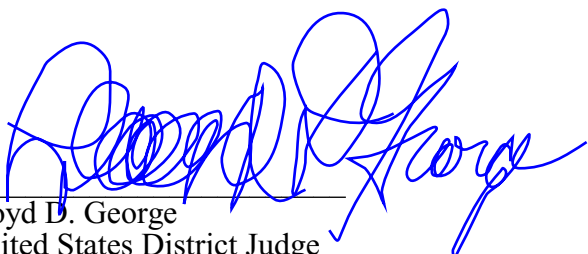
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On January 28, 2013, plaintiff Travelers Casualty and Surety Company of America filed an application for order to show cause and motion for order segregating and sequestering collateral (tax refunds) from defendants Brenda Compton Peek and Michael L. Peek (#172, response #179). Travelers argues that pursuant to the general agreements of indemnity, it is entitled to, and has perfected a security interest in, general intangibles of the Peeks, including any federal income tax refunds for the tax years 2010, 2011 and 2012. Travelers asks the court, pursuant to NRS 31.850 and 31.853, to issue an order to show cause why the refunds should not be deposited in the registry of the court, and an affirmative injunction to cause others associated with the Peeks to alienate or encumber any such funds in their possession. The Peeks have opposed the application on the ground that the affidavits in support do not strictly comply with NRS 31.850.

1 There is no dispute that the actual value of the refunds (which is required to be identified in
2 the affidavit) is not known to Travelers, as there is currently before the magistrate judge a motion
3 to compel discovery of the tax returns. While the tax refunds for the years at issue appear to be
4 subject to the general agreement of indemnity, the court finds it premature to act upon the
5 application pending the ruling on the disclosure of the value of the refunds through the tax returns.
6 However, given the record in this case which involves questionable conversion of collateral by
7 defendants, and pursuant to NRS 31.859 and the court's affirmative injunctive authority, the court
8 will issue a temporary restraining order to preserve the refunds in question pending the outcome of
9 the application for an order to show cause or other injunctive relief. Accordingly,

10 THE COURT HERE ORDERS that, pending a determination on the application for order
11 to show cause and motion for order segregating and sequestering collateral (tax refunds),
12 defendants Brenda Compton Peek and Michael L. Peek, their officers, agents, servants, employees
13 and attorneys and those in act and concert or participation with them are restrained, enjoined and
14 ordered to not spend, divert, transfer, lien or otherwise encumber any federal income tax refund of
15 defendants Brenda Compton Peek or Michael L. Peek for the tax years 2009 through 2012 if it
16 comes into their possession.

17 Dated this 28 day of February, 2013.

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20 Lloyd D. George
21 United States District Judge

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