

EXHIBIT I

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1 KIMBERLY J. WALDIE, CCR #720
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6 FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR CARSON CITY
8 THE HONORABLE JAMES E. RUSSELL, DISTRICT JUDGE

9 --oOo--

10 DAVID & CARLY HELD, Case No. 16 OC 00249 1B
11 Individually and on behalf of
their minor child, N.H., et al.,
12 Plaintiffs, Dept. No. I
13 vs.
14 STATE OF NEVADA, ex rel, et al.,
15 Defendants.

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17 TRANSCRIPT OF PROCEEDINGS

18 PLAINTIFFS' MOTION FOR TEMPORARY RESTRAINING
ORDER/PRELIMINARY INJUNCTION

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WEDNESDAY, NOVEMBER 30, 2016

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24 Reported By: KIMBERLY J. WALDIE, CCR 720, RPR
California CSR 8696

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APPEARANCES:

For the Plaintiffs:

DAVIS, GRAHAM & STUBBS
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Reno, Nevada 89501

For the Defendants:

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
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Carson City, Nevada 89701

1 way you are."

2 THE COURT: Mr. Ott, we'll give you a chance
3 to --

4 MR. OTT: A brief relevance objection. What
5 the Authority has chosen to do with another school is
6 really not relevant to this proceeding.

7 THE COURT: Well, to some extent I disagree
8 with you because I think everybody should be treated on
9 the same level playing field, in respect to that, and
10 have the same rules applied.

11 MR. OTT: True. And just for a point of
12 clarification, the school in question's graduation rate
13 calculated by the Department of Education is above 60
14 percent. So notice of closure was not issued because
15 their graduation rate was above 60 percent, the
16 statutory threshold.

17 The issues that Mr. Werlein is raising
18 basically go to an allegation that they have manipulated
19 the numbers to some effect to -- to -- to reach that,
20 which may very well be a violation -- I don't want to go
21 into the details of what may happen with other schools
22 who may have committed different infractions, but I
23 dispute the fact it's a like-for-like comparison.

24 THE COURT: The basic issue in respect to that,

1 subject to for failure to meet those benchmarks.

2 THE COURT: The trade-off is they give up their
3 right for judicial review of that?

4 MR. OTT: They -- they limit -- because they
5 can still come in and say, "No, no, no, we actually met
6 the benchmarks. You guys calculated it wrong." So that
7 is still subject to judicial review. But that's the
8 only thing that would be subject to judicial review.
9 And that limitation only -- only applies to that
10 benchmark provision in the contract. It's a very narrow
11 limitation.

12 THE COURT: Do you think that's legal?

13 MR. OTT: I do.

14 THE COURT: Have you done any research on that?

15 MR. OTT: A little bit.

16 THE COURT: Do you think that somebody could
17 give up their right of judicial review in respect to any
18 and all issues raised in front of the administrative
19 agency?

20 MR. OTT: I think they can limit it by
21 contract.

22 THE COURT: Provided the party agrees. What if
23 they don't agree with that? And are they put in a
24 position they're damned -- they're damned if they do,

1 damned if they don't, so to speak, so they're put in an
2 awkward position from a standpoint of basically "accept
3 our terms, and if you don't accept our terms, guess
4 what, this is how we are going to proceed against you"?

5 MR. OTT: That's an excellent question, Your
6 Honor.

7 THE COURT: Well, that's three excellent
8 questions I've asked. I appreciate that.

9 MR. OTT: Sorry. So -- no. With respect to
10 that -- that -- the way that the accountability works
11 for charter schools --

12 THE COURT: It's my turn to pick on you, so --

13 MR. OTT: I was quiet for a while, so I
14 understand. The way the -- the system of charter
15 schools works is somewhat different than regular
16 education. There's dual principles of, I think,
17 autonomy and accountability. So the schools are given
18 increased autonomy in return for accountability.

19 So when a deficiency is noted, like in this
20 case the graduation rate is noted as a deficiency,
21 statute does not require the authority to say, "and you
22 should fix it by doing X, Y or Z." It is up to the
23 school, which is an autonomous body, to come up with a
24 plan to fix it and say, "Look, this is our graduation

1 STATE OF NEVADA)
2) ss.
3 COUNTY OF WASHOE)

4 I, KIMBERLY J. WALDIE, Certified Court
5 Reporter in and for the State of Nevada, do hereby
6 certify:

7 That the foregoing proceedings were taken by me
8 at the time and place therein set forth; that the
9 proceedings were recorded stenographically by me and
10 thereafter transcribed via computer under my
11 supervision; that the foregoing is a full, true and
12 correct transcription of the proceedings to the best of
13 my knowledge, skill and ability.

14 I further certify that I am not a relative nor
15 an employee of any attorney or any of the parties, nor
16 am I financially or otherwise interested in this action.

17 I declare under penalty of perjury under the
18 laws of the State of Nevada that the foregoing
19 statements are true and correct.

20 Dated this 8th day of December, 2016.

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22 Kimberly J. Waldie

23 Kimberly J. Waldie, CCR #720, RPR

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