#### IN THE SUPREME COURT OF THE STATE OF NEVADA

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation d/b/a ATLANTIS CASINO RESORT SPA. Appellant/Cross-Respondent, SUMONA ISLAM, an individual, Respondent/Cross-Appellant and MEI-GSR HOLDINGS LLC, a Nevada limited liability company d/b/a GRAND SIERRA RESORT which claims to be the successor in interest to NAV-RENO-GS, LLC, Respondent. SUMONA ISLAM, an individual,

Case No.: 64349

## FILED

NOV 0 7 2014

TRACIE K. LINDEMAN ERK OF SUPREME COURT

64452

**Appellant** 

VS.

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation d/b/a ATLANTIS CASINO RESORT SPA,

17 Respondent.

> MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT,

> > Appellant/Cross-Respondent,

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation d/b/a ATLANTIS CASINO RESORT SPA, Respondent/Cross-Appellant.

Case No.: 65497

Case No.:

#### JOINT APPENDIX VOLUME X – FILED UNDER SEAL

This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by of the district court during trial (19 App. 3948:12-13).

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27

28

## **INDEX**

1	VOLUME I	
2	Verified Complaint For Damages (04-27-12)App. 0001-001	3
3 4	Ex-Parte Motion For Temporary Restraining Order and Motion For Preliminary Injunction (05-03-12)	79
5	Affidavit of Robert Dotson In Support of Motion For Temporary Restraining Order (05-03-12)App. 0080-008	33
6	Affidavit of Service of Sumona Islam of the Summons and Complaint (05-04-12)App. 0084-008	38
8	Amended Verified Complaint For Damages (05-07-12)App. 0089-010	)3
9	Plaintiff's Notice of NRCP 7.1 Disclosure (05-08-12)App. 0104-010	)6
10 11	Order Granting Ex Parte Motion For Temporary Restraining Order Against Defendant Sumona Islam (05-09-12)	0
12	Notice of Entry of Order Granting Ex Parte Motion For Temporary Restraining Order Against Defendant Sumona Islam (05-10-12)	9
14	Minutes of the Court re: 05/07/12 Application For TRO Hearing (05-14-12)App. 0120-012	23
15	Notice of Appearance (05-15-12)App. 0124-012	27
16	Peremptory Challenge of Judge (05-15-12)App. 0128-013	31
17	Notice of Peremptory Challenge of Judge (05-15-12)App. 0132-013	35
18	Case Assignment Notification (05-16-12)App. 0136-013	38
19	Hearing Brief (05-17-12)App. 0139-022	22
20	Plaintiff's List of Exhibits (05-17-12)App. 0223-022	26
21	Answer to Amended Complaint For Damages (05-31-12)App. 0227-023	33
22   23	Defendant Islam's Answer to Plaintiff Golden Road's Amended Verified Complaint For Damages (06-01-12)	39
24	Order Directing Ramdom (sic) Assignment (06-05-12)App. 0240-024	- 1
25	Case Assignment Notification (06-05-12)App. 0242-024	-
26	Order Denying Assignment to Business Court B7 (06-06-12)App. 0245-024	- 1
27 28	Objection to Court's Order Denying Peremptory Challenge of Judge; Request For Hearing (06-08-12)App. 0247-025	50

Page i of xviii

		-
1	VOLUME II	İ
2	Order Directing Random Reassignment (6-11-12)App. 0251-0253	3
3	Minutes of the Court re: 06/20/12 Status Hearing (6-21-12)App. 0254-0256	5
4	Joint Case Conference Report (06-29-12)	3
5	Pretrial Order (07-02-12)	)
6 7 8	Order Granting Golden Road Motor Inn, Inc.'s Motion For Temporary Restraining Order Against Defendant Sumona Islam and Agreement Between Defendant Nav-Reno-GS, LLC dba Grand Sierra Resort and Golden Road Motor Inn, Inc. (07-05-12)	3
9	Notice of Entry of Order (07-05-12)	2
10	Notice of Posting Bond (07-06-12)	1
11	Affidavit of Counsel In Support of Plaintiff's Motion For Partial Summary Judgment (08-22-12)	2
12	Addendum to Motion for Partial Summary Judgment (08-22-12)	
14	Motion For Partial Summary Judgment (08-23-12)App. 0307-0328	3
15	Stipulation For Preliminary Injunction (08-24-12)	7
16	Order on Stipulation For Preliminary Injunction (08-24-12)App. 0338-0339	•
17	Notice of Entry of Order (08-24-12)	5
18	Stipulated Protective Order (08-27-12)App. 0347-0357	7
19	Notice of Entry of Order (08-28-12)	3
20	Amended Joint Case Conference Report (09-10-12)App. 0374-0423	3
21	Opposition of Sumona Islam to Atlantis Motion For Partial Summary Judgment (09-10-12)	5
22   23	Opposition to Motion For Partial Summary Judgment (09-13-12)	)
24	Motion to Dissolve Preliminary Injunction (02-07-13)App. 0480-0484	1
25	Stipulation to Continue Trial and Related Discovery (02-12-13)	)
26 27	Non-Opposition to Motion to Dissolve Preliminary Injunction (02-12-13)	2
28	Supplemental Opposition to Motion For Partial Summary Judgment (02-15-13)	)

Page ii of xviii

1	VOLUME III	
2	Supplemental Opposition of Sumona Islam to Atlantis Motion For Partial Summary Judgment (02-19-13)App. 0500-0507	
3 4 5	Plaintiff's Opposition to Defendant Sumona Islam's Motion to Partially Dissolve Preliminary Injunction and Countermotion to Continue Preliminary Injunction (02-22-13)	
6	Reply In Support of Motion to Dissolve Preliminary Injunction and Opposition to Motion to Continue Injunction (02-25-13)	
8	Reply In Support of Plaintiff's Motion to Continue Preliminary Injunction (03-04-13)	
9	Reply to Islam's Oppositions to Motion For Partial Summary Judgment (03-22-13)	
11	Affidavit of Counsel in Support of Plaintiff's Reply to Islam's Oppositions to Motion For Partial Summary Judgment (03-22-13)	
13 14	Affidavit of Debra Robinson in Support of Plaintiff's Reply to Islam's Oppositions to Motion for Partial Summary Judgment (03-22-13)	
15	Reply to GSR's Oppositions to Motion For Partial Summary Judgment (03-22-13)	
16 17	Affidavit of Counsel in Support of Plaintiff's Reply to GSR's Oppositions to Motion For Partial Summary Judgment (03-22-13)	
18 19	Order [granting Motion to Dissolve Preliminary Injunction] (04-25-13)	
20	Order [vacating Order granting Motion to Dissolve Preliminary Injunction] (04-30-13)	
21	Order [partially dissolving Preliminary Injunction] (05-02-13)	
23	Order [denying Plaintiff's Motion for Partial Summary Judgment] (05-07-13)App. 0629-0632	
24	Plaintiff's Motions in Limine (05-28-13)App. 0633-0672	
25	Motion in Limine (05-28-13)	
26	///	
27		
28		
	Page iii of xviii	-

1 2	VOLUME IV – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
3 4 5	Motion to Exclude Testimony of Brandon McNeeley Either in Support of Plaintiff's Case or in Rebuttal to The Testimony of Defendant's Expert Jeremy Aguararo (sic) and All Evidence of Damages Based on Theoretical Revenue, Lost Gamblin (sic) Days and Life Time Value of Players (05-29-13)
6 7	Motion For Partial Summary Judgment (06-03-13)App. 0765-0773
8	Islam's Opposition to Atlantis Motion in Limine (06-07-13)App. 0774-0779
9	Plaintiff's Opposition to Defendants' Motions in Limine (06-07-13)
10	Affidavit of Counsel in Support of Plaintiff's Opposition to Defendants' Motions in Limine (06-07-13)
12	Alternative Opposition to GSR's Motion For Partial Summary Judgment (06-14-13)
13 14	Affidavit of Counsel in Support of Alternative Opposition to GSR's Motion For Partial Summary Judgment (06-14-13)
15 16	Defendant GSR's Objection to Plaintiff Golden Road's Pre-Trial Disclosure of Witnesses and Exhibits (06-14-13)App. 0898-0905
17	Defendant Sumona Islam's Joinder in Grand Sierra's Objections to the Atlantis' Pre-Trial Disclosures (06-14-13)App. 0906-0909
18	Trial Statement of Defendant Sumona Islam (06-26-13)App. 0910-0925
19	VOLUME V – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
21	order of the district court during trial (19 App. 3948:12-13).
22	Plaintiff's Trial Statement (06-26-13)App. 0926-1042
23	Defendant GSR's Trial Statement Pursuant to Local Rule 5 (06-27-13)App. 1043-1064
24	Minutes of the Court re: 06/10/13 Pre-Trial Conference (06-27-13)
26	Order Substituting Defendant and Changing Caption (07-01-13)
27	Minutes of the Court re: 7/1/13 Bench Trial (Days 1 11) including the Earlibit List (07.26.13)
28	(Days 1 – 11) including the Exhibit List (07-26-13)App. 1069-1090
	<u> </u>

Page iv of xviii

1	Plaintiff's Verified Memorandum of Costs (08-05-13)App. 1091-1159	
2	Defendant Sumona Islam's Motion to Retax Costs (08-07-13)	
3	VOLUME VI – FILED UNDER SEAL	
4 5	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
6	Submission of Proposed Findings of Fact and Conclusions of Law (08-13-13)	
7 8	Plaintiff's Opposition to Defendant Sumona Islam's Motion to Retax Costs (08-19-13)	
9	Affidavit of Counsel in Support of Plaintiff's Opposition to Defendant Sumona Islam's Motion to Retax Costs (08-19-13)	
10	Plaintiff's Motion For Costs and Attorney's Fees (08-21-13)App. 1227-1260	1
11	Affidavit of Counsel in Support of Plaintiff's Motion For Costs and Attorney's Fees (08-21-13)App. 1261-1294	
13 14	Findings of Fact and Conclusions of Law and Order (08-26-13)	
15	Notice to Set Status Hearing (08-29-13)	
16	Defendant Sumona Islam's Reply in Support of Motion to Retax Costs (09-03-13)	
17 18	Islam's Opposition to Atlantis' Motion For Attorney's Fees and Costs (09-03-13)	
19	Plaintiff's Reply in Support of Motion For Costs and Attorney's Fees (09-10-13)	
20 21	Grand Sierra Resort's Submission of Proposed Findings of Fact and Conclusions of Law (09-23-13)App. 1392-1410	
22	VOLUME VII	
23	Objection to Findings of Fact and Conclusions of Law Submitted by Defendant Grand Sierra Resort (09-24-13)	
<ul><li>24</li><li>25</li></ul>	Affidavit of Counsel in Support of Objection To Findings of Fact and Conclusions of Law	
<ul><li>26</li><li>27</li></ul>	Submitted by Defendant Grand Sierra Resort (09-24-13)App. 1426-1454  Minutes of the Court re: 09/24/13 Status Hearing (09-25-13)App. 1455	
28	16. 09/24/15 Status Hearing (09-25-15)	

Page v of xviii

		l
1	Findings of Fact and Conclusions of Law and Judgment (09-27-13)	
3	Memmorandum (sic) of Costs (09-30-13)	
4	and Attorney's Fees (10-01-13)App. 1563-1565	l
5	Notice of Entry of Findings of Fact and Conclusions of Law and Order (10-01-13)	
6 7	Notice of Entry of Findings of Fact and Conclusions of Law and Judgment (10-01-13)	
8	Islam's Objection to Submission of Atlantis Attorneys Fees Records For In Camera Review Only (10-02-13)	
9	Plaintiff's Motion to Retax Costs of Defendant Grand Sierra Resort (10-03-13)	
11	Reply to Plaintiff's Objection to Defendant GSR's Memmorandum (sic) of Costs (10-09-13)App. 1611-1624	
12	Reply in Support of Plaintiff's Motion to Retax Costs of Defendant Grand Sierra Resort (10-17-13)App. 1625-1630	
14	Motion For Award of Attorney's Fees and Costs to Defendant GSR Pursuant to NRS 600A.060, NRCP 68 and NRS 17.115 (10-19-13)	
16	VOLUME VIII	l
17 18	Affidavit of Counsel in Support of Motion For Award of Attorney's Fees and Costs to Defendant GSR Pursuant to NRS 600A.060, NRCP 68 and NRS 17.115 (10-19-13)App. 1655-1770	
19	Notice of Submission of Documents In Camera in Support of Defendant GSR's Motion for Award of Attorney's Fees and Costs (10-19-13)	
20	Notice of Appeal [Atlantis] (10-30-13)App. 1774-1812	l
21		
22	Islam's Response to Grand Sierra's Motion for Attorneys Fees (11-01-13)App. 1813-1817	
23   24	Plaintiff's Opposition to GSR's Motion For Award of Attorney's Fees and Costs (11-04-13)App. 1818-1831	
25	VOLUME IX – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order	
26	entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
27	Affidavit of Counsel in Support of Plaintiff's	
28	Affidavit of Counsel in Support of Plaintiff's Opposition to GSR's Motion For Award of Attorney's Fees and Costs (11-04-13)	
- 1		1

Page vi of xviii

		l
1 2	Plaintiff's Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal (11-04-13)	
3	Order [for GSR to resubmit invoices] (11-06-13)App. 2010-2012	
4	Notice of Appeal [Islam] (11-08-13)App. 2013-2016	
5	Order [awarding attorney's fees and costs] (11-08-13)App. 2017-2022	
6	Defendant Sumona Islam's Motion For Order to File Attorneys Fees Records of Atlantis in the Official Court Record (11-13-13)	
7 8	Amended Notice of Appeal [Islam] (11-15-13)	l
9	VOLUME X – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
11 12	GSR's Opposition to Plaintiff's Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal (11-20-13)	
13 14	Plaintiff's Motion For Clarification of Order Regarding Attorney's Fees and Costs (11-21-13)	
15	Islam's Opposition to Atlantis Motion For Stay and Injunction on Appeal, and Alternatively, Cross-Motion For Stay on Appeal Upon Posting of Nominal Bond (11-21-13)	
17 18	Plaintiff's Response to Islam's Motion For Order to File Attorneys Fees Records of Atlantis in The Official Court Record (11-21-13)	
19 20 21	Reply in Support of Plaintiff's Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal and Response to Islam's Cross-Motion For Stay on Appeal (11-27-13)	
22	Reply in Support of Defendant Sumona Islam's Motion For Order to File Attorneys Fees Records of Atlantis in The Official Court Record (11-30-13)	
24 25	Islam's Opposition to The Atlantis Motion For Clarification of Order Regarding Attorneys Fees and Costs (12-04-13)	
26 27	Reply in Support of Plaintiff's Motion For Clarification of Order Regarding Attorney's Fees and Costs (12-10-13)	
28		

Page vii of xviii

1	Order [denying Atlantis' Motion to Stay Enforcement] (12-24-13)	App.	2126-212	28
2	Order [denying Islam's Motion to File Attorney's Fees Records of Atlantis in the			
3	Official Court Record] (12-24-13)	App.	2129-213	1
4	Notice of Entry of Orders (12-26-13)	App.	2132-214	13
5	Order [granting Plaintiff's Motion for Clarification] (01-03-14)	App.	2144-214	16
7 8	Renewed Motion For Award of Attorney's Fees and Costs to Defendant GSR Pursuant to NRS 600A.060, NRCP 68 and NRS 17.115 (01-21-14)	App.	2147-217	71
9	Affidavit of Counsel in Support of Renewed Motion For Award of Attorney's Fees to Defendant GSR Pursuant to NRS 600A.060, NRCP 68 and NRS 17.115 (01-21-14)	App.	2172-218	36
11 12	Plaintiff's Opposition to GSR's Renewed Motion For Award of Attorney's Fees and Costs (02-06-14)	App.	2187-220	)2
13 14	Affidavit of Counsel in Support of Plaintiff's Opposition to GSR's Renewed Motion For Award of Attorney's Fees and Costs (02-06-14)	App.	2203-227	77
15	VOLUME XI			
16	Reply to Plaintiff's Opposition to Defendant GSR's Renewed Motion For Attorneys Fees (02-18-14)	App.	2278-229	)5
17 18	First Amended Order [awarding attorney's fees and costs] (03-10-14)	App.	2296-230	)1
19	Notice of Entry of First Amended Order (03-13-14)	App.	2302-231	2
20	Order [awarding GSR attorney's fees] (03-14-14)	App.	2313-231	19
21	Notice of Entry of Order (04-11-14)	App.	2320-233	31
22	Notice of Appeal [GSR] (04-14-14)	App.	2332-235	56
23	Amended Notice of Appeal [Atlantis] (04-21-14)	App.	2357-237	73
24	Amended Notice of Appeal [GSR] (05-05-14)			l
25	Amended Notice of Appeal [GSR] (05-08-14)	App.	2399-243	36
26	///			
27				
28			**	

Page viii of xviii

1	VOLUME XII – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by
2	order of the district court during trial (19 App. 3948:12-13).
3	Trial Day 1 (07-01-13)
4	Introductions and rulings by the Court upon pending Motions and
5	confirmation that certain exhibits had been removed and remaining exhibits renumbered
6	Opening Statements Witness: Steven Ringkob
7	
8	VOLUME XIII – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by and or of the district court during trial (10 App. 3048-12 12)
9	order of the district court during trial (19 App. 3948:12-13).
10	Transcript of Proceedings
11	Trial Day 2 (07-02-13)   Witness: Frank DeCarlo
12	VOLUME XIV – FILED UNDER SEAL
13	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by
14	order of the district court during trial (19 App. 3948:12-13).
15	Transcript of Proceedings Trial Day 3 (07-03-13)
16	Witness: Sumona Islam
17	<b>VOLUME XV – FILED UNDER SEAL</b> This Volume is filed under seal pursuant to the Stipulated Protective Order
18	entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
19	Transcript of Proceedings
20	Trial Day 4 (07-08-13) Witness: Sumona IslamApp. 3021-3238
21	VOLUME XVI – FILED UNDER SEAL
22	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by
23	order of the district court during trial (19 App. 3948:12-13).
24	Transcript of Proceedings Trial Day 5 (07-09-13)
25	Witnesses: Sumona Islam and Shelly HadleyApp. 3239-3369
26	Transcript of Proceedings Trial Day 5 (07-09-13)
27	Witnesses: Sterling Lundgren and Robert WoodsApp. 3370-3444
28	

Page ix of xviii

1 2	VOLUME XVII – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
3	Transcript of Proceedings Trial Day 6 (07-10-13) Witness: Susan Moreno
5	Transcript of Proceedings Trial Day 6 (07-10-13) Witnesses: Donna Nunez and Tom Flaherty
7 8	Transcript of Proceedings Trial Day 6 (07-10-13) Witness: Lilia Santos
9	VOLUME XVIII – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order
10	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
11	Transcript of Proceedings
12	Trial Day 7 (07-11-13) Witness: Brandon McNeely
14	Transcript of Proceedings Trial Day 8 (07-12-13) Witness: Christian Ambrose
16 17	VOLUME XIX – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
18 19 20	Transcript of Proceedings Trial Day 8 (07-12-13) Witnesses: Maria Maldonado, Maura Navarro and Jeremy Aguero
21	Transcript of Proceedings Trial Day 9 (07-16-13) Witness: Debra Robinson
23	VOLUME XX – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
25 26	Transcript of Proceedings Trial Day 10 (07-17-13) Dotson Closing Argument
27	Transcript of Proceedings Trial Day 10 (07-17-13) Wray Closing Argument

Page x of xviii

		I
1 2	Transcript of Proceedings Trial Day 11 (07-18-13) Johnson Closing Argument	
3 4	Transcript of Proceedings Trial Day 11 (07-18-13) Dotson Second Closing Argument	
5	Transcript of Proceedings Trial Day 11 (07-18-13) Decision of the Court	-
6 7 8	VOLUME XXI –FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
9	Trial Exhibit 1 Online System User Agreement (ATL 0001 – 0004)	
11 12	Trial Exhibit 2 Business Ethics Policy and Code of Conduct Acknowledgement and Conflicts of Interest Statement (ATL 0005 – 0018)	
13 14 15	Trial Exhibit 3 Company Policy Regarding Company Property, Proprietary Information and Trade Secrets (ATL 0019 – 0021)	
16 17	Trial Exhibit 4 Non-Compete/Non-Solicitation Agreement (ATL 0022)	
18 19	Trial Exhibit 5 April 6, 2012 and April 18th letters (ATL 0023 – 0034)	
<ul><li>20</li><li>21</li><li>22</li></ul>	Trial Exhibit 6 Handwritten guest list produced by Sumona Islam. First and last page of each of the five books, ISLAM 1, 57, 58, 128, 129, 203, 204, 258, 259, 276	
23 24	Trial Exhibit 7 Summary of modifications to customer database by Sumona Islam in days leading up to her resignation (ATL 0041 – 0043)	
<ul><li>25</li><li>26</li><li>27</li></ul>	Trial Exhibit 8 Audit History (redacted) of the modifications made by Ms. Islam to the customer database (ATL 0044 – 0048)	
28		

Page xi of xviii

1 2	Trial Exhibit 9 Audit History (unredacted) of the modifications made by Ms. Islam to the customer database (ATL 0044a – 0048a)	
3	Trial Exhibit 10	
4	Example of GSR solicitations (ATL 0049)	
5	Trial Exhibit 11	
6	Example of GSR solicitations (ATL 0050)App. 4332-4333	
7	Trial Exhibit 12 Example of GSR solicitations (ATL 0051)	
9	Trial Exhibit 13	
10	Example of GSR solicitations (ATL 0052)App. 4336-4337	
11	Trial Exhibit 14	
12	Offer letter and draft offer letter (GSR 00026 - 00027 and GSR 0007 - 0008)	
13 14	Trial Exhibit 15 GSR Confidentiality and Non-Disclosure Agreement (GSR 00004)	
15 16	Trial Exhibit 16 GSR Database Agreement (GSR 00005)App. 4345-4346	
17	Trial Exhibit 17	
18 19	Remainder of employment file of Sumona Islam (GSR 00001 – 00003, 00006, 00009 – 00025, 00028 - 00029)	
19	Trial Exhibit 18	
20	Order Granting Golden Road Motor Inn. Inc.'s Motion For	
	Temporary Restraining Order Against Defendant Sumona Islam and Agreement Between Defendant Nav-Reno-GS, LLC dba Grand Sierra Resort and Golden Road Motor Inn	
22	Inc., entered on July 5, 2012	
23	Trial Exhibit 19	
24	GSR list of guests coded to Islam at GSR (GSR 00740-00752)	
25	Trial Exhibit 20	
26	Atlantis' job description for Executive Casino Host (ATL 0284 – 0285)	
27 28	Trial Exhibit 21 Atlantis' job description for Concierge Manager (ATL 0286)App. 4393-4394	
	Page xii of xviii	
	T and the of Arm	1

1	Trial Exhibit 22 Emails to / from Rackenberg/ DeCarlo (ATL 0592)App. 4395-4396	
2		
3	Trial Exhibit 23 Email regarding the hiring of Sumona Islam (ATL 0210)App. 4397-4398	
4	Trial Exhibit 24	
5	Frank DeCarlo's sent email (ATL 0564)	
	Trial Exhibit 25	
7 8	Frank DeCarlo's sent email (ATL 0492)App. 4401-4402	
	Trial Exhibit 26	
9	Frank DeCarlo's deleted email (ATL 0321)App. 4403-4404	
	Trial Exhibit 27	
11	Frank DeCarlo's sent email (ATL 0462)	
13	Trial Exhibit 28 Frank DeCarlo's deleted email (ATL 0298)	ŀ
14		١
15 16	Trial Exhibit 29 Frank DeCarlo's deleted email (ATL 0347)App. 4409-4410	
10	Trial Exhibit 30	l
17	Frank DeCarlo's deleted email (ATL 0339)App. 4411-4412	
16	Trial Exhibit 31	
19 20	GSR Rated Players of Sumona Islam prepared by The Financial Planning and Analysis Group and GSR Guest Reports regarding Sumona Islam (ATL 1001 – 1004)	
l	Keporis regarding Sumona Islam   (ATL 1001 – 1004)	
21	Trial Exhibit 32	l
	Expert report and CV of Jeremy A. AgueroApp. 4418-4450	
23	Trial Exhibit 33	
24	Spreadsheet for offer dated April 1-23 (GSR-AMBROSE 0052-0061)	
25	Trial Exhibit 34	
26	Spreadsheet for offer dated April 24-May 23 (GSR-AMBROSE 0001-0015)	
27	///	
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	Page xiii of xviii	

1 2	Trial Exhibit 35 Spreadsheet for offer dated April 24- May 23 Non-Locals Duplicates (GSR-AMBROSE 0016-0018)
3 4	Trial Exhibit 36 Spreadsheet for offer dated May 24 – June 19 Non-locals (GSR-AMBROSE 0092-0121)
5 6 7	VOLUME XXII — FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
8 9	Trial Exhibit 37 Spreadsheet for offer dated June20 – July17 Non-Locals (GSR-AMBROSE 0062-0091)App. 4513-4543
10 11	Trial Exhibit 38 Spreadsheet for offer dated April 1- 23 Locals (GSR-AMBROSE 0032-0051)
12 13	Trial Exhibit 39 Spreadsheet for offer dated April 24- May 23 (GSR-AMBROSE 0019-0026)
14 15	Trial Exhibit 40 Spreadsheet for offer dated May 24 – Jun 19 Locals (GSR-AMBROSE 0027-0031)App. 4574-4579 Trial Exhibit 41
16 17	Ambrose Emails (GSR-AMBROSE 0122-0159)App. 4580-4618
18 19	Trial Exhibit 42 Revenue Spreadsheets (GSR-Singh 0001-0007)
20 21	Trial Exhibit 43 Harrah's June 26, 2008 letter to Islam (ATL 0266 – 0279)
22 23	Trial Exhibit 44 Harrah's October 22, 2009 letter to Islam (ATL 0280, ATL 0283 and ATL 0283a)
<ul><li>24</li><li>25</li></ul>	Trial Exhibit 45 Email from Tomelden 1/19/12 and from DeCarlo to Finn 1/20/12 and privileged emails (ATL 0281 – 0282)
<ul><li>26</li><li>27</li></ul>	Trial Exhibit 46 Correspondence between Atlantis and counsel for Fitzgeralds related to Chau non-compete (ATL 0604–0625)
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Page xiv of xviii

1 2	Trial Exhibit 47 Harrah's Employment Agreement provided to Atlantis by Sumona Islam (ATL 0628–0638)	
3		
4	Trial Exhibit 48 Emails between Shelly Hadley to Sumona Islam (GSR 01932 – 01934)App. 4684-4687	
5	Trial Exhibit 49	
6	GSR Free Play Adjustments and Comps GSR 1935 - 1981App. 4688-4735	
7	Trial Exhibit 50	
8	Hadley emails GSR 2029 – 2033App. 4736-4741	
9	VOLUME XXIII – FILED UNDER SEAL	
10	VOLUME XXIII – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
11		
12	Trial Exhibit 51 Hadley emails	
13	GSR 1982 - 2028App. 4742-4789	
14	Trial Exhibit 52 Grand Sierra Resort Employee Handbook (GSR 02034 – 2064)App. 4790-4821	
15	Trial Exhibit 53	
16	Resume of Abraham PearsonApp. 4822-4824	l
17	Trial Exhibit 54	
18	Concierge Lounge Schedules (ATL 0137 – 0151)	
19	Trial Exhibit 55	
20	March 12, 2010 memo re Host Internet Access Agreement (ATL 0153)	
21	Trial Exhibit 56	
22	Network Access Requests signed by Sumona Islam (ATL 0154-0165)	
23	Trial Exhibit 57	
24	Online System User Agreement signed by Sumona Islam (ATL 0166 – 0169)	
25	Trial Exhibit 58	
26	Grand Sierra Flyer   (ATL 0626 – 0627)	
27	Trial Exhibit 59	
28	Plaintiff's Seventeenth Supplemental NRCP 16.1 Disclosure	
	Page xv of xviii	

ł		ı
1 2	Trial Exhibit 60 Resume of Brandon C. McNeely (ATL 0992 – 0994)	
_	Trial Exhibit 61	
3	Atlantis Customer Lifetime Value calculations	l
4	and Harvard Business Review case study (ATL 0973 – 0990)	
5	Trial Exhibit 62	
6	Black's Law Dictionary and Webster's Dictionary definition of "sabotage"	İ
7	Dictionary definition of "sabotage" (ATL 0995 – 1000)	
	Trial Exhibit 63	
8	Guest contact list prepared by Frank DeCarlo at the direction of Debra Robinson	
9	(ATL 1609)App. 4930-4931	
10	Trial Exhibit 64	ĺ
11	Email string dated 4/5/12 regarding guest Arsenault	
	(ATL 1617–1618)App. 4932-4934	
12	Trial Exhibit 65	
13	Email string dated 4/10/12 regarding guest Davidson   (ATL 1619 – 1620)App. 4935-4937	l
14	Trial Exhibit 66	
15	Email dated 4/17/12 regarding guest Scheider (ATL 1621)	
16	Trial Exhibit 67	
17	Portions of David Law's personnel file, redacted as to Social Security number	l
18	(ATL 1667 – 1681)App. 4940-4955	Ì
	Trial Exhibit 68	
19	Portions of Lilia Santos' personnel file,	
20	redacted as to Social Security number (ATL 1682 – 1695)	
21	VOLUME YYIV _ FILED UNDED SEAT	
22	This Volume is filed under seal pursuant to the Stipulated Protective Order	
	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
23	Trial Exhibit 69	
24	Concierge Desk Schedules	
25	(ATL 1740 – 1766)App. 4971-4998	
26	Trial Exhibit 70	
27	Emails regarding Ramon Mondragon   (ATL 1776 – 1785)	
28		

Page xvi of xviii

1 2	Trial Exhibit 71 IT Help Desk Notes for Frank DeCarlo's email (ATL 1786 – 1798)
3 4	Trial Exhibit 72 Internet Authorization Form signed by Sumona Islam (ATL 0152)
5	Trial Exhibit 73 Transcript of May 3, 2012 GSR Investigatory Interview Recording with Sumona Islam (GSR02130 – GSR02133)
7 8 9	Trial Exhibit 74 Demonstrative exhibit List of emails prepared by Mark Wray (Deposition Exhibit 53)
10 11	Trial Exhibit 75 Islam's Book of Trade produced to Atlantis with notes from Atlantis (ATL 0213 – 0265)
12 13	Trial Exhibit 76 Sumona Islam's Hallmark card
14 15	Trial Exhibit 77 Compilation of GSR/Islam Emails in chronological order
16 17	VOLUME XXV – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).
18 19	[Continued] Trial Exhibit 77 Compilation of GSR/Islam Emails in chronological order
20 21	Trial Exhibit 78 Additional signature pages to Trade Secret Agreement and Business Ethics policy and Code of Conduct Agreement (ATL 0100 - 0101, 0103, 0128 - 0130)
22   23	(ATL 0100 - 0101, 0103, 0128 - 0130)
24	Full handwritten client list produced by Islam (ISLAM 1- 276)App. 5436-5470
25	
27	
28	
	Page xvii of xviii

1 2	VOLUME XXVI – FILED UNDER SEAL This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
3	[Continued] Trial Exhibit 80	
4	Full handwritten client list produced by Islam (ISLAM 1- 276)App. 5471-5712	
5	Trial Exhibit 81	
6	Letter to Mark Wray, Esq. from Angela Bader, Esq. dated 10/15/12	
7	VOLUME XXVII – FILED UNDER SEAL	
8	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
9		
10	Trial Exhibit 82 Email from Frank DeCarlo filed 2/22/11 and Declining Player Report as of 12/21/11	
11		
12	Trial Exhibit 83 Copy of handwritten client list	
13	produced by Islam with notations made during review on July 6-7, 2013	
14	VOLUME XXVIII – FILED UNDER SEAL	
15	This Volume is filed under seal pursuant to the Stipulated Protective Order entered on August 27, 2012 by the district court (2 App. 347-357) and by order of the district court during trial (19 App. 3948:12-13).	
16	[Continued] Trial Exhibit 83	
17	Copy of handwritten client list produced by Islam with notations	
18	made during review on July 6-7, 2013	
19	Trial Exhibit 84	
20	Defendant's Responses to Plaintiff's First Set of Request for Admission to Defendant	
21	Nav-Reno-GS, LLC dba Grand Sierra ResortApp. 6021-6049	
22	Trial Exhibit 85 Handwritten note of Lilia SantosApp. 6050-6052	
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Page xviii of xviii

#### FILED

Electronically 11-20-2013:09:34:37 AM Joey Orduna Hastings Clerk of the Court Transaction # 4146407

1 COHEN-JOHNSON, LLC H. STAN JOHNSON 2 Nevada Bar No. 00265 sjohnson@cohenjohnson.com 3 STEVEN B. COHEN, ESQ. Nevada Bar No. 2327 4 255 E. Warm Springs Road Suite100 5 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 6 Facsimile: (702) 823-3400 Attorneys for Grand Sierra Resort 7

## IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

#### IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA,

SUMONA ISLAM, an individual; MEI-GSR

HOLDINGS LLC d/b/a GRAND SIERRA

Case No.: Dept. No.: CV12-01171

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VS.

RESORT; et.al.

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COHEN-IOHNSON, LLC 255 E. Warm Springs Road, Suite 100
 Las Vegas, Nevada 89119
 (702) 823-3500 FAX: (702) 823-3400

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Defendants.

Plaintiff,

### GSR'S OPPOSITION TO PLAINTIFF'S MOTION TO STAY ENFORCEMENT OF JUDGMENT AND FOR INJUNCTION PENDING APPEAL

Now comes Defendant GSR by and through its attorneys of record H. Stan Johnson, Esq. and Steven B. Cohen, Esq of the law firm of Cohen Johnson LLC and in Opposition to Plaintiff's Motion to Stay Enforcement of judgment and for Injunction Pending Appeal reply states as follows: 111 111

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Page 1 of 12

This Opposition is based on the documents and pleadings already filed, the Points and Authorities attached hereto and any argument which the Court may allow at a hearing of this matter.

Dated this 19<sup>th</sup> day of November, 2013.

#### **COHEN-JOHNSON, LLC**

/s/ H. Stan Johnson
H. STAN JOHNSON
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Attorneys for Grand Sierra Resort

#### **POINTS AND AUTHORITIES**

#### I STATEMENT OF PROCEEDINGS

Plaintiff Golden Road Motor Inn d/b/a Atlantis Casino Resort Spa (hereinafter Atlantis) brought suit alleging the MEI –GSR HOLDINGS LLC d/b/a Grand Sierra Resort (hereinafter GSR) had violated NRS 600A.030 et seq. commonly known as the Trade Secret Act. During the course of the litigation the parties stipulated to a preliminary injunction which provided that it would expire upon the conclusion of the bench trial in this matter (Exhibit 1 p. 3 ll 11-13<sup>1</sup>)

At the bench trial of this matter the Court found specifically that what constituted a trade secret was a question of fact (Decision Attached hereto as Exhibit 2, P. 11 ll 11-12). The Court went on to make additional findings of facts the most significant of which was that GSR had not violated the Nevada Trade Secret Statutes and found in favor of GSR on all claims and further awarded attorneys' fees and costs to GSR. GSR prepared a judgment including findings of fact

<sup>&</sup>lt;sup>1</sup> Although the order notes that the bench trial was originally scheduled for August 27, 2013, it was continued with the consent of the parties until July 1, 2013. It should also be noted that the portion of the injunction preventing Sumona Islam to be employed by GSR had been previously dissolved and in June 2013 Ms. Islam returned to employment at GSR.

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and conclusions of law which the Court reviewed and edited (a copy of which is attached hereto as Exhibit 3). The Court specifically found:

#### **FACTS:**

- 6. When ISLAM began to work as a host at ATLANTIS, she brought with her what she claimed to be her personal book of trade. ...
- 7. Steve Ringkob, indeed almost every witness, testified that there were certain items that hosts were entitled to take with them from property to property and that a host's book of trade is the host's property and "nothing is wrong with her taking this information wherever she goes." However, he also testified that the player's gaming history and tracking at the ATLANTIS would become proprietary information.
- 8. Although the term "casino host book of trade" has been defined variously, it has generally been identified as those names and contact information of guests with whom the host has developed relationships through their own efforts. Ringkob defined it as those guests with whom the host has developed a relationship and it was not information coming from the casino.

#### P. 3 ll 12 -23

#### LAW:

- ...5. The failure of Atlantis to produce any credible evidence at trial that GSR misappropriated trade secrets belonging to Atlantis constitutes "objective speciousness". That subjective bad faith that is shown by Plaintiff's knowledge of certain facts as set forth in the findings of facts above; the decision to move forward against GSR and the extent of the litigation against GSR despite a lack of direct evidence against GSR. This is a sufficient basis for an award of attorney fees pursuant to NRS 600.060. Defendants are not required to prove a negative and under the objective specious standard a lack of evidence in the record of misappropriation, in addition to the actions as set forth above; is enough to show that the claim of misappropriation was made in bad faith (Sasco v. Rosendin Electric Inc., 143 Cal. Rptr. 3d 828, 207 Cal. App 4th 837 (CA 2012) and entitles GSR to Attorney's fees and costs in this matter.
- 6. That Atlantis sought, obtained and maintained a preliminary injunction in this matter that included names which Atlantis knew were not trade secrets under NRS 600A.010 and continue to maintain that injunction even when it knew that those names were (p)art of Sumona Islam's personal book of trade in order to thwart competition for those players from GSR and said conduct is evidence of bad faith entitled GSR to an award of attorney's fees and costs.... (See Exhibit 2 P. 6 116-21)
- There was a consensus amongst all the witnesses that in the case of a customer with whom a host has established a relationship that customer's name, address, contact information is not a trade secret. P 12 ll 19-21

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Plaintiff objected to the above findings and submitted its own version to the Court which was rejected by the Court. The Court adopted, with certain changes, the GSR submission. Those hand written changes are reflected in the above excerpts by italics and deleted language shown by a strike through on Exhibit 3.

Plaintiff filed a notice of appeal on October 30, 2013. Injunctive relief was granted as to Sumona Islam in the Judgment against Islam, but Plaintiff made no post-trial motions nor any request asking the Court to grant a continuance of any injunctive relief as to GSR. injunction relative to GSR therefore expired by its own terms on July 18, 2013. On November 4, 2013 Plaintiff filed this motion and for the first time sought to renew an injunction which had expired three months prior to its motion.

#### П. **LAW AND ARGUMENT**

## Plaintiff's Motion Is A Ploy to Undermine the Integrity of This Court's Rulings In This Matter.

Plaintiff's Motion is an untimely attempt to obtain a Judgment Notwithstanding the Verdict or a Reconsideration by this Court in abrogation of Nevada law. Atlantis failed to bring any post-trial motions and the deadlines passed. Atlantis now seeks to obtain the benefits of a Motion for a JNOV or Reconsideration under the guise of a Motion To Stay Enforcement of Judgment and for Injunctive Relief. Atlantis, ostensibly claims that it merely seeks to maintain the "status quo" implying that at the present time there is an injunction in effect. This is disingenuous at best. As a preliminary matter the only "status quo" is the absence of injunctive relief regarding GSR. The Preliminary Injunction in this matter expired by its own terms on July 18, 2013 upon the completion of the bench trial and the Court's decision from the bench. Moreover, the Court entered Findings of Fact and Conclusions of Law which specifically held that the injunction brought against GSR was maintained in bad faith. An attempt to reinstate this expired injunction, in view of the Court's finding of bad faith, would in fact negate, refute, void, and undermine the Court's decision in this matter. That this is a mere ploy is amply demonstrated by the simple fact that for more than three months there has been no injunction in

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effect against GSR, a circumstance which was evidently of no concern to the Plaintiff. Recently however, the Court entered its judgment and awarded GSR attorneys' fees, in part based on Atlantis' bad faith in maintaining the injunction when it knew it included names which were not proprietary. Only after the fact, did the Plaintiff seek to reinstate the injunction leaving the motives for this action suspect. Atlantis' motive in bringing this motion is to launch an attack upon the Court's decision claiming that the reinstatement of the preliminary injunction is evidence that the Court's findings on this issue were clearly erroneous Trident Construction v. West Electric, 105 Nev. 423, 776 P.2d 1239, 1239 (1989).

Having failed to request either injunctive relief or a stay at the close of trial, or in a timely post-trial motion, Atlantis now seeks to do so by this motion. GSR submitted proposed findings of fact and conclusions of law to the Court which the Court not only reviewed but made specific changes where the Court deemed appropriate. Atlantis also provided the Court with alternative findings which the Court rejected. This demonstrates that these findings were not improperly biased but were the product of consideration by a "disinterested mind" Foley v. Morse & Mowbray 848 P. 2d 519, 109 Nev 116 (Nev. 1993),

Plaintiff's claim that the purpose of the lawsuit would be defeated if the injunction is denied is also untrue. Atlantis has made clear that if it prevailed at trial, it would seek money damages either in the form of a "royalty", or based on "theoretical play". Since Atlantis has maintained throughout this litigation that money damages could compensate it for any loss, any claim that absent injunctive relief, it will suffer irreparable harm is specious. Lastly Atlantis, itself, admits that the relief sought is improper and overly broad. Atlantis in referring to the names of potential customers, states "the majority of whom either had no host relationship when she came to work for ATLANTIS or with whom she had no host relationship even while employed with ATLANTIS" (Atlantis motion p.10 ll 5-6). The foregoing shows that even now Atlantis is still seeking to impose an injunction upon GSR which is overly broad containing the contact information of persons it admits are not proprietary. Such disapproval of the Court's decision cannot be permitted and the injunction should be denied. Nor has the Atlantis provided any evidence which would entitle it to new injunctive relief. It has failed to show that it would Page 5 of 12

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suffer irreparable harm, that any harm could not be compensated by money damages, or that there is a high probability of success upon the appeal of this matter. University and Community College System of Nevada v. Nevadans for Sound Government, 120 Nev. 714, 100 P.3d 179 (2004). Since Atlantis would not be entitled to new injunctive relief, it cannot claim it is entitled to reinstitute an expired injunction which the Court found was maintained in bad faith.

#### В. Atlantis' Attack On The Evidence Is Unsupported.

In an attempt to further justify its conduct, Atlantis sets forth instances which it claims are evidence of factual and legal errors by the Court. These claims should have been properly raised by means of a timely Motion for Reconsideration or for a Judgment Notwithstanding the Verdict. Instead Plaintiff has decided to couch its attack on the Court's ruling in the guise of an injunction and a stay. Unfortunately for Plaintiff, an examination of these claims shows that Atlantis has taken the position that it, not the Court, is the true finder of fact and its interpretation of the evidence, not the Court's, should control. In doing so Atlantis has twisted the facts and made outrageous leaps of illogic. Atlantis argues that since the Court found that Atlantis acted reasonably in initially bringing suit, that finding immunizes it for its later bad faith during the conduct of the litigation. It was the maintenance of the suit and the injunction, once Atlantis knew or should have known that there was no credible evidence in support of its claims against GSR, which constitutes bad faith. This includes Atlantis' failure to disclose to the Court or to Counsel that certain names subject to the injunction were neither proprietary nor trade secrets, but Ms. Islam's personal property. This omission continued throughout the course of the case and was confirmed when Mr. Ringkob took the stand at trial and testified that a host's book of business was not a trade secret.

Nor are the Court's ruling inconsistent in finding that Sumona Islam violated the Trade Secret Act, while GSR did not. Ms. Islam admitted the conduct which constituted her violations, but Atlantis had the burden to prove that GSR knowingly misappropriated trade secrets. Misappropriation is not a matter of strict liability but required Atlantis to prove by a preponderance of the evidence that GSR 's knew or should have known of that the conduct was either willful or grossly negligent. The undisputed evidence proved that GSR relied on Ms.

Page 6 of 12

Islam's statements that the names she brought with her were limited to her own personal book of business. The Court rightly found that GSR's reliance was reasonable and had no duty to make an independent inquiry. Atlantis failed to provide either an evidentiary or legal basis for the propositions that GSR was not entitled to that reliance or that GSR was vicariously liable for any misconduct by Sumona. While Atlantis argued that GSR had a duty to investigate beyond inquiry of Sumona, it produced no testimony, other than Ms. Robinson's statement that Atlantis told GSR of Sumona' conduct, however when GSR requested proof of this conduct, Atlantis failed to provide any.

The Court also found that the name, and contact information of a customer was not a trade secret, and found based on the undisputed evidence that GSR the information received from Ms. Islam consisted solely of contact information, and that in fact the GSR system itself did not allow a host to input any information beyond that. Atlantis failed to provide any contrary evidence.

Atlantis, as plaintiff in this matter, had the burden of proof to establish that GSR violated the Nevada Trade Secrets Act, it failed to do so, and now seeks to re-litigate these facts by means of this Motion for Stay and Injunction. Again as previously noted, Atlantis cannot establish a right to either reinstitute the expired injunction, not meet the requirements to have the Court issue a new injunction, and therefore this Motion should be denied.

C. Plaintiff's Request For A Stay Of The Judgment As To The Non-Competition Agreement Is A Blatant Attempt To Allow It To Continue To Enforce An Invalid Agreement.

The arguments set forth in support of this "stay of enforcement "concerning the non-competition agreement are even more suspect. The Court found that as a matter of law the non-competition agreement used by Atlantis was invalid. The Court specifically found that the portion of the agreement denying a signatory the right to employment at any Reno casino in any capacity was overly broad and unenforceable. Plaintiff seeks to "stay" enforcement of this judgment claiming other employees will likewise leave and seek employment with other casinos relying on this Court's decision that the agreement was overbroad. In other words, Atlantis

Page 7 of 12

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intends to continue to enforce an unconscionable and invalid employment agreement and is asking this Court's blessings to do so. The Court has already found that any non-competition agreement concerning Ms. Islam has expired and therefore, there is nothing that she needs to refrain from, therefore, the stay is meaningless as to her status as an employee of GSR. Since no party to this litigation will seek to "enforce" this ruling, the request is meaningless, unless one looks at the Atlantis' underling motives.

Atlantis states that there are 20 employees who have signed agreements similar to this one and it fears that those employees will quit if they learn of this Court's ruling. Any similarly situated employee will proceed in the same manner Ms. Islam did, disclose the agreement and provide it to any potential employer. Logically such potential employer will have its counsel review of the agreement. Apparently Atlantis belies that no other attorney is capable of the analysis performed by GSR's Counsel Steve Cohen, or that should the contract be litigated before another Court that that Court could independently reach a similar decision. absurdity of this position is shown by Atlantis' statement that "each subsequent dispute, if they should occur, should be determined by the facts of that case and not on reliance on the ruling in this matter." Apparently Atlantis feels this is a concept with which the Second Judicial Court is unfamiliar. While the opinion of the Nevada Supreme Court will be precedential on the question, generally trial court judges are not bound by decisions of similarly situated judges. Certainly they may find the prior Court's holding in a similar matter persuasive, but Atlantis' implication that other judges would blindly follow a non-binding decision is not persuasive. Any court faced with a similar dispute, pending the Nevada Supreme Court's decision, would resolve the matter on its own merits and this Court's decision, no matter how valid, would not preempt that process.

Again the question arises, why does Atlantis seek this stay. A simple matter of selfpreservation; should Atlantis bring additional suits seeking enforcement, it is highly possible that this Court's ruling may be deemed as evidence of bad faith by Atlantis in seeking to enforce an invalid agreement; resulting in sanctions and attorneys' fees those proceedings. Of course the simple solution is for Atlantis to revise the non-competition agreement to remove the invalid provision to reflect this Court's ruling. Atlantis admits that this agreement affects only 20

Page 8 of 12

employees, and the evidence at trial also showed that Atlantis frequently revises and requires its employees to execute new agreements, so to use an agreement which would comply with this Court's order does not constitute a hardship which would justify such extraordinary relief.

#### D. Bond

Although Atlantis is not entitled to the relief sought, it does raise the interesting question of bond. Any bond posted by Atlantis should be based on the Court's final award in this matter, which will include the award of attorneys' fees and costs. While the costs have now been awarded, the fees are still pending based on the Court's request that GSR provide more detailed invoices; and any bond should be based on the total award to GSR not merely the amount of the bond in the underlying litigation.

#### III CONCLUSION

Atlantis' motion should be denied based on the fact that it is an untimely and improper attempt to argue a Motion for Reconsideration and for Judgment Notwithstanding the Verdict under the guise of a Motion to Stay and Reinstitute Injunction. However, even if the Court chooses to consider the Plaintiff's arguments, it is clear that the Plaintiff cannot prevail. There is no logical or legal basis for staying the enforcement of the non-competition agreement, nor is there any basis for reinstituting an expired injunction which the Court found that Atlantis maintained in bad faith. Lastly there are no grounds which would entitle Atlantis to new injunctive relief and therefore the Plaintiff's Motion should be denied in its entirety.

.Dated this 19th day of November, 2013.

#### COHEN-JOHNSON, LLC

/s/ H. Stan Johnson
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Page 9 of 12

## COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

#### **Affirmation Pursuant to NRSB.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 19<sup>th</sup> day of November, 2013.

#### **COHEN-JOHNSON, LLC**

/s/H. Stan Johnson
H. STAN JOHNSON
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Page 10 of 12

### **INDEX OF EXHIBITS**

Ехнівіт	DESCRIPTION OF DOCUMENTS:	PAGES
1	Stipulation for Injunction	2
2	Transcript of Court's Decision of July 18, 2013	2
3	Judgment including Findings of Fact and Conclusions	3

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 Page 11 of 12

## COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

#### **CERTIFICATE OF MAILING**

I hereby certify that on the 19<sup>th</sup> day of November, 2013, I served a copy of the foregoing GSR'S OPPOSITION TO PLAINTIFF'S MOTION TO STAY ENFORCEMENT OF JUDGMENT AND FOR INJUNCTION PENDING APPEAL upon each of the parties via email and by depositing a copy of the same in a sealed envelope in the United States Mail, Las Vegas, Nevada, First-Class Postage fully prepaid, and addressed to:

Robert A. Dotson, Esq.
rdotson@laxalt-nomura.com
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Attorney for Plaintiff

Mark Wray, Esq. Law Office of Mark Wray 608 Lander Street Reno, Nevada 89509 Facsimile (775) 348-8351 Attorney for Sumona Islam

and that there is a regular communication by mail between the place of mailing and the places so addressed.

/s/ Nelson Achaval
An employee of Cohen-Johnson, LLC

#### FILED

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Joey Orduna Hastings
Clerk of the Court
Transaction # 4146407

## **EXHIBIT** "1"

# **EXHIBIT** "1"

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1 4050 ROBERT A. DOTSON, ESO. 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com 3 ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 4 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive 6 Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865 8 Attorneys for Plaintiff 9 10 IN AND FOR THE COUNTY OF WASHOE 11

#### IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

GOLDEN ROAD MOTOR INN, INC., a Nevada | Case No.: CV12-01171 Corporation, d/b/a ATLANTIS CASINO RESORT SPA Dept No.: **B7** Plaintiff, VS.

SUMONA ISLAM, an individual; NAV-RENO-GS, LLC, a Nevada limited liability company. d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through X, inclusive.

Defendants.

#### STIPULATION FOR PRELIMINARY INJUNCTION

Plaintiff, GOLDEN ROAD MOTOR INN, INC. d/b/a ATLANTIS CASINO RESORT SPA ("Plaintiff"), by and through its counsel, Laxalt & Nomura, and Defendants, SUMONA ISLAM, by and through her counsel, Mark Wray, and NAV-RENO-GS, LLC d/b/a GRAND SIERRA RESORT ("GSR"), by and through its counsel, Cohen/Johnson, hereby stipulate to a Preliminary Injunction in favor of Plaintiff, which will continue the terms of the Temporary Restraining Order attached hereto as Exhibit 1 which was entered against Defendants Sumona Islam and GSR on July 5, 2012, until otherwise modified pursuant to stipulation or Order of the Court or to the completion of the trial on the merits scheduled for March 25, 2013.

Page 1 of 2

LAXALT & NOMURA, LTD ATTORNEYS AT LAW 9600 GATEWAY DRIVE REND, NEVADA 49521

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1 Affirmation Pursuant to NRS 239B.030 2 The undersigned do hereby affirm that the preceding document does not contain the 3 social security number of any person. Dated this day of August, 2012. 4 5 &NOMURA COHEN/JOHNSON 6 STEVEN B. COHEN Nevada State Bar No. 5285 Nevada State Bar No. 2327 ANGELA M. BADER ESQ. STAN JOHNSON Nevada State Bar No. 5574 Nevada State Bar No. 265 9600 Gateway Drive 6293 Dean Martin Drive, Ste G 10 Reno, Nevada 89521 Las Vegas, NV 89118 Tel: (775) 322-1170 Attorneys for Defendant 11 Attorneys for Plaintiff Nav-Reno-GS, LLC dba Grand Sierra Resort 12 LAW OFFICE OF MARK WRAY 13 14 MARK WRAY 15 Nevada State Bar No. 4425 608 Lander Street 16 Reno, NV 89509 17 Attorneys for Defendant Sumona Islam 18 19 20 21 22 23 24 25 26 27 28 Laxalt & Nomura, Ltd. Attorneys at Law 9600 Gateway Drive Reno, Nevada 89521 Page 2 of 2

#### 1 Affirmation Pursuant to NRS 239B.030 2 The undersigned do hereby affirm that the preceding document does not contain the 3 social security number of any person. Dated this day of August, 2012. 4 LAXALT & NOMURA, LTD. COHEN/JOHNSON 5 6 7 ROBERT A. DOTSON Nevada State Bar No. 5285 Nevada State Bar No. 2327 ANGELA M. BADER, ESQ. STAN JOHNSON Nevada State Bar No. 5574 Nevada State Bar No. 265 9600 Gateway Drive 6293 Dean Martin Drive, Ste G 10 Reno, Nevada 89521 Las Vegas, NV 89118 Tel: (775) 322-1170 Attorneys for Defendant 11 Nav-Reno-GS, LLC dba Grand Slerra Resort Attorneys for Plaintiff 12 LAW OFFICE OF MARK WRAY 13 14 MARK WRAY 15 Nevada State Bar No. 4425 608 Lander Street 16 Reno, NV 89509 17 Attorneys for Defendant Sumona Islam 18 19 20 21 22 23 24 25 26 27 28

Laxalt & Nomura, Ltd. Aftoriæys at Law 9600 Gateway Drive Hema, Nevada 19521

#### INDEX OF EXHIBITS

EXHIBIT	DESCRIPTION	PAGES
	Order Granting Golden Road Motor Inn, Inc.'s Motion For Temporary	
1	Restraining Order Against Defendant Sumona Islam and Agreement Between Defendant Nav-Reno-GS, LLC dba Grand Sierra Resort and	5
	Golden Road Motor Inn, Inc.	

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Laxalt & Nomura, Ltd. Attorneys at Law 9600 Gatkway Drive Rino, Nevada 89521

Page 3 of 3

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# **EXHIBIT** "3"

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COHEN-JOHNSON, LLC H. STAN JOHNSON Nevada Bar No. 00265 sjohnson@cohenjohnson.com BRIAN A. MORRIS, ESQ. Nevada Bar No. 11217 bam@cohenjohnson.com 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 Facsimile: (702) 823-3400 Attorneys for Grand Sierra Resort

## IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

#### IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA.

Plaintiff.

SUMONA ISLAM, an individual: MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT; et.al.

VS.

Defendants.

Case No.: Dept. No.:

CV12-01171

**B7** 

FINDINGS OF FACT AND CONCLUSIONS OF LAW AND JUDGMENT

This matter came on for a non-jury trial on July 1, 2013 before the Honorable Patrick Flanagan, District Judge, presiding. The Court having heard the testimony of witnesses, reviewed the exhibits submitted into evidence and having heard the argument of Counsel finds in favor of the Defendant MEI-GSR HOLDINGS, LLC, d/b/a GRAND SIERRA RESORT on all causes of action alleged against it and awards Defendant MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT attorneys' fees pursuant to NRS 600A.060 and costs pursuant to NRS 18.110 and further makes the following findings of fact and conclusions of law

#### FINDINGS OF FACTS:

- 1. That in 2005 Sumona Islam became a casino host for Harrah's Casino in Reno.
- 2. That during the course of her employment with Harrah's she developed a list of players with information concerning those players commonly known as her "book of trade"
  - In April 2008 Sumona Islam left Harrah's and became employed by Plaintiff 3.

Page 1 of 7

Golden Road Motor Inn as a host at the Atlantis Casino.

- 4. At the time of her employment at Atlantis, Sumona provided a copy of her "book of trade" to Atlantis which was incorporated into the Atlantis data base. During her employment with Atlantis, she obtained additional players whom she included in her "book of trade".
- 5. In January 2011 Sumona Islam entered into a non-competition agreement with the Atlantis which provided that she could not be employed by any casino in any capacity within 150 mile radius for one year from her termination of employment with Atlantis.
- 6. In January 2012 she applied for a position as an executive casino host with GSR, a hotel casino in Reno owned by Defendant MEI-GSR HOLDINGS INC.
- 7. She informed GSR of her non-competition agreement with Atlantis and provided a copy of that document to GSR. GSR sent the document to its counsel for review and received an opinion that the agreement was unenforceable as written.
- 8. At the time of her hiring GSR through its agents told Sumona Islam not to bring any information from Atlantis, except for herself and her relations.
- 9. Although Ms. Islam was in possession of spiral notebooks in which she had copied information from the Atlantis' data base, she did not give or show those notebooks to anyone at GSR.
- 10. Upon her hiring in January 2012, Sumona entered certain information from her "book of trade" into the GSR database. This consisted of approximately 200 guests, that she wished to be assigned to her as a host based on her statement that she had prior relationships with these individuals.
- 11. The GSR database restricted the information which could be inputted by hosts to a player's name, address telephone number and contract information and has no fields in which Sumona could have inputted player ratings, casino credit history, or player history.
- A customer's name, address and contact information are not trade secrets.
   For purposes of this litigation it was determined that the following would constitute a trade secret
   a) player tracking records;
  - b) other hosts customers;

1.	c)	initial buy-ins;	
2	d)	level of play;	
3	e)	table games;	
4	f)	time of play;	
5	g)	customer's personal information such as a Social Security number	
6	h)	customer's casino credit;	
7	i)	customer's location, whether they're international, regional or local player beyond	
8	any information	on contained within the customer's address;	
9	j)	marketing strategy;	
10	k)	customer's birth date;	
11	l)	customer's tier ratings;	
12	m)	comp information;	
13	n)	player's history of play;	
14	0)	player's demographics;	
15	<b>p</b> )	players' financial information;	
16	q)	company's financial information;	
17	r)	company's marketing strategy;	
18	s)	other employee's information and customer information.	
19	13.	In April 2012 house counsel for Atlantis sent a letter to GSR stating that Sumona	
20	had taken pro	oprietary information from the Atlantis computers and changed other customer	
21	information in	the Atlantis database.	
22	14.	Counsel for GSR informed plaintiff that Ms. Islam denied taking any proprietary	
23	information fr	rom Atlantis and requested Atlantis to provide the information which it believed	
24	had been misappropriated by Ms. Islam. Plaintiff did not provide any information.		
25	15.	Atlantis filed suit against Ms. Islam and GSR alleging that GSR had tortuously	
26	interfered wit	h Atlantis' non-competition agreement, tortuously interfered with a prospective	
27	economic advantage belonging to Atlantis and violation of NRS 600A.010 commonly known as		
28	the Nevada T	rade Secret Act.	
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- 16. Plaintiff sought a preliminary injunction which enjoined GSR from using any information provided to it from Sumona Islam. GSR took reasonable steps to insure good faith and timely compliance with the injunction.
- 17. Atlantis knew that among the names it claimed were misappropriated were names which were legally and properly included in Ms. Islam's "book trade" but despite this knowledge brought and obtained an injunction preventing GSR from marketing to these individuals from August 27, 2012 through the trial of this matter in 2013.
- 18. Atlantis presented no credible evidence that GSR had a duty to investigate the names in Ms. Islam's "book of trade" beyond making inquiries of Ms. Islam. To the contrary there was credible testimony that casinos have a right to rely on the host's statements.
- 19. GSR provided a list of all the names and information concerning those individuals added to the GSR data base by Ms. Islam which showed that the information was limited to the individual player's name, address and contact information. None of which constitutes a trade secret under NRS 600A .10.
- 20. Atlantis presented no credible evidence that GSR had tortuously interfered with its non-competition agreement with Islam. Atlantis knew that GSR had hired Ms. Islam based on its attorneys legal opinion that the agreement was overly broad in denying Ms. Islam the right to work in any capacity in any casino. Atlantis further knew or should have known that the noncompetition agreement was overly broad and unenforceable and unenforceable as a matter of law but continued to prosecute the claim.
- 21. Atlantis presented no credible evidence that GSR misappropriated any information constituting a trade secret and in fact maintained the litigation and the injunction to include names of persons which it knew and admitted at trial were legally in Ms. Islam's book of business and that she was entitled to provide to GSR.
- 22. Atlantis continued and maintained the litigation against GSR for misappropriation of trade secrets even when it knew that GSR was acting in good faith by relying on Ms. Islam's assertions concerning her "book of trade" and knew that the customer information provided by Ms. Islam was limited to the customers' name, address, telephone number and contact

COHEN-JOHNSON, LLC 255 E. Warn Springs Road, Suite 100 Las Vegas, Newada 89119 (702) 823-3500 FAX: (702) 823-3400

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- 23. GSR did not misappropriate a trade secret belonging to Atlantis;
- 24. GSR did not tortuously interfere with a contract between Sumona Islam and Atlantis.
- 25. GSR did not interfere with a prospective economic advantage belonging to Atlantis.
- 26. There is a lack of any evidence in the record that supports the claim of Atlantis that GSR misappropriated Atlantis' trade secrets and therefore, Atlantis has failed to meet its burden of proof.
- 27. That early on in the litigation Defendant Islam admitted that she had taken certain information from ATLANTIS in the form certain spiral notebooks.
- 28. That early on in the litigation Defendant Islam testified that she had not shown the information in the form of the spiral notebooks to any representative of GRS.
- That early on in the litigation Defendant Islam testified and confirmed that she was told by the representatives of GSR not to bring anything with her except for herself and her relationships.
- 30. That early on in the litigation Defendant Islam testified and confirmed that she had told representatives of GSR that she did not bring trade secret information with her or that she had information belonging to ATLANTIS.

#### **CONCLUSIONS OF LAW:**

- The non-competition agreement between Sumona Islam and Atlantis, in prohibiting casino employment in any capacity was overly broad and unenforceable as a matter of law.
- 2. That absent an enforceable employment contract or non-competition agreement with Atlantis, GSR could not as a matter of law, interfere with contractual relations between Sumona and Atlantis.
  - 3. A customer's name address, and contact information is not a trade secret under

Page 5 of 7

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NRS 600A.010. GSR did not misappropriate any trade secrets which belonged to Atlantis by allowing Sumona Islam to upload this information into its data base.

- 4. GSR did not improperly obtain the information concerning players listed above as set forth in 600A.030 and had a good faith reliance on Ms. Islam's assurances that all the names provided were part of her personal "book of trade"
- 5. The failure of Atlantis to produce any credible evidence at trial that GSR misappropriated trade secrets belonging to Atlantis constitutes "objective speciousness". That subjective bad faith is shown by the Plaintiff's knowledge of certain facts as set forth in the findings of facts above; the decision to move forward against GSR and the extent of the litigation against GSR despite a lack of direct evidence against GSR. This is a sufficient basis for an award of attorney fees pursuant to NRS 600.060. Defendants are not required to prove a negative and under the objective specious standard a lack of evidence in the record of misappropriation; in addition to the actions as set forth above; is enough to show that the claim of misappropriation was made in bad faith (Sasco v. Rosendin Electric Inc., 143 Cal. Rptr. 3d 828, 207 Cal. App 4th 837 (CA 2012)) and entitles GSR to Attorney's fees and costs in this matter.
- 6. That Atlantis sought, obtained, and maintained a preliminary injunction in this matter that included names which Atlantis knew were not trade secrets under NRS 600A.010 and continued to maintain that injunction even when it knew that those names were art of Sumona Islam's personal book of trade in order to thwart competition for those players from GSR and said conduct is evidence of bad faith entitling GSR to an award of attorney's fees and costs.
- 7. That the claims against GSR are dismissed and judgment entered in favor of the Defendant GSR and GSR is entitled to an award of costs pursuant to NRS 18.110.
- GSR is also entitled to bring an appropriate motion for fees and costs pursuant to 8. an offer of judgment dated May 20, 2013 under NRCP 68 and NRS 17.115.

	1	CONCLUSION
	2	9. Judgment in favor of Defendant GSR against Plaintiff ATLANTIS.
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	4	DATED THIS <u>27</u> DAY OF CEPTEURER 2013
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	6	Barck Flancaian
	7	DISTRICT JUDGE
	8	Submitted by:
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	10	/s/ H. Stan Johnson H. Stan Johnson, Esq.
	11	Nevada Bar No. 00265 Terry Kinnally, Esq.
	12	H. Stan Johnson, Esq. Nevada Bar No. 00265 Terry Kinnally, Esq. Nevada Bar No. 06379 COHEN JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 Attorneys for MEI-GSR HOLDINGS LLC
.100 3400	13	255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119
ON, ad, Suit 89119 223 (22	14	Attorneys for MEI-GSR HOLDINGS LLC
COHEN-JOHNSON, LL 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400	15	
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#### FILED Electronically 11-21-2013:01:25:43 PM Joey Orduna Hastings 1 2490 Clerk of the Court ROBERT A. DOTSON, ESQ. **Transaction # 4151156** Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 4 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive Reno, Nevada 89521 (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8 9 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 10 IN AND FOR THE COUNTY OF WASHOE 11 GOLDEN ROAD MOTOR INN, INC., a Nevada | Case No.: CV12-01171 Corporation, d/b/a ATLANTIS CASINO 12 Dept No.: B7 RESORT SPA 13 Plaintiff, 14 VS. 15 SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC, a Nevada limited liability 16 company, d/b/a GRAND SIERRA RESORT; 17 ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through 18 X. inclusive. 19 Defendants. 20 PLAINTIFF'S MOTION FOR CLARIFICATION OF 21 ORDER REGARDING ATTORNEY'S FEES AND COSTS 22 Plaintiff GOLDEN ROAD MOTOR INN, INC. d/b/a ATLANTIS CASINO RESORT 23 SPA ("Plaintiff" and/or "ATLANTIS"), by and through its attorneys, Laxalt & Nomura, Ltd., 24 hereby moves the Court for clarification of its Order entered on November 8, 2013 awarding 25 costs to ATLANTIS as a prevailing party against Defendant SUMONA ISLAM ("ISLAM"). 26 27

axalt & Nomura, Ltd. ATTORNEYS AT LAW 2600 GATEWAY DRIVE RENO, NEVADA 89521

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Page 1 of 4

This Motion is made and based upon the pleadings and papers on file herein, the attached

Memorandum of Points and Authorities and any argument the Court should choose to hear.

#### MEMORANDUM POINTS AND AUTHORITIES

I.

#### INTRODUCTION

On August 5, 2013, ATLANTIS filed its Verified Memorandum of Costs. Therein it sought to tax to ISLAM any costs awarded to Defendant MEI-GSR HOLDINGS LLC, d/b/a GRAND SIERRA RESORT ("GSR"). On August 7, 2013, ISLAM moved to retax costs sought by ATLANTIS including any and all costs awarded to GSR as a prevailing party as against ATLANTIS. On August 19, 2013, ATLANTIS filed its Opposition to ISLAM's Motion to Retax Costs and on September 3, 2013, ISLAM filed her Reply in Support of the Motion to Retax Costs. Integral in this briefing was ATLANTIS' request to tax GSR's costs against it to Defendant ISLAM and ISLAM's Opposition thereto.

II.

#### ARGUMENT

A. Clarification Of The Court's Order Regarding Atlantis' Request To Tax The Costs
Of GSR To Islam Is Needed

ATLANTIS sought recovery of \$17,130.61 in costs pursuant to NRS 18.020 as well as the taxable costs of GSR which were unknown at the time of that filing. On November 8, 2013, the Court found that all but \$60 of the requested amount was attributed to ISLAM and ATLANTIS was awarded costs in the amount of \$17,070.61. However, the Court did not specifically address ATLANTIS' request to tax the costs of GSR in the amount of \$15,540.85 to ISLAM.

As the parties have briefed this issue in ATLANTIS' Memorandum of Costs, ISLAM's Motion to Retax, ATLANTIS' Opposition and ISLAM's Reply, ATLANTIS respectfully requests clarification of the Court's Order regarding this requested cost. Is it the intent of the

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Court to allow the full amount of the costs awarded to GSR to be awarded to ATLANTIS, some 1 2 portion of them or none of them? 3 III. 4 **CONCLUSION** 5 Based upon the foregoing, ATLANTIS respectfully requests that the Court clarify 6 whether the costs awarded to GSR in the amount of \$15,540.85 may be taxed against ISLAM by 7 the ATLANTIS. 8 **Affirmation Pursuant to NRS 239B.030** 9 The undersigned does hereby affirm that the preceding document does not contain the 10 social security number of any person. 11 Dated this Z(1) day of November, 2013. 12 AXADT & NOMURA, LTD. 13 14 15 ROBERT A. DOTSON Neyada State Bar No. 5285 16 ANGELA M. BADER Nevada State Bar No. 5574 17 9600 Gateway Drive Reno, Nevada 89521 18 (775) 322-1170 19 Attorneys for Plaintiff 20 21 22 23 24 25 26 27 28

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

#### CERTIFICATE OF SERVICE Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT & NOMURA, LTD., and that on this date, I caused to be served a true and correct copy of the foregoing by: 冈 (BY MAIL) on all parties in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At the Law Offices of Laxalt & Nomura, mail placed in that designated area is given the correct amount of postage and is deposited that same date in the ordinary course of business, in a United States mailbox in the City of Reno, County of Washoe, Nevada. $\boxtimes$ By electronic service by filing the foregoing with the Clerk of Court using the E-Flex system, which will electronically mail the filing to the following individuals. (BY PERSONAL DELIVERY) by causing a true copy thereof to be hand delivered this date to the address(es) at the address(es) set forth below, where indicated. (BY FACSIMILE) on the parties in said action by causing a true copy thereof to be telecopied to the number indicated after the address(es) noted below. Reno/Carson Messenger Service. 冈 By email to the email addresses below. addressed as follows: 16 Steven B. Cohen, Esq. Mark Wray, Esq. 17 Stan Johnson, Esq. Law Office of Mark Wray Terry Kinnally, Esq. 608 Lander Street 18 Cohen-Johnson, LLC Reno, NV 89509 19 255 E. Warm Springs Rd, Ste 100 Las Vegas, NV 89119 mwray@markwraylaw.com 20 scohen@cohenjohnson.com siohnson@coheniohnson.com 22 tkinnally@cohenjohnson.com 23 DATED this 2 day of November, 2013 24 25 26

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

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11-21-2013:03:35:08 PM 1 3880 MARK WRAY, #4425 **Transaction # 4152097** 2 LAW OFFICES OF MARK WRAY 3 608 Lander Street Reno, Nevada 89509 (775) 348-8877 5 (775) 348-8351 fax Attorneys for Defendant SUMONA ISLAM 6 7 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE 10 11 GOLDEN ROAD MOTOR INN, INC., 12 a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA. 13 14 Plaintiff, Case No. CV12-01171 15 VS. Dept. B7 16 SUMONA ISLAM, an individual; 17 MEI-GSR HOLDINGS, LLC, a Nevada 18 limited liability company, d/b/a GRAND SIERRA RESORT; ABC 19 CORPORATIONS; XYZ PARTNERSHIPS; 20 AND JOHN DOES I through X, inclusive. 21 22 Defendants. 23 24 ISLAM'S OPPOSITION TO ATLANTIS MOTION FOR STAY AND INJUNCTION ON APPEAL, AND ALTERNATIVELY, CROSS-MOTION FOR 25 STAY ON APPEAL UPON POSTING OF NOMINAL BOND 26 Defendant Sumona Islam opposes the motion for stay and injunction on appeal 27 filed by Plaintiff Golden Road Motor Inn, Inc., dba the Atlantis Casino Resort Spa, for 28

the reasons stated in the opposition filed yesterday by Defendant MEI-GSR Holdings,

 LLC dba Grand Sierra Resort, in which Islam joins, and in the alternative, for the reasons set forth below, Islam also moves the Court for an order staying the judgment against her pending appeal.

#### 1. Sauce for the Goose

Islam disagrees with the Atlantis motion as to both its portrayal of the trial evidence and its arguments. This Court heard the entirety of the evidence. The Court can see that the Atlantis cherry picks items of evidence on which to base its argument for a stay, which is very well briefed by the Grand Sierra's opposition to this motion for stay. The Atlantis has not shown good cause under NRCP 62(c) or (d) for a stay on appeal, and the Court should exercise its discretion to deny the motion, both as to the grounds for stay stated in the motion, and as to the \$5,000 bond that is proposed to be posted for the stay. State ex rel. Pub. Serv. Comm'n v. District Court, 94 Nev. 42, 574 P.2d 272 (1978); Nelson v. Heer, 121 Nev. 832, 122 P.3d 1252 (2005).

To the extent, for any reason, the Court finds the Atlantis motion to be persuasive, however, and to the extent the Court affords any relief to the Atlantis based on this motion, Islam moves for the same relief to be afforded to her, based on the notion that what's sauce for the goose is sauce for the gander.

The Atlantis argument is premised on the proposition that this Court's ruling in favor of the Grand Sierra and against the Atlantis is "internally irreconcilable" with the decision in favor of the Atlantis and against Islam. Arguing from that premise, the Atlantis concludes that that the Court's findings against the Atlantis and in favor of Grand Sierra must be wrong, because the findings in favor of the Atlantis and against Islam are right.

Assuming arguendo that the Court adopts the premise urged by the Atlantis — that the decisions in favor of the two casinos cannot be reconciled and one must give way to the other — Islam would maintain that the decision that must give way is the one in favor of the Atlantis. After all, the Court heard the evidence and made findings and issued conclusions in favor of the Grand Sierra that are said to "irreconcilable" with the decision

 in favor of the Atlantis. Based on the rationale that the two decisions cannot coexist, Islam would maintain that the decision in favor of the Grand Sierra is the correct one, and ipso facto, the decision for the Atlantis is erroneous. According to the reasoning of the Atlantis motion, Islam should have a built-in and powerful argument on appeal that the Atlantis decision is erroneous.

Accordingly, applying the maxim that what applies to one applies to both, if the Court stays enforcement against the Atlantis because of the "irreconcilable" decision in favor of the Atlantis, then the Court should stay enforcement against Islam because of the decision in favor of the Grand Sierra.

#### 2. Bond

The Atlantis likely will have a judgment against it for the Grand Sierra's fees and costs of around \$400,000, which is very similar to the amount awarded against Islam. If the Court accepts the argument in the Atlantis motion, the amount of the bond that the Atlantis should post on appeal is \$5,000. Again, what's sauce for the goose is sauce for the gander. The bond for the stay of the Atlantis judgment to be posted by Islam should be only \$5,000.

#### 3. Conclusion

Islam urges that the Atlantis motion should be denied for the reasons set forth in the opposition of the Grand Sierra, but if the Court affords relief to the Atlantis, then in that event, the same relief should be afforded to Islam, based on the same premise that the Atlantis uses in its motion. Islam therefore moves in the alternative that the motion be denied and for equal treatment and for a stay of enforcement of the Atlantis judgment on appeal, upon posting a truly nominal bond of not more than \$5,000.

Respectfully submitted,

DATED: Nov.21, 2013 LAW OFFICES OF MARK WRAY

MARK WRAY

Attorney for Defendant SUMONA ISLAM

#### **CERTIFICATE OF SERVICE**

The undersigned certifies that a true copy of the foregoing document was served on November 21, 2013 by the electronic case management electronic filing system on the following:

Robert A. Dotson Angela M. Bader Laxalt & Nomura, Ltd. 9600 Gateway Drive Reno, Nevada 89521

Robert Eisenberg Lemons Grundy & Eisenberg 6005 Plumas Street, 3<sup>rd</sup> Floor Reno, Nevada 89509

Stan Johnson Terry Kinally Cohen/Johnson 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119



#### **AFFIRMATION**

The undersigned certifies that this document does not contain the Social Security number of any person.

DATED: No-21, 2013

MARK WRAY

#### FILED Electronically 11-21-2013:03:33:24 PM Joey Orduna Hastings 1 3880 Clerk of the Court ROBERT A. DOTSON, ESQ. Transaction #4152082 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com 3 ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 4 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive 6 Reno, Nevada 89521 Tel: (775) 322-1170 7 (775) 322-1865 Fax: Attorneys for Plaintiff 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE 10 GOLDEN ROAD MOTOR INN, INC., a Nevada CV12-01171 Case No.: 11 Corporation, d/b/a ATLANTIS CASINO 12 RESORT SPA Dept No.: **B7** 13 Plaintiff, VS. 14 SUMONA ISLAM, an individual; MEI-GSR 15 HOLDINGS LLC, a Nevada limited liability 16 company, d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ 17 PARTNERSHIPS; AND JOHN DOES I through X, inclusive. 18 Defendants. 19 20 PLAINTIFF'S RESPONSE TO ISLAM'S MOTION FOR ORDER TO FILE ATTORNEYS FEES RECORDS OF ATLANTIS IN THE OFFICIAL COURT RECORD 21 22 Plaintiff, GOLDEN ROAD MOTOR INN, INC. d/b/a ATLANTIS CASINO RESORT SPA (hereinafter "Plaintiff" or "ATLANTIS"), by and through undersigned counsel, Laxalt & 23 Nomura, hereby responds to Defendant SUMONA ISLAM's ("ISLAM") Motion for Order to 24 File Attorneys Fees Records of Atlantis in the Official Court Record. This Response is made 25 and based upon the pleadings and papers on file herein, the attached Memorandum of Points and 26

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

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Page 1 of 5

Authorities and any argument the Court should elect to consider.

Dated this 211 day of November, 2013. 1 2 LAXALT & NOMURA, LTD. 3 4 5 Nevada State Bar No. 5285 ANGELA M. BADER 6 Nevada State Bar No. 5574 9600 Gateway Drive 7 Reno, Nevada 89521 (775) 322-1170 8 Attorneys for Plaintiff 9 MEMORANDUM OF POINTS AND AUTHORITIES 10 I. 11 INTRODUCTION 12 13 ISLAM's Motion is unclear whether she requests a Court Order to make the invoices 14 provided to the Court in camera part of the public record on appeal or whether she requests that 15 these records to be provided to the appeals Court for its in camera review as part of the record. 16 In any event, ATLANTIS responds that its unredacted invoices were provided in camera to the 17 Court pursuant to its request in order to maintain the attorney-client privilege and work product 18 doctrine. ATLANTIS vehemently opposes its in camera submission of Laxalt & Nomura's 19 invoices becoming public record. 20 21 II. 22 ARGUMENT 23 ATLANTIS Objects To The Laxalt & Nomura Invoices Submitted In Camera To 24 The Court From Becoming Public Record 25 As indicated by ISLAM's Motion, the Laxalt & Nomura invoices were provided to the 26 Court in camera pursuant to its request so as to not waive privilege. To now make those 27 invoices public record, over the objection of the ATLANTIS, would be a travesty of justice, an

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involuntary waiver of privilege and one that ISLAM's counsel should recognize is inherently improper.

#### B. If The Invoices Are To Become Public Record, ATLANTIS Must Have The Opportunity To Redact Them For Privilege Before Public Disclosure

Consistent with the preservation of privilege in discovery and other matters, if the Laxalt & Nomura invoices must be made public record, ATLANTIS must also be given the opportunity to redact them for attorney-client privilege. See NRS 49.385. This is the proper method in order to preserve privilege if the unredacted records submitted in camera to the Court cannot be maintained in camera on appeal. See NRS 49.395. Any other method would result in an involuntary waiver of the privilege. Moreover, any waiver of the privilege, in order to be effective, must be waived by the client, ATLANTIS, which it is not willing to do. See NRS 49.095 and 49.385.

#### III.

#### **CONCLUSION**

Based on the foregoing, Plaintiff respectfully requests that ISLAM's Motion be denied, that in the alternative, the Laxalt & Nomura invoices submitted in camera to the Court be made part of the official Court record where they will remain, in camera, or in the final alternative, if the invoices must be made public record, that ATLANTIS be allowed to redact the invoices for privilege before public disclosure.

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#### **Affirmation Pursuant to NRS 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this <u>20</u> day of November, 2013.

LAXALT & NOMURA, LTD.

ROBERT A. DOTSON

Nevada State Bar No. 5285 ANGELA M. BADER

Nevada State Bar No. 5574

9600 Gateway Drive

Reno, Nevada 89521

(775) 322-1170

Attorneys for Plaintiff

#### CERTIFICATE OF SERVICE Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT & NOMURA, LTD., and that on this date; I caused to be served a true and correct copy of the foregoing by: $\boxtimes$ (BY MAIL) on all parties in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At the Law Offices of Laxalt & Nomura, mail placed in that designated area is given the correct amount of postage and is deposited that same date in the ordinary course of business, in a United States mailbox in the City of Reno, County of Washoe, Nevada. 冈 By electronic service by filing the foregoing with the Clerk of Court using the E-Flex system, which will electronically mail the filing to the following individuals. (BY PERSONAL DELIVERY) by causing a true copy thereof to be hand delivered this date to the address(es) at the address(es) set forth below. (BY FACSIMILE) on the parties in said action by causing a true copy thereof to 12 be telecopied to the number indicated after the address(es) noted below. 13 Reno/Carson Messenger Service. 14 Ø By email to the email addresses below. 15 addressed as follows: 16 Steven B. Cohen, Esq. Mark Wray, Esq. Stan Johnson, Esq. Law Office of Mark Wray 17 Terry Kinnally, Esq. 608 Lander Street 18 Cohen-Johnson, LLC Reno, NV 89509 255 E. Warm Springs Rd, Ste 100 19 Las Vegas, NV 89119 mwray@markwraylaw.com 20 scohen@cohenjohnson.com sjohnson@cohenjohnson.com 21 tkinnally@coheniohnson.com

DATED this 21 day of November, 2013.

AXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

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3785 ROBERT A. DOTSON, ESQ. Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 abader@laxalt-nomura.com LAXALT & NOMURA, LTD. 9600 Gateway Drive Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8

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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

#### IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a
Nevada Corporation, d/b/a ATLANTIS
CASINO RESORT SPA

Plaintiff,
vs.

SUMONA ISLAM, an individual; MEI-GSR
HOLDINGS LLC, a Nevada limited liability
company, d/b/a GRAND SIERRA RESORT;
ABC CORPORATIONS; XYZ
PARTNERSHIPS; AND JOHN DOES I
through X, inclusive.

Defendants.

REPLY IN SUPPORT OF PLAINTIFF'S MOTION TO STAY ENFORCEMENT OF JUDGMENT AND FOR INJUNCTION PENDING APPEAL AND RESPONSE TO ISLAM'S CROSS-MOTION FOR STAY ON APPEAL

Plaintiff Golden Road Motor Inn, Inc. dba Atlantis Casino Resort Spa ("Plaintiff" or "ATLANTIS"), by and through undersigned counsel, Laxalt & Nomura, hereby files this Reply in support of its Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal and Response to Islam's Cross-Motion for Stay on Appeal. This Reply and Response are made and based on the papers and pleadings on file herein and the attached Memorandum of Points and Authorities.

Page 1 of 8

LAXALT & NOMURA. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 DATED this  $27^{th}$  day of November, 2013.

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LAXALT & NOMURA. ATTORNEYS AT LAW 9800 GATEWAY DRIVE RENO, NEVADA 89521 LAXALT & NOMURA, LTD.

OBERT A. DOTSON

Nevada State Bar No. 5285 ANGELA M. BADER

Nevada State Bar No. 5574

9600 Gateway Drive Reno, Nevada 89521

(775) 322-1170

Attorneys for Plaintiff

#### MEMORANDUM OF POINTS AND AUTHORITIES

I.

#### **INTRODUCTION**

In an offending display of rhetoric, both MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT ("GSR") and SUMONA ISLAM ("ISLAM") oppose Plaintiff's stay and injunction request. That is unless, of course, ISLAM can also benefit from a stay of the judgment against her. In any event, Plaintiff's request for a stay of the judgment and an injunction pending appeal is a timely and legally supported remedy pursuant to NRAP 8 and NRCP 62. ISLAM's counter request, on the other hand, is both factually and legally unsupported and at most an argumentative afterthought.

II.

#### REPLY IN SUPPORT OF MOTION TO STAY AND FOR INJUNCTION

A. Plaintiff's Request For A Stay Of The Judgment And An Injunction Pending Appeal Is A Remedy Available Under NRAP 8 And NRCP 62.

The remedy sought by Plaintiff pending appeal, a stay of the judgment and an injunction, is specifically allowed by court rules NRCP 62 and NRAP 8(a)(1). Plaintiff did not waive the right to seek this remedy by choosing not to seek reconsideration. The rules specifically provide

Page 2 of 8

that following an appeal, these remedies are available. See NRCP 62(c) & (d). The Notice of Appeal was filed on October 30, 2013. This motion was filed three business days later. Thus, GSR's vehemence that it is "untimely" or an "attack" on the court is misplaced. ATLANTIS and its counsel have high regard for the Court and, rather than intending some ploy, intend to follow the rules of civil and appellate procedure in making this request. \(^1\)

#### B. Atlantis' Motion Is Supported.

As succinctly stated in the Motion, and as evidenced by the record, ATLANTIS has appealed this Court's decision and has set forth and fully supported in its Motion the reasons why, in light of the issues on appeal, it is seeking a stay of the judgment and why an injunction is warranted. Clearly, and not surprisingly, GSR and ISLAM disagree, and although the appeal will be decided by the Nevada Supreme Court, this Court is empowered to grant the requested stay and injunction pending the same.<sup>2</sup> Indeed, per NRAP 8(a), stay applications pending appeal are to be adduced first to the District Court and this motion represents not just a request to the District Court, but also compliance with NRAP 8. Additionally, it should be noted that this motion does not seek a reconsideration or modification, rather it seeks only the relief specified, and in that regard, the exercise of discretion by the District Court to impose a stay and restore the injunction regarding use of ATLANTIS trade secret information that GSR previously stipulated to. Interestingly, the GSR Opposition is virtually an admission that it is using said information. Thus, the contents of the Opposition may best support the reasons why the requested relief is appropriately granted.<sup>3</sup> Despite the District Court's ruling finding that ISLAM misappropriated the ATLANTIS's trade secrets, GSR, in its Opposition, seems to be arguing that is should be allowed to use that information during the pendency of the appeal. Lastly, the requested relief

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<sup>&</sup>lt;sup>1</sup> See NRCP 62 and NRAP 8(a)(1) (which require that the relief first be sought in district court.)
<sup>2</sup> NRCP 62.

<sup>&</sup>lt;sup>3</sup> Specifically, GSR appears to argue that use of another's trade secret is not a violation of the UTSA. But see, NRS 600A.030 (2)(c).

includes a stay of the adverse judgment, including that the Non-Competition Agreement was invalid. As explained, ATLANTIS believes that this decision was in error and it seeks a stay pending appeal because, despite GSR's assurances, the District Court's decision may be cited as having determined the validity of the involved contracts. Moreover, the decision has important and immediate ramifications regarding the scope of such agreements. If new agreements were put in place, which contrary to GSR's assertion would be the first revision to those agreements, the scope would need to be adjusted and the protection afforded by the prior agreement -- prohibiting employment in any position with any local competitor -- would be lost. In other words, the object of this appeal will be defeated if the stay is denied.

#### C. Bond Requirement.

GSR notes that any bond posted by ATLANTIS should be based on the Court's final award in this matter. Presently, GSR's motion for attorney's fees is denied without prejudice because GSR has failed to properly support it. If the parties and this Court must wait on GSR to properly file a supported motion before this Motion is decided, it could be a lengthy process as indicated by the time it took GSR to file its Findings of Fact and Conclusions of Law and post trial motions. The bottom line is that this Motion is ripe now, GSR has failed to support its attorney fee motion and the Court denied it. GSR should not expect the judicial system to be delayed for it to properly do something it failed to do in the first instance. The bond should be determined based upon what the District Court believes is "proper for the security of the rights of the adverse party." Moreover, the Court should set the bond it thinks appropriate in light of the circumstances as they exist. As the circumstance currently exists, it would seem likely that a judgment of less than \$16,000 will be entered against PLAINTIFF.

<sup>4</sup> See NRCP 62.

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#### D. Conclusion.

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Based on the foregoing, Plaintiff respectfully requests that this Court grant the requested stay and injunction.

#### III.

#### RESPONSE TO ISLAM'S CROSS-MOTION FOR STAY ON APPEAL

#### Islam Has Failed To Support A Stay Motion Under NRAP 8 And NRCP 62. A.

ISLAM claims, ipso facto, that if ATLANTIS is entitled to a stay of the judgment and an injunction pending appeal, then she is also entitled to a stay of the judgment against her under the premise that if the decision against her and the decision in favor of GSR are internally irreconcilable, then there is a possibility that the decision against her could be reversed on appeal. ISLAM provides no further points or authorities in support of this argument and has simply failed to show: (1) that the object of her appeal will be defeated if the stay is denied, (2) irreparable or serious injury, (3) that she would likely prevail on the merits, or (4) that her appeal raises a substantial legal issue. See Fritz Hanson A/S v. Eighth Judicial District Court, 116 Nev. 650, 657, 6 P.3d 892 (2000).

If the Court is inclined to grant a stay of the judgment as to ISLAM, including the Permanent Injunction, it should restore the Preliminary Injunction as it existed immediately before the bench trial was completed.

#### Islam Should Be Required To Post A Bond For An Amount No Less Than The B. Amount Of The Judgment Against Her.

ISLAM seeks a bond in the amount of \$5,000, similar to ATLANTIS. However, the facts are not quite the same. ATLANTIS is a viable Nevada hotel and gaming corporation which, at present, has a judgment against it in the amount of \$15,540.85. Thus, a \$5,500 bond is approximately three times less than the current judgment. As to ISLAM, however, the damages awarded against her are \$43,874, plus costs of \$17,070.61 and fees of \$308,711.00 for a total of

\$369,655.61. Additionally, there is a pending Motion for Clarification to pass through GSR's awarded costs of \$15,540.85 to her which would make the judgment \$385,196.46. Finally, ATLANTIS also has a Permanent Injunction against ISLAM. Because the Court found that ISLAM earns only \$80,000 per year, any bond for a stay of the judgment against her on appeal, should be no less than \$385,196.46. The judgment is nearly four times her annual salary and there is a concern of ISLAM's ability to pay such a judgment in the future. After all "[t]he purpose of a security for a stay pending appeal is to protect the judgment creditor's ability to collect the judgment if it is affirmed by preserving the status quo and preventing prejudice to the creditor arising from the stay." Nelson v. Heer, 121 Nev. 832, 835, 122 P.3d 1252, 1254 (2005); McCulloch v. Jeakins, 99 Nev. 122, 123, 659 P.2d 302, 303 (1983).

#### C. Conclusion.

Based on the foregoing, Plaintiff respectfully requests that this Court deny ISLAM's Cross-Motion for Stay on Appeal as unsupported. However, if the Court does stay the judgment against ISLAM pending appeal, Plaintiff requests that ISLAM post a bond in an amount that the Court deems adequate for the security of the claim and, in any event, for an amount not less than \$369,655.61 and that an Injunction with the same terms as the Preliminary Injunction be deemed in place until the appeal is resolved.

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TTORNEYS AT LAW 1600 GATEWAY DRI RENO, NEVADA 895

#### **Affirmation Pursuant to NRS 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED this 27<sup>th</sup> day of November, 2013.

LAXALT & NOMURA, LTD.

ROBERT A. DOTSON

Nevada State Bar No. 5285

ANGELA M. BADER

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(775) 322-1170

Attorneys for Plaintiff

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LAXALT & NOMURA.
ATTORNEYS AT LAW
9800 GATEWAY DRIVE
RENO, NEVADA 88821

### **CERTIFICATE OF SERVICE**

1		CERTIF	ICATE OF SERVICE		
2	Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT &				
3	NOMURA, LTD., and that on this date; I caused to be served a true and correct copy of the				
4	foregoing by:				
5					
6		in a sealed envelope in a d	in said action, by placing a true copy thereof enclosed lesignated area for outgoing mail, addressed as set forth		
7		area is given the correct ar	s of Laxalt & Nomura, mail placed in that designated mount of postage and is deposited that same date in the		
8		County of Washoe, Nevac	ss, in a United States mailbox in the City of Reno, da.		
9 10		By electronic service by f Flex system, which will e	iling the foregoing with the Clerk of Court using the Electronically mail the filing to the following individuals.		
11		(BY PERSONAL DELIV delivered this date to the a	ERY) by causing a true copy thereof to be hand address(es) at the address(es) set forth below.		
12	l	(BY FACSIMILE) on the	parties in said action by causing a true copy thereof to		
13		be telecopied to the numb	er indicated after the address(es) noted below.		
14		Reno/Carson Messenger S	Service.		
15		By email to the email add	resses below.		
16	addressed as f	follows:			
17	Steven B. Co		Mark Wray, Esq.		
18	Stan Johnson		Law Office of Mark Wray		
Terry Kinnally, Esq. 608 Lander Street			Reno, NV 89509		
19	1	n Springs Rd, Ste 100	Rollo, IVV 65505		
20	Las Vegas, N		mwray@markwraylaw.com		
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Laxalt & Nomura. Attorneys at Law 9600 Gateway Drive Reno, Nevada 89521

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#### FILED

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1 1830 MARK WRAY, #4425 Transaction #4166676 2 LAW OFFICES OF MARK WRAY 3 608 Lander Street Reno, Nevada 89509 (775) 348-8877 5 (775) 348-8351 fax Attorneys for Defendant SUMONA ISLAM 6 7 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE 10 11 GOLDEN ROAD MOTOR INN, INC., 12 a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA. 13 14 Plaintiff. Case No. CV12-01171 15 VS. Dept. B7 16 SUMONA ISLAM, an individual; 17 MEI-GSR HOLDINGS, LLC, a Nevada 18 limited liability company, d/b/a GRAND SIERRA RESORT; ABC 19 CORPORATIONS; XYZ PARTNERSHIPS: 20 AND JOHN DOES I through X, inclusive, 21 22 Defendants. 23 24 REPLY IN SUPPORT OF DEFENDANT SUMONA ISLAM'S MOTION FOR ORDER TO FILE ATTORNEYS FEES RECORDS OF ATLANTIS IN THE 25 OFFICIAL COURT RECORD 26 The Atlantis opposition suggests that its billings records used by the Court in 27 this case should not be included in the official record and in fact, the Atlantis wants the 28

evidence altered or destroyed. Islam suspected that was the case; that's why Islam

brought this motion. The Atlantis "vehemently" objects and complains that is a "travesty of justice" for the evidence to be preserved, but the position of the Atlantis is unreasonable, a denial of Due Process, and prejudicial to Islam's rights on appeal.

## 1. The Record Requires that the Billings Records Be Preserved

On Aug. 22, 2013, the Atlantis filed a motion asking for an award of \$330,490.50 in attorneys fees. The motion contained no itemized billings. On Sept. 3<sup>rd</sup>, Islam properly objected that NRCP 54(d) and Supreme Court case law required the Atlantis to file and serve billings records. The Atlantis replied on Sept. 10<sup>th</sup> that it would submit the supporting records *in camera* if requested. The motion was submitted. The Court did not deny the motion, or issue any order relating to the failure to submit supporting records.<sup>1</sup>

As far as Islam knows, after the motion had been under submission for several weeks, on Oct. 1<sup>st</sup> the Atlantis served notice that it had submitted billing records to the court *in camera* and that the records were "not part of the file in this case." Islam immediately filed an objection, which the Court did not rule upon. Over a month later, the Court awarded fees to the Atlantis. Islam immediately appealed and filed the instant motion to preserve the billings records as part of the official record.

The position of the Atlantis that the billings are "not part of the file in this case" is specious. The billings were part of this action when the judge reviewed them for the purpose of making an award against Islam. Both the Atlantis and the Court were fully aware that Islam objected that the procedure violated Due Process. Disregarding the objections, the Atlantis submitted all its billings ex parte to the Court, apparently choosing to do so in unredacted form. These billings were then used to form the basis for the award of \$303,711. They need to be preserved for the record.

<sup>&</sup>lt;sup>1</sup> The Court issued an order stating the Grand Sierra billings were not reasonably particular and directing the Grand Sierra to provide proper documentation. See Order, Nov. 6, 2013. As far as Islam knows, no such order occurred in the case of the Atlantis, nor does the Court's order of Nov. 8, 2013 awarding the fees to the Atlantis mention how the Atlantis billings were allowed to be submitted in camera to the Court.

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## 2. The Atlantis Already Passed Over Its Opportunity to Show that Billings Records Were Allegedly Attorney-Client Privileged

The opposition argues that making the billings part of the record in the case would be an involuntary waiver of the attorney-client privilege, and the Atlantis must therefore be allowed to redact portions of them before they become "public."

The argument that the Atlantis had no opportunity to claim privilege is untrue. The Atlantis not only had the opportunity, the Atlantis took the opportunity, in its motion for fees, reply, and its response to Islam's objections, to claim a blanket claim of privilege as to all its billings.

Rather than lacking the opportunity to claim privilege, the Atlantis simply failed to establish that any privilege applies. Attorneys fees billings are *not* automatically subject to a blanket privilege. Blanket assertions of privilege as to attorneys billings are "extremely disfavored" and "[t]he privilege must ordinarily be raised as to each record sought to allow the court to rule with specificity." *Id.* The identity of the client, the case name for which the payment was made, the amount of the fee, and the general nature of the services performed are not privileged. *Id.* at 130.

Atlantis made no redactions, and offered no evidence or argument, as to why any of its billings are privileged. The burden is on the party asserting the privilege to support it. See, Clarke v. American Commerce National Bank, 974 F.2d 127, 129 (9<sup>th</sup> Cir. 1992). The burden was not met.

Likewise, the Court made no order, and issued no findings, about any attorneyclient privilege and as to why Islam should be barred from seeing the billings.

Due Process concerns would suggest that at a minimum, Islam, as the opposing party, should have been provided notice and an opportunity to be heard by being served with a copy of the billings lodged with the Court. See, e.g., MGIC Indemnity Corp. v. Weisman, 803 F.2d 500, 505 (9<sup>th</sup> Cir. 1986). The Atlantis instead merely asserted a blanket claim of privilege, which does not overcome Islam's Due Process rights.

#### 3. Conclusion

This motion was made on grounds that Due Process involves notice and an opportunity to be heard. *J.D. Constr., Inc. v. IBEX Int'l Group, LLC,* 240 P.3d 1033, 1040 (Nev. 2010) (in determining whether a procedure meets the due process requirements of notice and an opportunity to be heard, due process is flexible and calls for such procedural protections as the particular situation demands); *Mathews v. Eldridge,* 424 U.S. 319, 349, 96 S.Ct. 893, 47 L.Ed. 18 (1976) (due process is satisfied by giving both parties a meaningful opportunity to present their case). Refusing to provide any billing records to Islam to review as part of her defense of the motion for fees denied her notice and opportunity to be heard and was thus a denial of Due Process. *See, e.g., United States v. \$1,379,789.09 Seized of Bank of Am.,* 374 Fed.Appx. 709, 711 (8<sup>th</sup> Cir. 2010). This injustice should not be compounded by allowing the Atlantis to alter evidence after the fact with redactions of its billing records.

The Court should grant Islam's motion and direct the Clerk to file and maintain as official records of the Court the attorneys fees billings and other information of the Plaintiff Golden Road Motor Inn, Inc., dba Atlantis Casino Resort Spa, which are documents that apparently were submitted for *in camera* review before the Court issued its order on November 8, 2013 awarding attorneys fees of \$308,711 against Islam.

DATED: November 30, 2013

LAW OFFICES OF MARK WRAY

MARK WRAY

Attorney for Defendant SUMONA ISLAM

#### **CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b) the undersigned employee of the Law Offices of Mark Wray certifies that a true copy of the foregoing document was sealed in an envelope with prepaid postage affixed and deposited in the U.S. Mail in Reno, Nevada on

Nov. 30 2013 addressed to the following:

Robert A. Dotson Angela M. Bader Laxalt & Nomura, Ltd. 9600 Gateway Drive Reno, Nevada 89521

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Robert Eisenberg Lemons Grundy & Eisenberg 6005 Plumas Street, 3<sup>rd</sup> Floor Reno, Nevada 89509

Stan Johnson Cohen/Johnson 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119

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# **AFFIRMATION**

The undersigned certifies that this document does not contain the Social Security number of any person.

DATED: Nov. 30, 2813 MARK WRAY

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### FILED Electronically 12-04-2013:01:14:45 PM Joey Orduna Hastings 1 2645 Clerk of the Court MARK WRAY, #4425 Transaction #4174706 LAW OFFICES OF MARK WRAY 3 608 Lander Street Reno, Nevada 89509 (775) 348-8877 5 (775) 348-8351 fax Attorneys for Defendant SUMONA ISLAM 6 7 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE 10 11 GOLDEN ROAD MOTOR INN, INC., 12 a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA. 13 14 Plaintiff, Case No. CV12-01171 15 VS. Dept. B7 16 SUMONA ISLAM, an individual; 17 MEI-GSR HOLDINGS, LLC, a Nevada 18 limited liability company, d/b/a GRAND SIERRA RESORT; ABC 19 CORPORATIONS; XYZ PARTNERSHIPS; 20 AND JOHN DOES I through X. inclusive, 21 22 Defendants. 23 24 ISLAM'S OPPOSITION TO THE ATLANTIS MOTION FOR CLARIFICATION OF ORDER REGARDING ATTORNEYS FEES AND COSTS 25 26 The Atlantis has moved for leave of court to file for reconsideration under DCR 27 13(7) and WDCR 12(8) of the Court's November 8, 2013 order, but the Atlantis has 28 misleadingly styled this a motion for "clarification" of a perfectly clear order. 1

After both parties fully briefed the issues, the Court's order of November 8, 2013 is clear about what costs were awarded. The order does not need to be clarified.

While the Court has wide discretion, reconsideration generally is appropriate only when substantially different evidence is presented afterwards or the court's order was clearly erroneous. Masonry v. Tile Contractors Ass'n of S. Nev. v. Jolley, Urga & Wirth, Ltd., 113 Nev. 737, 741, 941 P.2d 486, 489 (1997); Moore v. City of Las Vegas, 92 N3v. 402, 405, 551 P.2d 244, 246 (1976) ("Only in very rare instances in which new issues of fact or law are raised supporting a ruling contrary to the ruling already reached should a motion for rehearing be granted."). Nothing new or different is offered by the Atlantis in its motion for reconsideration. The Atlantis simply is not happy that the Court did not make Islam liable for all litigation costs of the Grand Sierra.

Disliking a ruling is not grounds for reconsidering it. Proper grounds for leave have not been shown and the motion should be denied.

Respectfully submitted,

DATED: Dec. 4, 2013

LAW OFFICES OF MARK WRAY

By MARK WRAY

Attorney for Defendant SUMONA ISLAM

24

25262728

# **CERTIFICATE OF SERVICE**

The undersigned certifies that a true copy of the foregoing document was served on December 4, 2013 by the electronic case management electronic filing system on the following:

Robert A. Dotson Angela M. Bader Laxalt & Nomura, Ltd. 9600 Gateway Drive Reno, Nevada 89521

Stan Johnson Terry Kinally Cohen/Johnson 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119

Robert Eisenberg Lemons Grundy & Eisenberg 6005 Plumas Street, Third Floor Reno, Nevada 89509

M

# **AFFIRMATION**

The undersigned certifies that this document does not contain the Social Security number of any person.

DATED: Du. 4, 2013

MARK WRAY

1 2 3 4 5 6 7	3785 ROBERT A. DOTSON, ESQ. Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 abader@laxalt-nomura.com LAXALT & NOMURA, LTD. 9600 Gateway Drive Reno, Nevada 89521 Tel: (775) 322-1170 Fax: (775) 322-1865 Attorneys for Plaintiff	FILED Electronically 12-10-2013:09:43:12 AM Joey Orduna Hastings Clerk of the Court Transaction # 4186239		
9	IN THE SECOND JUDICIAL DISTRICT	COURT OF THE STATE OF NEVADA		
	IN AND EOD THE CO	IN AND FOR THE COUNTY OF WASHOE		
. 10	IN AND FOR THE CO	JUNIT OF WASHOE		
11	GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS	Case No.: CV12-01171		
12	CASINO RESORT SPA	Dept No.: B7		
13	Plaintiff,			
14	vs.			
15	SUMONA ISLAM, an individual; MEI-GSR			
16	HOLDINGS LLC, a Nevada limited liability			
	company, d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ			
17	PARTNERSHIPS; AND JOHN DOES I	·		
18	through X, inclusive.	*		
19	Defendants.			
20	DEBLA IN CLIBBODE OF D	LAINTIFF'S MOTION FOR		
21		DING ATTORNEY'S FEES AND COSTS		
22	Plaintiff GOLDEN ROAD MOTOR IN	N, INC. dba ATLANTIS CASINO RESORT		
23	SPA ("Plaintiff" or "ATLANTIS"), by and throu	igh undersigned counsel, Laxalt & Nomura,		
24	hereby files its Reply in support of its Motion Fo	or Clarification of the Court's Order entered on		
25	November 9 2012 amending and to ATI ANITI	C as a massailing newty assingt Defendant		
26	November 8, 2013 awarding costs to ATLANTI	s as a prevailing party against Defendant		
27	SUMONA ISLAM ("ISLAM"). This Reply is r	nade and based on the papers and pleadings on		
28				
Laxalt & Nomura. Attorneys at Law 9600 Gateway Drive Reno, Nevada 89521	Page	1 of 5		

file herein, the attached Memorandum of Points and Authorities and any argument the Court should choose to hear.

DATED this 10<sup>th</sup> day of December, 2013.

LAXALT & NOMURA, LTD.

ROBERP A. DOTSON
Nevada State Bar No. 5285
ANGELA M. BADER
Nevada State Bar No. 5574
9600 Gateway Drive
Reno, Nevada 89521
(775) 322-1170
Attorneys for Plaintiff

### MEMORANDUM OF POINTS AND AUTHORITIES

I.

### INTRODUCTION

ISLAM believes the Court's Order of November 8, 2013 is clear about what costs were awarded, and therefore what costs were denied to ATLANTIS, and that the Order does not need to be clarified. She further criticizes ATLANTIS for styling the Motion as one for clarification when it is actually seeking a reconsideration. And further, that ATLANTIS is not happy that the Court did not make ISLAM liable for all litigation costs of MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT ("GSR").

To the contrary, if the Order was clear that ATLANTIS was denied the ability to tax the costs of GSR to ISLAM, the Order would have so stated. Instead, it stated that all but \$60 of the requested dollar amount of \$17,130.61 in costs was granted. The parties did not know the amount of costs awarded to GSR until the Order of November 8, 2013. Furthermore, until GSR's Memorandum of Costs was submitted on September 30, 2013, well after ISLAM's Motion to Retax was submitted on September 10, 2013, the parties did not even know the

LAXALT & NOMURA. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 Page 2 of 5

amount of costs that GSR was seeking. This may be the reason that the Court did not address 1 this item set forth in the ATLANTIS' Memorandum of Costs. 2 3 II. 4 **ARGUMENT** 5 Clarification (Not Reconsideration) Of The Court's Order Regarding ATLANTIS' Requested Tax Of Costs Of GSR To Islam Is Requested 6 7 ATLANTIS did not err in seeking clarification as opposed to reconsideration of the 8 Court's Order. The Court's Order is clear that of the \$17,130.61 in itemized costs requested, all 9 but \$60 of that amount was awarded, for a total of \$17,070.61. However, the Court did not 10 address ATLANTIS' request to tax the unknown costs of GSR, later determined to be 11 \$15,540.85 and the Order is therefore unclear. Clarification is needed so that Plaintiff can amend 12 its Judgment against ISLAM to include the proper amount of costs awarded to it. 13 14 Ш. 15 **CONCLUSION** 16 Based on the foregoing, ATLANTIS respectfully requests that the Court clarify whether 17 the costs awarded to GSR in the amount of \$15,540.85 may be taxed against ISLAM by the 18 ATLANTIS. 19 20 /// 21 22 23 24 25 26 27 /// 28

Page 3 of 5

### Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED this 10<sup>th</sup> day of December, 2013.

LAXALT & NOMURA, LTD.

ROBERT A. DOTSON

Neyada/State Bar No. 5285 ANGELA M. BADER

Nevada State Bar No. 5574

9600 Gateway Drive Reno, Nevada 89521

(775) 322-1170

Attorneys for Plaintiff

Laxalt & Nomura. Attorneys at Law 9600 Gateway Drive Reno, Neyada 89821 

### **CERTIFICATE OF SERVICE**

1		SARRI	TICKTE OF SERVICE
2	Pursua	ant to NRCP 5(b), I hereby	certify that I am an employee of LAXALT &
3	1		I caused to be served a true and correct copy of the
4	foregoing by:		· · · · · · · · · · · · · · · · · · ·
5			
6		(BY MAIL) on all parties	in said action, by placing a true copy thereof enclosed
7		area is given the correct a ordinary course of busines	designated area for outgoing mail, addressed as set forthes of Laxalt & Nomura, mail placed in that designated mount of postage and is deposited that same date in the ss, in a United States mailbox in the City of Reno,
9		County of Washoe, Nevad	da.
10		By electronic service by f Flex system, which will e	filing the foregoing with the Clerk of Court using the lectronically mail the filing to the following individuals
11		(BY PERSONAL DELIV delivered this date to the a	ERY) by causing a true copy thereof to be hand address(es) at the address(es) set forth below.
12			parties in said action by causing a true copy thereof to
13		be telecopied to the numb	er indicated after the address(es) noted below.
14		Reno/Carson Messenger S	Service.
15	$\boxtimes$	By email to the email add	resses below.
16	addressed as f	follows:	
17 18 19 20	Steven B. Co Stan Johnson Terry Kinnal Cohen-Johns 255 E. Warm Las Vegas, N	n, Esq. lly, Esq. son, LLC n Springs Rd, Ste 100	Mark Wray, Esq. Law Office of Mark Wray 608 Lander Street Reno, NV 89509  mwray@markwraylaw.com
21	scohen@coh	enjohnson.com ohenjohnson.com	
22	tkinnally@co	ohenjohnson.com	
3	DATE	D this 10 day of Decem	nber, 2013
4			Man &
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26			L. MORGAN BOGUMIL U
7			

LAXALT & NOMURA. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

### FILED

Electronically 12-24-2013:03:23:09 PM Joey Orduna Hastings Clerk of the Court **Transaction # 4218757** 

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC. a Nevada corporation, dba ATLANTIS CASINO RESORT SPA,

#### Plaintiff.

VS.

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Case No.: CV12-01171

SUMONA ISLAM, an individual, NAV-RENO-GS, LLC, a Nevada limited liability company, dba GRAND SIERRA RESORT; ABC CORPORATIONS, XYZ

Dept. No.: 7

PARTNERSHIPS; and JOHN DOES I through X, inclusive,

Defendants.

### **ORDER**

On November 4, 2013, Plaintiff, GOLDEN ROAD MOTOR INN, INC., dba ATLANTIS CASINO RESORT SPA (hereafter Atlantis), filed its Motion to Stay Enforcement of Judgment and for Injunction Pending Appeal. On November 20, 2013 Defendant, Defendant, MEI-GSR HOLDINGS LLC dba GRAND SIERRA RESORT (hereafter Grand Sierra), filed its Opposition to Plaintiff's Motion to Stay Enforcement of Judgment and for Injunction Pending Appeal. On November 21, 2013, Defendant, SUMONA ISLAM (hereafter Islam), filed her Opposition to Atlantis Motion for Stay and Injunction on Appeal, and Alternatively, Cross-Motion

for Stay on Appeal Upon Posting of Nominal Bond. On November 27, 2013, Atlantis filed its Reply in Support of Motion for Stay Enforcement of Judgment and for Injunction Pending Appeal and Response to Islam's Cross-Motion for Stay on Appeal, and submitted the matter for decision.

Plaintiff seeks a stay of this court's judgment, arguing that its decision is erroneous and contrary to law. The arguments raised in this *Motion* are more appropriately addressed to the Nevada Supreme Court. If this court's findings of fact and conclusions of law are not supported by the evidence in the record or existing case law, undoubtedly the Nevada Supreme Court will so inform this court.

Plaintiff seeks to enforce an Injunction enjoining GSR from using Plaintiff's trade secrets. After the bench trial in this matter, this court found that GSR had not violated Nevada's Trade Secret Act. NRS 600A.030. Plaintiff contends this ruling is erroneous. This argument is more appropriately addressed to the Nevada Supreme Court. THEREFORE

Plaintiff's Motion to Stay Enforcement of Judgment and for Injunction Pending Appeal is DENIED.

DATED this 24day of December, 2013.

Patrick Flanagan
DISTRICT COURT JUDGE

### **CERTIFICATE OF SERVICE**

Robert Dotson, Esq. for Golden Road Motor Inn, Inc.,

Mark Wray, Esq. for Sumona Islam; and

H. Johnson, Esq. for GSR Enterprises

I deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

Sathin (Sino) Judicial Assistant

### FILED

Electronically 12-24-2013:03:24:25 PM Joey Orduna Hastings Clerk of the Court Transaction # 4218764

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada corporation, dba ATLANTIS CASINO RESORT SPA,

### Plaintiff,

VS.

Case No.: CV12-01171

SUMONA ISLAM, an individual, NAV-RENO-GS, LLC, a Nevada limited liability company, dba GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ

Dept. No.: 7

CORPORATIONS; XYZ
PARTNERSHIPS; and JOHN DOES I
through X, inclusive,

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Defendants.

### **ORDER**

On November 13, 2013, Defendant, SUMONA ISLAM (hereafter Islam), filed her Motion for Order to File Attorneys' Fees Records of Atlantis in the Official Court Record. On November 21, 2013, Plaintiff, GOLDEN ROAD MOTOR INN, INC., dba ATLANTIS CASINO RESORT SPA (hereafter Atlantis), filed its Response to Islam's Motion for Order to File Attorneys' Fees Records of Atlantis in the Official Court Record. On November 30, 2013, Islam filed her Reply and submitted the matter for decision.

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Because this court reviewed the un-redacted billing records of Plaintiff's counsel in determining the appropriate allocation of fees as against the two defendants, Defendant ISLAM seeks an Order from this court to file these records into the public record of this case. This action would necessarily invade the attorney-client privilege between Plaintiff and its counsel.

Nevertheless, this court will Order Plaintiff's counsel to provide Defendant ISLAM's counsel with a redacted version of its billing records with thirty (30) days of this Order. THEREFORE

Defendant ISLAM's Motion for Order to File Attorney's Fees Records of Atlantis in the Official Court Record is **DENIED**.

DATED this 24 day of December, 2013.

Patrick Flanagan
DISTRICT COURT JUDGE

## **CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I hereby certify that I am an employee of the Second Judicial District Court of the State of Nevada, County of Washoe; that on this day of December, 2013, I electronically filed the following with the Clerk of the Court by using the ECF system which will send a notice of electronic filing to the following:

Robert Dotson, Esq. for Golden Road Motor Inn, Inc.,

Mark Wray, Esq. for Sumona Islam; and

H. Johnson, Esq. for GSR Enterprises

I deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

Judicial Assistant

#### FILED Electronically 12-26-2013:01:55:19 PM Joey Orduna Hastings 2540 1 Clerk of the Court ROBERT A. DOTSON, ESQ. Transaction # 4220324 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive Reno, Nevada 89521 (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8 9 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 10 IN AND FOR THE COUNTY OF WASHOE 11 GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: CV12-01171 Corporation, d/b/a ATLANTIS CASINO 12 **RESORT SPA** Dept No.: B7 13 Plaintiff, 14 VS. 15 SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC, a Nevada limited liability 16 company, d/b/a GRAND SIERRA RESORT; 17 ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through 18 X, inclusive. 19 Defendants. 20 NOTICE OF ENTRY OF ORDERS 21 22 PLEASE TAKE NOTICE, that an Order denying Plaintiff's Motion to Stay Enforcement 23 of Judgment and For Injunction Pending Appeal, and an Order denying Islam's Motion For 24 Order to File Attorney's Fees Records of Atlantis in the Official Court Record, were entered on 25 December 24, 2013. Copies of said Orders are attached hereto as Exhibits 1 and 2, respectively. 26 27 28 /// LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 Page 1 of 4

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LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

### Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 26th day of December, 2013.

LAXALT & NOMURA, LTD.

ROBERT A. DOTSON Nevada State Bar No. 5285

ANGELA M. BADER

Nevada State Bar No. 5574

9600 Gateway Drive Reno, Nevada 89521

(775) 322-1170

Attorneys for Plaintiff

# CERTIFICATE OF SERVICE

1	ĺ	·		
2	Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT &			
3	NOMURA, LTD., and that on this date, I caused to be served a true and correct copy of the			
4	foregoing by:			
5	$\boxtimes$	(BY MAIL) on all parties	s in said action, by placing a true copy thereof enclosed designated area for outgoing mail, addressed as set forth	
6		below. At the Law Offic	es of Laxalt & Nomura, mail placed in that designated amount of postage and is deposited that same date in the	
7			ess, in a United States mailbox in the City of Reno,	
8		•	filing the foregoing with the Clerk of Court using the E-	
9		Flex system, which will e	electronically mail the filing to the following individuals.	
10		(BY PERSONAL DELIV	/ERY) by causing a true copy thereof to be hand address(es) at the address(es) set forth below, where	
11		indicated.	,	
12			e parties in said action by causing a true copy thereof to ber indicated after the address(es) noted below.	
14		Reno/Carson Messenger	Service.	
15		By email to the email add	iresses below.	
16	addressed as	follows:		
17	Steven B. Co Stan Johnson		Mark Wray, Esq. Law Office of Mark Wray	
18	Terry Kinna	lly, Esq.	608 Lander Street	
19		n Springs Rd, Ste 100	Reno, NV 89509	
20	Las Vegas, l	NV 89119	mwray@markwraylaw.com	
21		henjohnson.com cohenjohnson.com		
22		cohenjohnson.com	•	
23	DATI	ED this <u><b>2</b>φ</u> day of Dece		
24			L.Magar Borne	
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LAXALT & NOMURA, LTD.
ATTORNEYS AT LAW
9600 GATEWAY DRIVE
RENO, NEVADA 89521

# INDEX OF EXHIBITS

Ехнівіт	DESCRIPTION	PAGES
1	Order [denying Plaintiff's Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal]	4
2	Order [denying Islam's Motion For Order to File Attorney's Fees Records of Atlantis in the Official Court Record]	4

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

Page 4 of 4

# **EXHIBIT 1**

FILED
Electronically
12-26-2013:01:55:19 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 4220324

# **EXHIBIT 1**

### FILED

Electronically
12-24-2013:03:23:09 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 4218757

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27 28 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

Case No.: CV12-01171

Dept. No.: 7

GOLDEN ROAD MOTOR INN, INC., a Nevada corporation, dba ATLANTIS CASINO RESORT SPA.

#### Plaintiff,

VS.

SUMONA ISLAM, an individual, NAV-RENO-GS, LLC, a Nevada limited liability company, dba GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ

PARTNERSHIPS; and JOHN DOES I through X, inclusive,

Defendants.

### ORDER

On November 4, 2013, Plaintiff, GOLDEN ROAD MOTOR INN, INC., dba
ATLANTIS CASINO RESORT SPA (hereafter Atlantis), filed its Motion to Stay
Enforcement of Judgment and for Injunction Pending Appeal. On November 20,
2013 Defendant, Defendant, MEI-GSR HOLDINGS LLC dba GRAND SIERRA
RESORT (hereafter Grand Sierra), filed its Opposition to Plaintiff's Motion to Stay
Enforcement of Judgment and for Injunction Pending Appeal. On November 21,
2013, Defendant, SUMONA ISLAM (hereafter Islam), filed her Opposition to
Atlantis Motion for Stay and Injunction on Appeal, and Alternatively, Cross-Motion

 for Stay on Appeal Upon Posting of Nominal Bond. On November 27, 2013, Atlantis filed its Reply in Support of Motion for Stay Enforcement of Judgment and for Injunction Pending Appeal and Response to Islam's Cross-Motion for Stay on Appeal, and submitted the matter for decision.

Plaintiff seeks a stay of this court's judgment, arguing that its decision is erroneous and contrary to law. The arguments raised in this *Motion* are more appropriately addressed to the Nevada Supreme Court. If this court's findings of fact and conclusions of law are not supported by the evidence in the record or existing case law, undoubtedly the Nevada Supreme Court will so inform this court.

Plaintiff seeks to enforce an Injunction enjoining GSR from using Plaintiff's trade secrets. After the bench trial in this matter, this court found that GSR had not violated Nevada's Trade Secret Act. NRS 600A.030. Plaintiff contends this ruling is erroneous. This argument is more appropriately addressed to the Nevada Supreme Court. THEREFORE

Plaintiff's Motion to Stay Enforcement of Judgment and for Injunction Pending Appeal is DENIED.

DATED this 2/day of December, 2013.

Patrick Flanagan
DISTRICT COURT JUDGE

### **CERTIFICATE OF SERVICE**

Robert Dotson, Esq. for Golden Road Motor Inn, Inc.,

Mark Wray, Esq. for Sumona Islam; and

H. Johnson, Esq. for GSR Enterprises

I deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

Sathyn (Sinn)
Judicial Assistant

# **EXHIBIT 2**

FILED
Electronically
12-26-2013:01:55:19 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 4220324

**EXHIBIT 2** 

### FILED

Electronically 12-24-2013:03:24:25 PM Joey Orduna Hastings Clerk of the Court Transaction # 4218764

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC. a Nevada corporation, dba ATLANTIS CASINO RESORT SPA,

### Plaintiff,

vs.

Case No.: CV12-01171

Dept. No.: 7

SUMONA ISLAM, an individual, NAV-RENO-GS, LLC, a Nevada

limited liability company, dba GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ

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PARTNERSHIPS; and JOHN DOES I through X, inclusive,

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Defendants.

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III

#### ORDER

On November 13, 2013, Defendant, SUMONA ISLAM (hereafter Islam), filed her Motion for Order to File Attorneys' Fees Records of Atlantis in the Official Court Record. On November 21, 2013, Plaintiff, GOLDEN ROAD MOTOR INN, INC., dba ATLANTIS CASINO RESORT SPA (hereafter Atlantis), filed its Response to Islam's Motion for Order to File Attorneys' Fees Records of Atlantis in the Official Court Record. On November 30, 2013, Islam filed her Reply and submitted the matter for decision.

Because this court reviewed the un-redacted billing records of Plaintiff's counsel in determining the appropriate allocation of fees as against the two defendants, Defendant ISLAM seeks an Order from this court to file these records into the public record of this case. This action would necessarily invade the attorney-client privilege between Plaintiff and its counsel.

Nevertheless, this court will Order Plaintiff's counsel to provide Defendant ISLAM's counsel with a redacted version of its billing records with thirty (30) days of this Order. THEREFORE

Defendant ISLAM's Motion for Order to File Attorney's Fees Records of Atlantis in the Official Court Record is DENIED.

DATED this 24 day of December, 2013.

Patrick Flanagan
DISTRICT COURT JUDGE

### **CERTIFICATE OF SERVICE**

Robert Dotson, Esq. for Golden Road Motor Inn, Inc.,

Mark Wray, Esq. for Sumona Islam; and

H. Johnson, Esq. for GSR Enterprises

I deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

Judicial Assistant

### FILED

Electronically 01-03-2014:03:43:56 PM Joey Orduna Hastings Clerk of the Court Transaction # 4233678

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada corporation, dba ATLANTIS CASINO RESORT SPA,

#### Plaintiff,

vs.

Case No.: CV12-01171

Dept. No.: 7

SUMONA ISLAM, an individual, NAV-RENO-GS, LLC, a Nevada limited liability company, dba GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ PARTNERSHIPS: and JOHN DOES I

PARTNERSHIPS; and JOHN DOES I through X, inclusive,

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Defendants.

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### **ORDER**

On November 21, 2013, Plaintiff, GOLDEN ROAD MOTOR INN, INC., dba
ATLANTIS CASINO RESORT SPA (hereafter Atlantis), filed its Motion for
Clarification of Order Regarding Attorney's Fees and Costs. On December 4, 2013,
Defendant, SUMONA ISLAM (hereafter Islam), filed her Opposition to the Atlantis
Motion for Clarification of Order Regarding Attorney's Fees and Costs. On December
10, 2013, Atlantis filed its Reply and submitted the matter for decision.

 Plaintiff's Motion for Clarification is GRANTED. The costs of \$15,540.85 awarded to GSR against Atlantis may not be taxed to ISLAM.

DATED this <u>\$</u> day of January, 2014.

Patrick Flanagan
DISTRICT COURT JUDGE

### **CERTIFICATE OF SERVICE**

Ω

Pursuant to NRCP 5(b), I hereby certify that I am an employee of the Second Judicial District Court of the State of Nevada, County of Washoe; that on this \_\_\_\_\_\_ day of January, 2014, I electronically filed the following with the Clerk of the Court by using the ECF system which will send a notice of electronic filing to the following:

Robert Dotson, Esq. for Golden Road Motor Inn, Inc.,

Mark Wray, Esq. for Sumona Islam; and

H. Johnson, Esq. for GSR Enterprises

I deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

Judicial Assistant

FILED
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Joey Orduna Hastings
Clerk of the Court
Transaction # 4268074: mcholice

1 COHEN-JOHNSON, LLC H. STAN JOHNSON, ESO. 2 Nevada Bar No. 00265 sjohnson@cohenjohnson.com 3 TERRY KINNALLY, ESQ. Nevada Bar No. 6379 4 tkinnally@cohenjohnson.com 255 E. Warm Springs Road, Suite 100 5 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 6 Facsimile: (702) 823-3400 Attorneys for Plaintiff 7 IN THE SECOND JUDICIAL DISTRICTCOURT OF THE STATE OF NEVADA 8 IN AND FOR THE COUNTY OF WASHOE 9 GOLDEN ROAD MOTOR INN, INC., a Nevada 10 Corporation, d/b/a ATLANTIS CASINO RESORT SPA, Case No.: CV12-01171 11 Dept. No.: **B7** Plaintiff, 12 VS. COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 13 SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA 14 RESORT; et.al. 15 Defendants. 16 RENEWED MOTION FOR AWARD OF ATTORNEY'S FEES AND COSTS TO 17 DEFENDANTGSRPURSUANT TO NRS 600A.060, NRCP 68 AND NRS 17.115 18 COMES NOW Defendant GRAND SIERRA RESORT (GSR)by and through their 19 counsel of record, H. Stan Johnson, Esq..of the law firm of Cohen Johnson LLC, and files this 20 Renewed Motion for Attorney's Fees pursuant to NRS 600A.060, NRCP 68 and NRS 17.115 21 and in support of this motion state as follows: 22 111 23 111 24 111 25 111 26 111 27

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# COHEN-JOHNSON, I.LC 255 E. Warm Springs Road, Suite 100 Las Vegas, Newada 89119 (702) 823-3500 FAX: (702) 823-3400

This motion is based upon the Points and Authorities set forth below, Defendants Affidavit of Attorney's Fees, the attached exhibits as well as all other pleadings and papers on file herein any argument of counsel which may be permitted at a hearing on the matter.

Dated this 17th day of January, 2014.

COHEN-JOHNSON, LLC

/S/ H. STAN JOHNSON
H. STAN JOHNSON
Nevada Bar No. 00265
TERRY KINNALLY, ESQ.
Nevada Bar No. 06379
255 E. Warm Springs Road, Suite 100
Las Vegas, Nevada 89119
Telephone: (702) 823-3500
Facsimile: (702) 823-3400
Attorneys for Grand Sierra Resort

## POINTS AND AUTHORITIES

### I. <u>FACTS</u>

Plaintiff brought suit against the Defendant alleging various causes of action based on the hiring of Sumona Islam by the Grand Sierra Resort. Most significantly for Tortious Interference with an employment contract, Tortious Interference with a Prospective Economic Advantage, and Violation of the Nevada Trade Secret Act. On May 20, 2013 the GSR served Plaintiff with an Offer of Judgment in the amount of \$75,000.00 which was rejected (Exhibit 1). The matter proceeded to a bench trial before the Honorable Patrick Flanagan and a judgment was entered in favor of Grand Sierra Resort as to all claims. Further pursuant to NRS 600A.060 the Court awarded GSR its attorney's fees and costs.

On October 19, 2013, Grand Sierra filed its original Motion for Attorney Fees. On November 4, 2013, Atlantis filed its Opposition to GSR's Motion for Award of Attorney's Fees and Costs and Affidavit of Counsel in Support of Plaintiff's Opposition to GSR's Motion for Award of Attorney's Fees and Costs. On November 6, 2013 this court ordered GSR to resubmit its invoices with more definite statements sufficient for this court to conduct a proper review of

the attorney fee's and costs incurred by GSR. On November 11, 2013 this court entered its Order awarding Atlantis \$17,070.61 in costs and \$303,711.00 in attorney fees. The court awarded Grand Sierra \$15,540.85 in costs and denied Grand Sierra's Motion for Attorney Fees without prejudice. To comply with the court's order; more detailed invoices are being submitted directly to the court's chambers concurrently with this motion. II. LAW AND ARGUMENT A.

# GSR IS ENTITLED TO ITS FEES UNDER NEVADA LAW.

Defendant have a three-fold claim for damages in this matter under NRS 600A.060, NRCP 68, and NRS § 17.115, each of which provides a basis for an award of attorney's fees.

Defendant is entitled to fees under NRS 600A.060, which provides:

If:

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A claim of misappropriation is made in bad faith;

A motion to terminate an injunction is made or resisted in bad faith; or

Willful and malicious misappropriation exists, the court may award reasonable attorney's fees to the prevailing party.

The court found:

That the failure of Atlantis to produce any credible evidence at trial that GSR misappropriated trade secrets belonging to Atlantis constitutes bad faith that is shown by the Plaintiff's knowledge of certain facts as set forth in the findings of facts above; the decision to move forward against GSR and the extent of the litigation against GSR despite a lack of direct evidence against GSR. This is a sufficient basis for an award of attorney fees pursuant to NRS 600A.060. Defendants are not required to prove a negative and under the objective specious standard a lack of evidence in the records of misappropriation; in addition to the actions as set forth above is enough to show that the claim of misappropriation was made in bad faith. (Sasco v. Rosendin Electric Inc. 143 Cal. Rptr.3d 828, 207 Cal. App. 4th 837 (CA 2012) and entitles GSR to Attorney's fees and costs in this matter.

(Findings of Fact and Conclusions of Law and Judgment, paragraph 5 page 6 attached hereto as Exhibit 2)

Defendant is also entitled to attorney fees based on the Plaintiff's rejection of the Defendant's offer of judgment under NRCP 68 and NRS §17.155

N.R.S. §17.115 provides in pertinent part:

...3. If the offer of judgment is not accepted pursuant to subsection 2 within 10 days after the date of service, the offer shall be deemed rejected by the party to whom it was made and withdrawn by the party who made it. The rejection of an

offer does not preclude any party from making another offer pursuant to this 1 section. Evidence of a rejected offer is not admissible in any proceeding other than a proceeding to determine costs and fees. 2 4. Except as otherwise provided in this section, if a party who rejects an offer of 3 judgment fails to obtain a more favorable judgment, the court: 4 (a) May not award to the party any costs or attorney's fees; 5 (b) May not award to the party any interest on the judgment for the period from the date of service of the offer to the date of entry of the judgment; 6 (c) Shall order the party to pay the taxable costs incurred by the party who made 7 the offer; and 8 (d) May order the party to pay to the party who made the offer any or all of the 9 following: 10 (1) A reasonable sum to cover any costs incurred by the party who made the offer for each expert witness whose services were reasonably necessary to 11 prepare for and conduct the trial of the case. 12 (2) Any applicable interest on the judgment for the period from the date of service of the offer to the date of entry of the judgment. 13 (3) Reasonable attorney's fees incurred by the party who made the offer for the 14 period from the date of service of the offer to the date of entry of the judgment... (emphasis added) 15 16 The Offer was also served pursuant to NRCP 68 which provides: 17 ...(f) Penalties for Rejection of Offer. If the offeree rejects an offer and fails to 18 obtain a more favorable judgment, 19 (1) the offeree cannot recover any costs or attorney's fees and shall not recover interest for the period after the service of the offer and before the 20 judgment; and (2) the offeree shall pay the offeror's post-offer costs, applicable interest 21 on the judgment from the time of the offer to the time of entry of the judgment and reasonable attorney's fees, if any be allowed, actually incurred by the 22 offeror from the time of the offer. If the offeror's attorney is collecting a contingent fee, the amount of any attorney's fees awarded to the party for whom 23 the offer is made must be deducted from that contingent fee. 24 The facts of the case show that the Defendants met the requirements of both the statute 25 and the rule. The Offer of Judgment (Exhibit 1) was served to the Plaintiffs on May 20, 2013 26 .The Plaintiffs did not accept the Offer which expired after ten days and failed to obtain a more 27

favorable judgment at trial, and following the trial the Court found that Plaintiff's conduct

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 constituted bad faith under NRS 600A.060.

# B. THE COURT SHOULD AWARD THE DEFENDANT THEATTORNEY'S FEES INCURRED IN DEFENDING THIS ACTION

Defendants are also entitled to recover attorney's fees for the cost of defending this action through trial. Since the factors governing the awards vary they will be addressed separately.

# 1. Fees under NRS 600A.060

In determining whether or not fees are appropriate under NRS 600A.060 the Court must consider the factors set forth in *Brunzell v. Golden Gate National Bank* 85 Nev. 345, 455 P.2d 31 (1969). These are:

(1) the qualities of the advocate, his training, education, experience, professional standing and skill; (2) the character of the work to be done: its intricacy, its importance, time and skill required, the responsibility imposed and the prominence and character of the parties where they affect the importance of the litigation; (3) the work actually performed by the lawyer: the skill time and attention given to the work: (4) the result: whether the attorneys was successful and what benefits were derived.

In regards to the first factor, Mr. Johnson has filed an affidavit in support of this motion which sets forth his qualifications and the work actually performed by the attorneys. Also provided is a copy of the Cohen Johnson LLC firm resume attached as Exhibit 3 to the affidavit of Mr. Johnson.

As to the character of the work to be done that is self-evident from the nature of the case. This was an action between two major gaming corporations and the results were bound to have far reaching effects on the entire gaming industry. Among these was the question of the scope of a permissible non-competition agreement. In an industry where employees often change employers this was highly important far beyond the immediate conflict. Even more critical as to the entire gaming industry was the issue concerning what constitutes a "trade secret" for purposes of a casino host transferring a book of business from one casino to another. The confirmation that a host owns his or her personal book of business will have wide and long lasting effects on the gaming industry. Equally important was the determination of what specific information was a no portable trade secret, as opposed to that information which the host was

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free to take upon a change in employment. Another significant issue in this case was the determination of what obligation or duty a casino hiring a host has to insure that the book of trade proffered by the host is in fact the personal property of the host and the information contained therein does not constitute a misappropriation of a trade secret. All of these issues were raised at trial, and the importance of their resolution in favor of GSR cannot be understated. Also important was the determination that the bringing of an action alleging a misappropriation of a trade secret, unsupported by credible evidence constitutes bad faith, will served a warning that such claims should not be lightly brought.

The work performed is set forth not only in Mr. Johnson's affidavit, but was evident from the trial. Defendant conducted extensive discovery, obtained expert testimony, had to provide the best defense for GSR while acknowledging the potential conflict with co-defendant Sumona Islam. The attorneys for GSR were able to not only able to provide such a defense but also demonstrated a professional skill and knowledge concerning not only the law of trade secrets but employment law, contract interpretation, and the esoteric field of actual versus theoretical damages within the gaming industry. It should also be noted, that even though Counsel believed that GSR would prevail at trial, Counsel took the reasonable and professional position of evaluating the costs of litigation, and determining that an offer of settlement would be in GSR's best financial interests and obtained GSR's consent to an Offer of Judgment which was served prior to the intensive preparation necessary for trial.

As to the final factor, the results speak for themselves. Atlantis sought damages ranging from several hundred thousand dollars to an excess of four million dollars. These claims were successfully refuted at trial and not only provided GSR with the obvious benefit of having liability decided in its favor but in affirming its basic approach to the hiring of casino hosts. GSR 's policy of having any non-competition agreements reviewed by independent counsel and relying upon that review was found to have been appropriate, as was its policy of informing hosts that it did not want a host to bring any information improperly obtained from an employer with them. The practice of asking hosts to limit the information provided to contract information was also found to be in accordance with Nevada law.

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#### Attorney's fees pursuant to the Offer of Judgment 2.

Even though the Defendant is entitled to fees under NRS 600A.060 from the institution of the litigation, the entitlement under the Offer of Judgment dated May 20, 2013, must also be considered.

There are also factors which must be considered by the Court in determining whether or not fees are reasonable under an Offer of Judgment. Thesefactors are set forth in Beattie v. Thomas, 99 Nev. 579, 668 P.2d 268 (Nev. 1983) as:

- (1) whether the plaintiff's claim was brought in good faith; (2) whether the defendants' offer of judgment was reasonable and in good faith in both its timing and amount; (3) whether the plaintiff's decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4) whether the fees sought by the offeror are reasonable and justified in amount.id at p.274
- While the initial filing of the lawsuit may have been in good faith, the Court 1. determined that the continuance of the litigation when there was no credible evidence in support of the claims constituted bad faith. Plaintiff should have been aware of this lack of supporting evidence at the time of the filing of the Offer of Judgment.
- 2. Plaintiff's offer of judgment was reasonable and in good faith in both its timing and amount. The offer was made in May 2013, following the close of discovery and two months prior to trial, before Defendants counsel would enter into a phase of concentrated trial Plaintiff had received and reviewed the report of the Defendant's expert which set preparation. damages at an amount of less than \$20,000.00.
- Plaintiff's rejection of the \$75,000.00 Offer was grossly unreasonable and or in 3. bad faith. At the time the Plaintiff rejected the Offer of Judgment knew that it had no credible evidence supporting the claims that GSR has misappropriated trade secrets and had reviewed the report of Jeremy Aguero showing that any potential damages against GSR were less than \$20,000.00 and therefore a rejection was not reasonable under the circumstances.
- The attorneys sought are reasonable in amount and justified. The trial counsel in this matter, H. Stan Johnson, Esq. and Steven B. Cohen, Esq. are both seasoned and experienced trial attorneys, each of whom has been in practice for more than 25 years. In addition, Terry

Kinnally who also worked on the case has practed for more than 25 years and has extensive trial experience. Moreover, the heaviest concentration of billing was incurred in the actual preparation for and attendance at trial. Had Plaintiff accepted the Offer of Judgment in May the billings would have been far less. The results of the litigation demonstrate that the time spent was necessaryand the participation of Mr. Johnson, Mr. Cohen and Ms. Kinnally's was justified. Defendant's counsel had an obligation to expend all the time necessary to prepare GSR's defense and to prevail at trial. Plaintiff now appears to be admitting that its claims were so frivolous in nature that it was unnecessary for the Defendant to prepare at all, and should have been able to prevail without effort. Plaintiffs were seeking a multi-million dollar award of damages and a permanent injunction against GSR as well as punitive damages. The documents produced at trial and in discovery consisted of thousands of pages of e-mails and other documents and embraced elements of both tort and contract law, as well as the law of trade secrets. To now claim that this was not a major litigation, requiring minimum preparation is ludicrous.

Lastly the fact that the Plaintiff's maintenance of the litigation was in bad faith is fatal to its claims that the fees are unreasonable. It was unreasonable for Defendant toincur such substantial fees to defend itself against the claims brought against it. Plaintiff choses to bring the suit, maintain it despite the lack of supporting evidence, and reject the offer of judgment and proceed to trial where it lost. Having lost Plaintiff now seeks to avoid the consequences of its bad faith by minimizing the attorney's fees it has to pay by claiming that the fees were not necessary, and Defendant should have been able to win the case more cheaply. This argument should not sway the Court. Defendant should be granted the full amount of attorney's fees sought.

## 3. Sumona Islam Should Not be Held Liable for GSR's Attorney's Fees

Plaintiff also has claimed that Sumona Islam should be held liable for GSR's attorneys fees. This is not so. Ms. Islam and GSR retained separate counsel and the issues against them were not the same. Plaintiff claimed that GSR induced Ms. Islam to violate her non-confidentiality agreement and also claimed that GSR misappropriated trade secret information. Plaintiff also claimed that GSR had an independent duty to investigate and determine that the

# COHEN-JOHNSON, LLC 253 E. Warn Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

22.

information contained in Ms. Islam's book of trade did not include improperly obtained information. The claims against GSR were not based on vicarious liability founded on Ms. Islam's conduct but on separate and distinct independent claims against GSR. The causes of action were different, as were the elements of proof required. This is amply demonstrated by the fact that the Plaintiff prevailed on claims against Ms. Islam, but failed to prevail upon a single claim against GSR.

Even were this Court to determine that Ms. Islam should be held ultimately liable for GSR's fees, the appropriate remedy would be to award the fees and allow GSR to collect them from Atlantis directly, and then grant Atlantis an additional judgment against Ms. Islam for those fees. Atlantis should not be permitted to avoid it's liability which is predicated on its own bad faith, by passing those costs onto Ms. Islam directly. There have been no findings of liability against Ms. Islam in favor of GSR. Any award of fees against Atlantis must be satisfied by Atlantis, and only upon proof of payment of those fees in full, should it be permitted to seek further relief from Ms. Islam.

#### III. CONCLUSION

For all the reasons cited above the Court should award the Defendant its full attorney's fees against Atlantis and enter a judgment against Atlantis for the same. Therefore Defendants ask that this Court to enter an Order:

- 1. Confirming the findings that Plaintiff maintained this action in bad faith and that Defendant GSR is entitled to its attorney's fees in the amount of \$391,932.80.
- 2. Finding that the Defendant's Offer of Judgment was properly served on Plaintiff on May 20, 2013, more than ten days prior to the trial;
- 3. Finding that the Defendant has demonstrated its entitlement to fees under Nevada law based on a consideration of both the *Brunzell* and *Beattie* factors.
  - Finding that the attorney's fees sought are reasonable and justified;
  - 5. Awarding Defendants attorney's fees in the amount of \$391,932.80.
  - 6. Confirming the award of costs in the amount of \$15,540.85.
  - 7. Granting Defendant GSR a judgment against Atlantis in the amount of

\$406,789.59; consisting of \$391,932.80 in attorney fees and \$15,540.84 in costs.

Granting Defendant GSR post judgment interest in the statutory amount.
 Dated this 17<sup>th</sup> day of January, 2014.

#### COHEN-JOHNSON, LLC

/S/ H. STAN JOHNSON
H. STAN JOHNSON
Nevada Bar No. 00265
255 E. Warm Springs Road, Suite 100
Las Vegas, Nevada 89119
Telephone: (702) 823-3500
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Attorneys for Grand Sierra Resort

## COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

#### Affirmation Pursuant to NRSB.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 17th day of January, 2014.

#### COHEN-JOHNSON, LLC

/S/ H. STAN JOHNSON
H. STAN JOHNSON
Nevada Bar No. 00265
TERRY KINNALLY, ESQ.
Nevada Bar No. 06379
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Telephone: (702) 823-3500
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Attorneys for Grand Sierra Resort

#### INDEX OF EXHIBITS

Ехнівіт	DESCRIPTION OF DOCUMENTS PROVIDED IN SUPPORT OF ATTORNEYS FEES:	PAGES
1	May 20, 2013 Offer of Judgment	2,3,4,6,7,9
2	Findings of Fact Conclusions of Law and Judgment	3

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 

#### **CERTIFICATE OF MAILING**

I hereby certify that on the 17th day of January, 2014, I served a copy of the foregoing MOTION FOR AWARD OF ATTORNEY'S FEES AND COSTS TO DEFENDANTGSR PURSUANT TO NRS 600A.060, NRCP 68 AND NRS 17.115 upon each of the parties by depositing a copy of the same in a sealed envelope in the United States Mail, Las Vegas, Nevada, First-Class Postage fully prepaid, and addressed to:

Robert A. Dotson, Esq.
rdotson@lovelt.n.
rdotson@laxalt-nomura.com
Angela M. Bader, Esq.
Laxalt& Nomura, Ltd.
9600 Gateway Drive
Reno, Nevada 89521
Attorney for Plaintiff

Mark Wray, Esq. Law Office of Mark Wray 608 Lander Street Reno, Nevada 89509 Facsimile (775) 348-8351 Attorney for Sumona Islam

and that there is a regular communication by mail between the place of mailing and the places so addressed.

of Cohen-Johnson, LLC

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 FILED
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2014-01-21 16:17:13
Joey Orduna Hastings
Clerk of the Court
Transaction # 4268074: mcholico

# Exhibit "1"

# Exhibit "1"

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VS.

1 COHEN-JOHNSON, LLC H. STAN JOHNSON 2 Nevada Bar No. 00265 sjohnson@cohenjohnson.com 3 BRIAN A. MORRIS, ESQ. Nevada Bar No. 11217 4 bam@cohenjohnson.com 255 E. Warm Springs Road, Suite 100 5 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 6 Facsimile: (702) 823-3400 Attorneys for Grand Sierra Resort 7

## IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA,

Plaintiff,

SUMONA ISLAM, an individual; NAV-RENO GS, LLC a Nevada limited liability Company d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ PARTNERSHIPS; and JOHN DOES I through X, inclusive,

Defendants.

Case No.: CV12-01171 Dept. No.:

AMENDED OFFER OF JUDGMENT

Defendant NAV-RENO GS, LLC a Nevada Limited Liability Company, d/b/a GRAND SIERRA RESORT by and through its counsel of H. Stan Johnson, Esq of the law firm of Cohen Johnson LLC; pursuant to the provisions set forth in N.R.C.P. 68 and N.R.S. 17.115, hereby offers to allow judgment to be entered in favor of Plaintiff Golden Road Motor Inn Inc, a Nevada Corporation, d/b/a/ Atlantis Casino Resort Spa and against Defendant Grand Sierra Resort in this action in the sum of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00). This sum shall be the total amount Defendant shall be obligated to pay on account of any liability herein, including costs and attorney's fees otherwise recoverable in this action.

This Offer of Judgment is made in good faith and solely for the purposes specified in

Page 1 of 3

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

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Rule 68 of the Nevada Rules of Civil Procedure and NRS 17.115, and is not to be construed as an admission of any kind. This offer is inclusive of all claims asserted by Plaintiff against Defendant arising out of and/or relating to the subject matter of this action, including damages, penalties, interest, attorneys' fees, costs and any and all related expenses.

If this offer is not accepted in writing within ten (10) days after it is served, it shall be deemed withdrawn.

Dated this 20 day of May, 2013.

COHEN-JOHNSON, LLC.

H. Stan Johnson, Esq. Nevada Bar No. 00265 Terry/Kinnally, Esq.. Nevada Bar No. 06379 Brian A. Morris, Esq. Nevada Bar No. 11217

255 E. Warm Springs Road, Suite 100

Las Vegas, Nevada 89119

Attorneys for Grand Sierra Resorts

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

**CERTIFICATE OF MAILING** 

I hereby certify that on the <u>20</u><sup>1</sup> day of May, 2013, I served a copy of the foregoing AMENDED OFFER OF JUDGMENT upon each of the parties via email and by depositing a copy of the same in a sealed envelope in the United States Mail, Las Vegas, Nevada, First-Class Postage fully prepaid, and addressed to:

Robert A. Dotson, Esq. rdotson@laxalt-nomura.com Angela M. Bader, Esq. Laxalt & Nomura, Ltd. 9600 Gateway Drive Reno, Nevada 89521 Attorney for Plaintiff

and that there is a regular communication by mail between the place of mailing and the places so addressed.

An employee of Collen-10

Page 3 of 3

FILED
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Joey Orduna Hastings
Clerk of the Court
Transaction # 4268074 : mcholico

# Exhibit "2"

Exhibit "2"

#### FILED

COHEN-JOHNSON, LLC H. STAN JOHNSON Nevada Bar No. 00265 sjohnson@cohenjohnson.com BRIAN A. MORRIS, ESQ. Nevada Bar No. 11217 bam@cohenjohnson.com 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 Facsimile: (702) 823-3400 Attorneys for Grand Sierra Resort

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## IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS CASINO RESORT SPA,

Case No.: Dept. No.: CV12-01171

VS.

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SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT; et.al.

FINDINGS OF FACT AND CONCLUSIONS OF LAW AND JUDGMENT

Defendants.

Plaintiff,

This matter came on for a non-jury trial on July 1, 2013 before the Honorable Patrick Flanagan, District Judge, presiding. The Court having heard the testimony of witnesses, reviewed the exhibits submitted into evidence and having heard the argument of Counsel finds in favor of the Defendant MEI-GSR HOLDINGS, LLC, d/b/a GRAND SIERRA RESORT on all causes of action alleged against it and awards Defendant MBI-GSR HOLDINGS LLC d/b/a GRAND SIERRA RESORT attorneys' fees pursuant to NRS 600A.060 and costs pursuant to NRS 18.110 and further makes the following findings of fact and conclusions of law

#### FINDINGS OF FACTS:

- 1. That in 2005 Sumona Islam became a casino host for Harrah's Casino in Reno.
- 2. That during the course of her employment with Harrah's she developed a list of players with information concerning those players commonly known as her "book of trade"
  - 3. In April 2008 Sumona Islam left Harrah's and became employed by Plaintiff

Page 1 of 7

COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Snite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

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Golden Road Motor Inn as a host at the Atlantis Casino.

- 4. At the time of her employment at Atlantis, Sumona provided a copy of her "book of trade" to Atlantis which was incorporated into the Atlantis data base. During her employment with Atlantis, she obtained additional players whom she included in her "book of trade".
- In January 2011 Sumona Islam entered into a non-competition agreement with the Atlantis which provided that she could not be employed by any casino in any capacity within 150 mile radius for one year from her termination of employment with Atlantis.
- In January 2012 she applied for a position as an executive casino host with GSR, 6. a hotel casino in Reno owned by Defendant MEI-GSR HOLDINGS INC.
- She informed GSR of her non-competition agreement with Atlantis and provided a copy of that document to GSR. GSR sent the document to its counsel for review and received an opinion that the agreement was unenforceable as written.
- At the time of her hiring GSR through its agents told Sumona Islam not to bring 8. any information from Atlantis, except for herself and her relations.
- 9. Although Ms. Islam was in possession of spiral notebooks in which she had copied information from the Atlantis' data base, she did not give or show those notebooks to anyone at GSR.
- Upon her hiring in January 2012, Sumona entered certain information from her 10. "book of trade" into the GSR database. This consisted of approximately 200 guests, that she wished to be assigned to her as a host based on her statement that she had prior relationships with these individuals.
- The GSR database restricted the information which could be inputted by hosts to 11. a player's name, address telephone number and contract information and has no fields in which Sumona could have inputted player ratings, casino credit history, or player history.
- A customer's name, address and contact information are not trade secrets. For purposes of this litigation it was determined that the following would constitute a trade secret a) player tracking records;
  - b) other hosts customers;

Page 2 of 7

Page 3 of 7

	16.	Plaintiff sought a preliminary injunction which enjoined GSR from using an
informa	ation	provided to it from Sumona Islam. GSR took reasonable steps to insure good faiti
		compliance with the injunction.
. •	17.	Atlantis knew that among the names it claimed were misappropriated were names
which v	vere	legally and properly included in Ms. Islam's "book trade" but despite this knowledge

- Atlantis knew that among the names it claimed were misappropriated were names which were legally and properly included in Ms. Islam's "book trade" but despite this knowledge brought and obtained an injunction preventing GSR from marketing to these individuals from August 27, 2012 through the trial of this matter in 2013.
- 18. Atlantis presented no credible evidence that GSR had a duty to investigate the names in Ms. Islam's "book of trade" beyond making inquiries of Ms. Islam. To the contrary there was credible testimony that casinos have a right to rely on the host's statements.
- 19. GSR provided a list of all the names and information concerning those individuals added to the GSR data base by Ms. Islam which showed that the information was limited to the individual player's name, address and contact information. None of which constitutes a trade secret under NRS 600A .10.
- 20. Atlantis presented no credible evidence that GSR had tortuously interfered with its non-competition agreement with Islam. Atlantis knew that GSR had hired Ms. Islam based on its attorneys legal opinion that the agreement was overly broad in denying Ms. Islam the right to work in any capacity in any casino. Atlantis further knew or should have known that the non-competition agreement was overly broad and unenforceable and unenforceable as a matter of law but continued to prosecute the claim.
- 21. Atlantis presented no credible evidence that GSR misappropriated any information constituting a trade secret and in fact maintained the litigation and the injunction to include names of persons which it knew and admitted at trial were legally in Ms. Islam's book of business and that she was entitled to provide to GSR.
- 22. Atlantis continued and maintained the litigation against GSR for misappropriation of trade secrets even when it knew that GSR was acting in good faith by relying on Ms. Islam's assertions concerning her "book of trade" and knew that the customer information provided by Ms. Islam was limited to the customers' name, address, telephone number and contact

Page 4 of 7

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- GSR did not misappropriate a trade secret belonging to Atlantis;
- 24. GSR did not tortuously interfere with a contract between Sumona Islam and Atlantis.
- GSR did not interfere with a prospective economic advantage belonging to Atlantis.
- 26. There is a lack of any evidence in the record that supports the claim of Atlantis that GSR misappropriated Atlantis' trade secrets and therefore, Atlantis has failed to meet its burden of proof.
- 27. That early on in the litigation Defendant Islam admitted that she had taken certain information from ATLANTIS in the form certain spiral notebooks.
- 28. That early on in the litigation Defendant Islam testified that she had not shown the information in the form of the spiral notebooks to any representative of GRS.
- 29. That early on in the litigation Defendant Islam testified and confirmed that she was told by the representatives of GSR not to bring anything with her except for herself and her relationships.
- 30. That early on in the litigation Defendant Islam testified and confirmed that she had told representatives of GSR that she did not bring trade secret information with her or that she had information belonging to ATLANTIS.

#### CONCLUSIONS OF LAW:

- 1. The non-competition agreement between Sumona Islam and Atlantis, in prohibiting casino employment in any capacity was overly broad and unenforceable as a matter of law.
- 2. That absent an enforceable employment contract or non-competition agreement with Atlantis, GSR could not as a matter of law, interfere with contractual relations between Sumona and Atlantis.
  - 3. A customer's name address, and contact information is not a trade secret under

Page 5 of 7

 NRS 600A.010. GSR did not misappropriate any trade secrets which belonged to Atlantis by allowing Sumona Islam to upload this information into its data base.

- 4. GSR did not improperly obtain the information concerning players listed above as set forth in 600A.030 and had a good faith reliance on Ms. Islam's assurances that all the names provided were part of her personal "book of trade"
- 5. The failure of Atlantis to produce any credible evidence at trial that GSR misappropriated trade secrets belonging to Atlantis constitutes "objective speciousness". That subjective bad faith is shown by the Plaintiff's knowledge of certain facts as set forth in the findings of facts above; the decision to move forward against GSR and the extent of the litigation against GSR despite a lack of direct evidence against GSR. This is a sufficient basis for an award of attorney fees pursuant to NRS 600.060. Defendants are not required to prove a negative and under the objective specious standard a lack of evidence in the record of misappropriation; in addition to the actions as set forth above; is enough to show that the claim of misappropriation was made in bad faith (Sasco v. Rosendin Electric Inc., 143 Cal. Rptr. 3d 828, 207 Cal. App 4th 837 (CA 2012)) and entitles GSR to Attorney's fees and costs in this matter.
- 6. That Atlantis sought, obtained, and maintained a preliminary injunction in this matter that included names which Atlantis knew were not trade secrets under NRS 600A.010 and continued to maintain that injunction even when it knew that those names were art of Sumona Islam's personal book of trade in order to thwart competition for those players from GSR and said conduct is evidence of bad faith entitling GSR to an award of attorney's fees and costs.
- That the claims against GSR are dismissed and judgment entered in favor of the Defendant GSR and GSR is entitled to an award of costs pursuant to NRS 18.110.
- 8. GSR is also entitled to bring an appropriate motion for fees and costs pursuant to an offer of judgment dated May 20, 2013 under NRCP 68 and NRS 17.115.

		II.				
	1	CONCLUSION				
	2	9. Judgment in favor of Defendant GSR against Plaintiff ATLANTIS.				
	3	GERTAGE AND AND AND AND AND AND AND AND AND AND				
	4	DATED THIS 27 DAY OF COTEMBER 2013				
	5					
	6	Barck Flanggan				
	7	DISTRICT JUDGE				
	8	Submitted by:				
	9	ALTE G. T.				
	10	/s/ H. Stan Johnson H. Stan Johnson, Esq.				
	11	Nevada Bar No. 00265 Terry Kinnally, Esq.				
C)	12	Nevada Bar No. 06379 COHEN JOHNSON, LLC				
LLC 13400	13	H. Stan Johnson, Esq. Nevada Bar No. 00265 Terry Kinnally, Esq. Nevada Bar No. 06379 COHEN JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 Attorneys for MEI-GSR HOLDINGS LLC				
30 N 30 E SE (20)	14	Attorneys for MEI-GSR HOLDINGS LLC				
2OHEN-JOHNSON, LLC 255 E. Warm Springs Road, Snire 100 Lar Vegas, Newala. 89119 (702) 823-3500 FAX: (702) 823-3400	15					
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		Page 7 of 7				

FILED Electronically 2014-01-21 16:20:10 Joey Orduna Hastings 1 1030 Clerk of the Court COHEN-JOHNSON, LLC Transaction # 4268095 : mcholice 2 H. STAN JOHNSON Nevada Bar No. 00265 3 sjohnson@cohenjohnson.com STEVEN B. COHEN, ESQ. 4 Nevada Bar No. 2327 255 E. Warm Springs Road, Suite100 5 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 6 Facsimile: (702) 823-3400 Attorneys for Grand Sierra Resort 7 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE GOLDEN ROAD MOTOR INN, INC., a Nevada 10 Corporation, d/b/a ATLANTIS CASINO 11 RESORT SPA. Case No.: CV12-01171 12 Plaintiff. Dept. No.: **B7** VS. COHEN-IOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 13 SUMONA ISLAM, an individual; MEI-GSR 14 HOLDINGS LLC d/b/a GRAND SIERRA RESORT; et.al. 15 Defendants. 16 17 AFFIDAVIT OF COUNSEL IN SUPPORT OF RENEWED MOTION FOR 18 AWARD OF ATTORNEY'S FEES TO DEFENDANT GSR 19 PURSUANT TO NRS 600 A.060, NRCP 68 AND NRS 17.115 20 21 STATE OF NEVADA )ss. 22 COUNTY OF CLARK ) 23 H. STAN JOHNSON, ESQ, being first duly sworn under oath, deposes and states as 24 follows: 25 I am an attorney, duly licensed to practice law in the State of Nevada, and counsel 1. 26 for the Defendants in the foregoing matter. 27 /// 28 Page 1 of 6

- 3. To comply with the court's order regarding more detailed invoices we have sent emended invoices directly to the court's chamber. In addition, the emended invoices reflect a reduction in the amount of fees sought to \$391,932.80 from the amount incurred and previously submitted to this court. It should be noted that the lower amount reflects a voluntary reduction in the amount sought, which follows the analysis the court used in its Order awarding costs to GSR. The lower amount being sought reflects a reduction of travel time as well a reduction in Mr. Cohen's time at trial and pre-trial.
- 4. Grand Sierra is seeking an award of fees based upon the fees and costs incurred with Cohen-Johnson, LLC in the firm's representation of Defendant GSR (the fees charges for each employees' time is also shown):

#### Total Hours and Fees:

	Total Fees:	\$ :	391,932.80
Jennifer Russell (Paralegal)	40.10 Hours	\$	4,411.00
Nelson Achaval (Paralegal)	5.80 Hours	\$	<u>638.00</u>
Rikki Poll (Paralegal)	.08 Hours	\$	<u>8.80</u>
Brian Morris (Associate)	3.80 Hours	\$	950.00
Terry Kinnally (Senior Attorney)	) 251.50 Hours	\$	88,025.00
Steven Cohen (Partner)	157.00 Hours	\$	<u>58,875.00</u>
H. Stan Johnson (Partner)	601.04 Hours	\$	225,390.00

5. All attorney's fees and costs incurred by my client were reasonable and actually and necessarily incurred in order to defend this lawsuit against Defendant GSR. Itemized time records to the tenth of an hour were maintained by each time keeper referred to in paragraph 3. Because the records are detailed, certain entries reflect the subject of confidential attorney-client communications, attorney work product and other confidential matters. The bill summaries attached hereto as Exhibit 1 are true and correct copies of summaries submitted to my client with detailed invoices. As stated, those detailed invoices contain descriptions of the work done,

Page 2 of 6

including attorney-client communications and work product and have therefore not been produced. The detailed invoices are being submitted to the Court for an in carnera review.

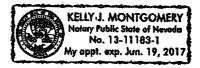
- 6. My current hourly rate for commercial litigation is \$450/hour. However, we did discount our rates to the following: H. Stan Johnson-\$375.00; Steven B. Cohen-\$375.00; Terry Kinnally-\$350.00; Brian Morris-\$250.00; Paralegal time-\$110.00.
  - 7. Attached as Exhibit 2 is a true and correct copy of the firm's resume.

Dated this 17th day of January, 2014.

H. STAN JOHNSON

Subscribed and sworn to before me this 192 day of January , 2013.

Notary Public in and for said County and State



## COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

#### Affirmation Pursuant to NRSB.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 17th day of January, 2014.

#### COHEN-JOHNSON, LLC

#### /S/ H. STAN JOHNSON

H. STAN JOHNSON
Nevada Bar No. 00265
TERRY KINNALLY, ESQ.
Nevada Bar No. 06379
255 E. Warm Springs Road, Suite 100
Las Vegas, Nevada 89119
Telephone: (702) 823-3500
Facsimile: (702) 823-3400
Attorneys for Grand Sierra Resort

### INDEX OF EXHIBITS

EXHIBIT	DESCRIPTION OF DOCUMENTS PROVIDED IN SUPPORT OF COSTS:	PAGES
1	Billing Summaries	2
2	Firm Resume	3
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# COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

Page 5 of 6

# COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

#### **CERTIFICATE OF MAILING**

I hereby certify that on the <u>17th</u> day of January, 2014, I served a copy of the foregoing AFFIDAVIT OF COUNSEL IN SUPPORT OF MOTION FOR AWARD OF TTORNEY'S FEES TO DEFENDANT GSR PURSUANT TO NRS 600 A.060, NRCP 68 AND NRS 17.115 upon each of the parties via email and by depositing a copy of the same in a sealed envelope in the United States Mail, Las Vegas, Nevada, First-Class Postage fully prepaid, and addressed to:

Robert A. Dotson, Esq. rdotson@laxalt-nomura.com
Angela M. Bader, Esq. Laxalt & Nomura, Ltd.
9600 Gateway Drive
Reno, Nevada 89521
Attorney for Plaintiff

Mark Wray, Esq. Law Office of Mark Wray 608 Lander Street Reno, Nevada 89509 Facsimile (775) 348-8351 Attorney for Sumona Islam

and that there is a regular communication by mail between the place of mailing and the places so addressed.

An employee of Cohen-Johnson, LLC

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Electronically
2014-01-21 16:20:10
Joey Orduna Hastings
Clerk of the Court
Transaction # 4268095 : mcholico

# Exhibit "1"

# Exhibit "1"

Grand Sierra vs. Atlantis Fees Billed

Date	Invoice		Amount
12-Apr	5474	\$	16,707.50
12-Jun	5475	\$	22,935.75
12-Aug	5476	\$.	12,240.00
12-Sep	5566	\$	5,241.75
12-Oct	5662	\$	18,065.75
12-Dec	5725	\$	5,420.00
13-Jan	5752	\$	16,733.99
13-Feb	5793	\$	16,340.00
13-Mar.	5794	\$	11,184.25
13-Apr	5831	\$	24,818.06
13-May	6059	\$	72,469.75
13-Jun	6060	\$	69,132.50
13-jul	6061	\$	78,480.50
13-Aug	6062	\$	22,163.00
		\$	391,932.80

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Joey Orduna Hastings
Clerk of the Court
Transaction # 4268095 : mcholico

# Exhibit "2"

Exhibit "2"

COHEN-JOHNSON

A Nevada limited liability company 255 Ea. Warm Springs Road, Suite 100 LAS VEGAS, NEVADA 89119 (702) 823-3500 Fax (702) 823-3400

#### Introduction

Founded in 1986 the firm serves major corporations, small businesses and individual in a wide range of civil matters. A major part of the firm work is litigation practice, including appearances before all State and Federal Courts in Nevada, appellate work before the Supreme Court of Nevada, Ninth Circuit Court of Appeals, and United States District Court. The firm also represents numerous clients in corporate and business related matters involving complex transactional work involving hundreds of millions of dollars.

The firm is actively engaged in complex litigation and represents a number of prominent companies, real estate developers, banking institutions, construction companies and hotel/casinos. Corporate, intellectual property, commercial litigation, commercial transactions and creditor rights are all established areas of practice.

The firm practices general business and civil litigation with certain areas of specialization which enable the firm to serve the needs of its clients. The firm employs experienced paralegals and other personnel to facilitate and expedite litigation procedures. The firm has made a strong commitment to technology, and has invested in sophisticated computer equipment to assist in serving the needs of its clients.

## **Biographical Information**

#### Steven B. Cohen

Mr. Cohen devotes his practice primarily to civil litigation, commercial real estate transactions and finance, and advising business owners on a host of legal issues. Mr. Cohen has also served as legal counsel for a number of public companies and business owners involving many complex litigation and business matter and through his efforts has obtained favorable results for his clients in the areas of contract disputes, negligence claims, licensing transactions and litigation and many other areas. Mr. Cohen is admitted to practice in all courts of the State of Nevada; the Ninth Circuit Courts of Appeals; and the United States Supreme Court. He is a member of the Nevada State Bar (1981), the Association of Trial Lawyers of America. Mr. Cohen is active in his community and local politics having volunteered to serve on numerous committees and humanitarian efforts; Mr. Cohen has resided in Southern Nevada for more than 40 years. He holds degrees from the University of Nevada at Las Vegas in Business Administration (1978) and a Juris Doctorate from the University of Arizona (1980).

#### H. Stan Johnson

Mr. Johnson devotes his practice primarily to commercial litigation, business, corporate matters, contract and licensing issues and intellectual property. Mr. Johnson also serves as legal counsel for investors, lenders, start-up companies, as well large established companies operating nationally and internationally. Mr. Johnson has negotiated for clients the purchase or sale of hundreds of millions of dollars in assets. In addition to his experience in business and commercial matters Mr. Johnson has extensive trial experience in both jury and court trials in the Nevada State Courts, United States District Court, the United States Bankruptcy Court, and the state courts of a number of jurisdictions. Mr. Johnson is admitted to practice in all courts of the State of Nevada; the Ninth Circuit Courts of Appeals; and the United States Supreme Court. Mr. Johnson has also acted as an expert witness in trade mark and other intellectual matters. He is a member of the Nevada State Bar and a member of the Million Dollar Advocates Forum the most prestigious group of trial lawyers in the United States, to which less than one percent of U.S. attorneys are admitted. Mr. Johnson served as General Counsel, Secretary and Board of Director for a publically traded company for six years and as the CEO of a high-tech company for several years. During this time Mr. Johnson was involved in managing the company's patent and intellectual property portfolio and all licensing and strategic relationship issues. Mr. Johnson is currently a partner in the law firm of Cohen-Johnson, which was formed in 1986.

The father of five grown children, Mr. Johnson has resided in Southern Nevada for more than 40 years. He holds degrees from Brigham Young University in Business Administration and a Juris Doctorate from the J. Reuben Clark School of Law, Brigham Young University (1985).

#### Brian A. Morris

Mr. Morris devotes his practice primarily to civil litigation, personal injury and consumer law. Mr. Morris has extensive experience in State District Court where he regularly appears and argues matter on a wide range of legal issues. Mr. Morris also served as a law clerk for two years to the Honorable David Barker, State District Judge and as judicial extern to the Honorable Jennifer Tagliatti, State District Judge. Mr. Morris served as a combat engineer in the United States Army for eight years earning the Army Achievement Medal, the Army Commendation Medal and an Honorable Discharge. Mr. Morris is admitted to practice in all courts of the State of Nevada and California and Federal District Court in Nevada and California. He is a member of the Nevada State Bar (2008) and the California State Bar (2009); Mr. Morris holds degrees from the University of Cincinnati College Of Business Administration, Summa Cum Laude, (2004) and a Juris Doctorate from the William S. Boyd School of Law, University of Nevada at Las Vegas (2008).

#### Terry (Margaret Therese) Kinnally

Ms. Kinnally has been a practicing attorney for over 30 years. She is a 1981 graduate of John Marshall Law School in Chicago, Illinois where she practiced for over 15 year before locating to Nevada where she was admitted to the State Bar in 1998. During her years of practice she has concentrated in civil litigation including personal injury, medical malpractice, professional malpractice, and insurance bad faith. She has tried multiple cases in the State Courts of Illinois and Nevada, and has argued before both the Illinois Appellate Court and the Seventh Circuit Court of Appeals. She has been admitted to practice before the United States Supreme Court, Seventh Circuit Appellate Court, Federal District Court for the Northern District of Illinois, the Eastern District of Wisconsin, the Federal District Court of Nevada, State of Illinois (inactive) and the State Bar of Nevada.

#### David E. Bruggenwirth

Mr. Bruggenwirth devotes his practice primarily to civil litigation, personal injury and bankruptcy law. Mr. Bruggenwirth has extensive experience in State District Court and Federal District Court, where he regularly appears and argues matter on a wide range of legal issues. Mr. Bruggenwirth is admitted to practice in all courts of the State of Nevada and Arizona and Federal District Court in Nevada and Arizona. He is a member of the Nevada State Bar (2006) and the Arizona State Bar (2010); Mr. Bruggenwirth holds degrees from Brigham Young University School Of Business Administration, Cum Laude, (1993) and a Juris Doctorate from the William S. Boyd School of Law, University of Nevada at Las Vegas (2005).

## Stephan A. Crystal (Of Counsel)

Mr. Stephen A. Crystal served as President of TableMAX Corp. from July 2008 to 2010. He served as Partner of the Kansas City branch, President and Chief Legal Officer of Armstrong Teasdale LLP. Mr. Crystal has been involved in gaming development and operations in numerous gaming jurisdictions as General Counsel to the Barrick family of businesses since 1993. He was a Co-Founder of Barrick Gaming Corporation, a wholly-owned subsidiary of Barrick Corporation, and served as its President and Chief Legal Officer. Mr. Crystal served as Chief Marketing Officer of Las Vegas Gaming Inc. since April 2006 to May 2007 and served as its President since October 10, 2006 to May 2007. At LVGI, he oversaw growth of that company as a game-management system operator, supplier and game designer specializing in Keno and Bingo products. Mr. Crystal has represented numerous other private and public gaming companies and host jurisdictions in numerous gaming projects and transactions throughout the country, including the City of Riverside, Missouri, host to the Argosy Riverboat Casino. Prior to entering the gaming world, he practiced law at Armstrong Teasdale, LLP, Gage & Tucker L.C, and Wirken &, King, PC. He also served as an Equal Opportunity Specialist for the United States Department of Labor from May 1990 to May 1992 and served in the New Hampshire House of Representatives from December 1988 to August 1989. He served as Vice-Chairman of Barrick Gaming Corporation and Armstrong Teasdale LLP. Mr. Crystal serves as Director of Barrick Gaming Corporation. He serves as Member of Advisory Board at Poydras Street Capital LLC. He served as Director of Las Vegas Gaming Inc. from November 2005 to October 10, 2006 and from March 16, 2007 to February 4, 2008. He served as a Director of TableMAX Corp. since July 2008. He served as a Director of PacificNet Inc. from March 3, 2008 to October 30, 2008. He was admitted to Missouri bar in 1992, District of Columbia bar in 1993, Kansas bar in 1994. He is a Member of The Missouri Bar, The Kansas Bar, The Bar Association of Metropolitan Kansas City, District of Columbia Bar Association, Missouri Tax Increment Financing Association, Missouri Municipal Attorneys Association, International City County Management Association (ICMA) and Consortium on Electric Restructuring and Competition. He received A.B. from Dartmouth College in 1987 and J.D. from The American University, Washington College of Law in 1992.

## Representative Clients

Allstate Insurance Co. American International Adjustment Company, Inc. Avis Bally's Hotel & Casino Bank America Housing Services Barclays American Bank California Department of Water Resources CB (Coldwell Banker) Commercial Brokers Circus Circus Hotel & Casino Clarendon Insurance Company Colorado Casualty Insurance Company Constitution State Insurance Company Crum & Forster Don King Productions, Inc. Employers Insurance of Wausau Enterprise Rent-A-Car FCC National Bank Farmers Insurance Company Federated Insurance Company Fireman's Fund Insurance Company First Financial Insurance Company First Security Bank Fleet Delivery Service Gallery of History, Inc. Harrah's Entertainment, Inc. Herbst Oil Company Highway Rentals, Inc. Hilton Hotels Industrial Indomnity Insurance Company of the West Jackson Family Kalb Construction Company Lewis Homes, Inc. Lloyds of London Maryland Casualty Insurance Company National Chiropractic Mutual Insurance Company Nevada Power Company Nevada Title Company Park Place Entertainment Corporation Paul Revere Life Insurance Company Rio Suites Hotel & Casino Resolution Trust Corporation

Santa Fe Hotel & Casino

Scottsdale Insurance Company Sierra Pacific Stewart Title St. Paul Insurance Company Terrible Herbst Oil Company The American Insurance Company The Ribiero Corporation The Sahara Hotel & Casino Transamerica Insurance Company United American Bank United States Fidelity & Guaranty Company (USF&G) United Title Company Value Rent-A-Car Venetian Resort - Hotel - Casino Villeroy and Boch Wausau Insurance Company Westward He Hotel & Casino Yellow Freight Systems, Inc. Young Electric Sign Company

FILED Electronically 2014-02-06 03:53:40 PM Joey Orduna Hastings

Clerk of the Court Transaction # 4294308 : mchqlico 1 2645 ROBERT A. DOTSON, ESQ. 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com 3 ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 4 abader@laxalt-nomura.com LAXALT & NOMURA, LTD. 5 9600 Gateway Drive 6 Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 9 IN AND FOR THE COUNTY OF WASHOE 10 CV12-01171 GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: 11 Corporation, d/b/a ATLANTIS CASINO 12 RESORT SPA Dept No.: **B7** 13 Plaintiff, VS. 14 SUMONA ISLAM, an individual; MEI-GSR 15 HOLDINGS LLC, a Nevada limited liability 16 company, d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ 17 PARTNERSHIPS; AND JOHN DOES I through X, inclusive. 18 Defendants. 19 20 PLAINTIFF'S OPPOSITION TO GSR'S RENEWED MOTION FOR AWARD OF ATTORNEY'S FEES AND COSTS 21 Plaintiff, GOLDEN ROAD MOTOR INN, INC. d/b/a ATLANTIS CASINO RESORT 22 SPA (hereinafter "Plaintiff" or "ATLANTIS"), by and through undersigned counsel, Laxalt & 23 Nomura, hereby opposes Defendant MEI-GSR HOLDINGS LLC d/b/a GRAND SIERRA 24 RESORT's ("GSR") renewed motion for attorneys fees. This Opposition is made and based 25 upon the pleadings and papers on file herein, the attached Memorandum of Points and 26 27 28

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

Authorities, the supporting Affidavit of Counsel and exhibits thereto and any argument the Court should elect to consider.1 Dated this day of February, 2014. LAXALT & NOMURA, LTD. ROBERT A. DOTSON Nevada State Bar No. 5285 ANGELA M. BADER Nevada State Bar No. 5574 9600 Gateway Drive Reno, Nevada 89521 (775) 322-1170 Attorneys for Plaintiff MEMORANDUM OF POINTS AND AUTHORITIES I. INTRODUCTION On October 8, 2013, the Court denied GSR's motion for attorney's fees without prejudice indicting that the invoices it produced in camera were not detailed enough. The Court invited GSR to provide more detailed billing records. Instead of resubmitting the same billing records with more detail, counsel for GSR has chosen to revise the invoicing allegedly sent to GSR and has taken a voluntary reduction in fees, perhaps in hopes that such a reduction would make the requested amount more palatable to the Court and perhaps in lieu of the detail that the Court specifically requested. Massaging bills, however, is not a replacement for detailed invoices. Moreover, pursuant to the Court's December 24, 2013 Order requiring ATLANTIS to provide redacted invoices to Islam, ATLANTIS requests that GSR provide to it all invoices that it submitted to the Court including that on October 19, 2013 and that on January 17, 2014, ATLANTIS has throughout this pleading referred to trial exhibits and testimony and it is implicit that such

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

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testimony received.

evidence is incorporated herein. To the extent an affirmative request is required, by this reference, ATLANTIS

formally requests the incorporation herein of the evidence presented at trial including the exhibits admitted and the

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 redacted for any applicable privilege. ATLANTIS then requests a suspension of the briefing schedule for this motion until a reasonable time after its review of Cohen-Johnson's invoices and thereafter, the ability to provide a Supplemental Opposition to this Motion.

In any event, GSR is not entitled to attorney's fees under NRS 600A.060 because ATLANTIS did not make a claim of misappropriation in bad faith. GSR is also not entitled to attorney's fees pursuant to its Offer of Judgment because: 1) the offer was invalid as it was made on behalf of Nav-Reno-GS, LLC, an entity that was no longer in existence on May 20, 2013, the date that the offer was made, 2) a review of the *Beattie* factors militates against awarding attorney's fees, and 3) GSR's request for attorney's fees is unreasonable and unsupported.

Π.

#### **ARGUMENT**

# A. <u>ATLANTIS is Entitled To The Cohen-Johnson's Invoices Submitted by GSR to the Court in a Redacted Form</u>

Pursuant to the Court's Order dated December 24, 2013 requiring ATLANTIS to provide to Islam, pursuant to Islam's request, its detailed invoices submitted to the Court (though in redacted form), ATLANTIS is also entitled to the same. *See also Love v. Love*, 114 Nev. 572, (1998). In order for ATLANTIS to appropriately address GSR's request for attorney's fees under the Uniform Trade Secret Act and Offer of Judgment provisions, and especially in light of the Court's previous ruling that GSR failed to provide detailed bills, it is appropriate for ATLANTIS to obtain and review the Cohen-Johnson invoices that GSR provided to the Court, redacted for any privileges, in order to respond to this Motion. ATLANTIS therefore requests that the Court order the same and the briefing schedule be suspended until an appropriate time after ATLANTIS is in receipt of these invoices and has had the opportunity to review and

analyze the same. ATLANTIS then requests the ability to file a Supplemental Opposition based on its analysis of such invoices.

#### B. GSR Is Not Entitled To Attorney's Fees Under NRS 600A.060

The drafters of Uniform Trade Secret Act ("UTSA"), as well as the Nevada state legislature adopting the uniform law, included the attorneys' fee provision "as a deterrent to specious claims of misappropriation." Unif. Trade Secrets Act, §4, Cmt. Specifically, it provides that the court may award reasonable attorneys' fees to the prevailing party if a claim of misappropriation is made in bad faith. Unif. Trade Secrets Act, § 4(i) and NRS 600A.060(1). The comments further specify that "patent law is followed in allowing the judge to determine whether attorneys' fees should be awarded even if there is a jury, compare 35 U.S.C. § 285 (1976)." Thus, the UTSA, including the ability to recover attorney's fees, was adopted from patent law.

Since neither the UTSA, nor Nevada's adoption of same in NRS 600A et seq. defines "bad faith," it is appropriate to look to 35 U.S.C. § 285 which provides: "[t]he court in exceptional cases may award reasonable attorney's fees to the prevailing party." An exceptional case has been defined as "inequitable conduct, litigation misconduct, willful infringement or that the opposing party's conduct was vexatious, frivolous or otherwise in bad faith." See Phonometrics, Inc. v. Westin Hotel Co., 350 F.3d 1242, 1246 (Fed. Cir. 2003). "Weak' allegations of infringement that aren't in bad faith or otherwise frivolous have been not held to be 'exceptional'." Porter v. Farmers Supply Service, Inc., 790 F.2d 882, 886 (Fed. Cir. 1986). Typically, courts consider whether the parties acted in bad faith, whether the attorney used frivolous or abusive tactics, or whether the case was not close or otherwise meritless. See Perricone v. Medicis Pharmaceutical Corp., 432 F.3d 1368, 1380 (Fed. Cir. 2005).

For attorney's fees to be awarded under § 285, the Federal Circuit requires a prevailing defendant to prove both (1) that the litigation is brought in subjective bad faith, and (2) the

Page 4 of 16

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litigation is objectively baseless. See ICU Medical, Inc. v. Alaris Medical Systems, Inc., 558 F.3d 1368, 1379-80 (Fed. Cir. 2009); Wedgetail, Ltd. v. Huddleston Deluxe, Inc., 576 F.3d 1302, 1304-05 (Fed. Cir. 2009). Absent evidence of subjective bad faith, a prevailing defendant is not entitled to recover attorney's fees. Id; Brooks Furniture Mfg., Inc. v. Dutailier Int'l, Inc., 393 F.3d 1378, 1381 (Fed. Cir. 2005) (reversing exceptional case finding against plaintiff based on lack of proof of subjective bad faith).

Thus, in analyzing UTSA attorney's fees under existing patent law, none are awardable against ATLANTIS because the litigation was not brought in subjective bad faith, nor was it objectively baseless. "To be objectively baseless, the infringement allegations must be such that no reasonable litigant could reasonably expect success on the merits." See Gabriel Technologies Corp. v. Qualcomm Inc., 2013 U.S. Dist. LEXIS 14105 (S.D. Cal Feb. 1, 2013) citing Dominant Semiconductors Sdn. Bhd. v. OSRAM GmbH, 524 F.3d 1254, 1260 (Fed. Cir. 2008). In fact, this Court after a hearing, entered a Temporary Restraining Order ("TRO") against GSR on July 5, 2012 by finding a likelihood of Plaintiff's success on the merits. See Exhibit 1 to Affidavit of Counsel, TRO at 3:14-27. Furthermore, GSR would not have stipulated to a Preliminary Injunction on August 24, 2012, entered by the Court on that same day on the same terms as the TRO, if it felt that the litigation had been brought in subjective bad faith or was objectively baseless. See Exhibit 2 to Affidavit of Counsel, Order on Stipulation. Also incongruent with the Court's Findings of Facts and Conclusion of Law # 5 in favor of GSR, which cite to a lack of credible evidence of misappropriation by GSR, are the statements

<sup>&</sup>lt;sup>2</sup> The TRO provided that GSR "shall not directly or indirectly, or through any third parties, knowingly receive any information of any nature which it has any reason to believe was acquired by Defendant SUMONA ISLAM, directly or indirectly through PLAINTIFF, or make use of any such information, or make use of any such information which it knows has been the product of information Defendant SUMONA ISLAM brought to GSR through her employment." It further provided that GSR agreed "that it shall not directly or indirectly, knowingly receive any proprietary information concerning any customer, customer activity, customer identity or address from Defendant SUMONA ISLAM, which she obtained during her employment with the ATLANTIS or make use of any proprietary information which it knows is proprietary information Defendant SUMONA ISLAM brought to GSR through her employment."

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of the Court in rendering its decision as set forth in the Transcript of the Decision ("TOD"). Specifically, the Court found that ATLANTIS reasonably initiated litigation against both SUMONA ISLAM ("ISLAM") and GSR. See Exhibit 3 to Affidavit of Counsel (July 18, 2013 Decision of the Court) at p. 22:10 and Exhibit 4 to Affidavit of Counsel (August 26, 2013 Findings of Fact and Conclusions of Law and Order in favor of ATLANTIS) at p. 7. Finally, the Findings of Fact and the Conclusions of Law in favor of GSR cite to a failure of the ATLANTIS to prove any "credible evidence" at trial that GSR misappropriated trade secrets belonging to the ATLANTIS. Credibility is a question of fact to be decided only by the trier of fact. Since credibility is a subjective determination, it cannot be the foundation to find the litigation to be objectively baseless. "Furthermore, even if the claim is objectively baseless, it must be shown that lack of objective foundation for the claim 'was either known or so obvious that it should have been known' by the party asserting the claim." See Gabriel, supra, citing In re Seagate Tech., LLC, 497 F.3d 1360, 1371 (Fed. Cir. 2007). This requirement of subjective bad faith of ATLANTIS is also lacking. Indeed, the course of the litigation demonstrates that ATLANTIS continues to believe that the ruling of the Court on this claim is in error and objectively unsupported by the evidence.

Moreover, "bad faith" has been defined differently by states in interpreting their version of the UTSA to include, "brought without substantial justification, either in whole or in part" with the phrase "without substantial justification mean[ing] that the claim is frivolous, groundless in fact or in law, or vexatious, or interposed for any improper purpose. ..." See Ex Parte Water Jet Sys., Inc. 758 So. 2d 505, 509 (Ala. 1999). Other Courts have applied a subjective test for bad faith, holding that "bad faith could not exist where the claim has some legal and factual basis when considered in light of the reasonable belief of the individual making the claim." Russo v. Baxter Healthcare Corp., 51 F. Supp. 2d 70, 76 (D.R.I. 1999).

Plaintiff's Complaint was not brought or maintained in bad faith as there was evidence presented at trial that GSR, among other things, knew or had reason to know that the trade secrets of the ATLANTIS that it acquired and utilized (and continues to utilize) were acquired by ISLAM by improper means. NRS 600A.030(2). GSR was specifically given notice of this fact by certified letter from ATLANTIS General Counsel on April 6, 2012, by the Verified Complaint filed on April 27, 2012 and by the May 3, 2012 Ex Parte Application for TRO and the litigation that followed.

Furthermore, GSR produced hundreds of emails sent by ISLAM to GSR management, which included information that has since been determined by this Court to be trade secrets of ATLANTIS, in support of her request that GSR market to these players by enticing them with certain offers that would cause them to move their play from ATLANTIS to GSR.<sup>3</sup> The objective evidence of GSR's use of this information, that the ATLANTIS contends, and the Court found, to be its trade secret information, was admitted at trial in several trial exhibits. Exhibit 19 contained a list of over 200 guests added to the GSR database by ISLAM. Based upon the testimony of GSR witnesses Shelly Hadley and Christian Ambrose, this information is still held by the GSR. Exhibits 31 and 42 showed the "Net Win Loss" admitted by the GSR to be associated with these ISLAM guests. Exhibits 33-40 demonstrate the special offers extended by the GSR to guests and possible guests at the request of ISLAM, utilizing her knowledge of the value of the guests in question, gained while employed by ATLANTIS. Exhibit 49 demonstrated the free play solicitations ISLAM had sent by letter that had been redeemed by guests between Feb 25, 2012 and May 1, 2012. Exhibit 50 and the related GSR employee testimony demonstrated the efforts of GSR in August 2012 to comply with the Court's injunctive Order, thus further confirming use of the information by GSR. Exhibit 59, and the

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<sup>&</sup>lt;sup>3</sup> See Trial Exhibits 41, 48, 49, 51, 65 and 66.

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testimony of Brandon McNeely, set forth the over 200 guests which GSR identified in Exhibit 19 as having been added to the GSR database by ISLAM as well as the identity of the ATLANTIS host for each guest when ISLAM terminated her employment with ATLANTIS and the claimed damages related to each. Thus, Exhibits 19 and 59 provided the Court with the identities of the "other host's guests" whose information had been provided by ISLAM to GSR.4 See also, Plaintiff's Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal, filed on November 4, 2013. This Court found that "other hosts' guests" was indeed trade secret information (See ¶ 21 of Findings of Facts and Conclusions of Law dated August 26, 2013.) Thus, the evidence is unequivocal that GSR was (and remains) in possession of ATLANTIS trade secret information. ATLANTIS' claim of trade secret misappropriation against GSR certainly was not pursued in bad faith.

It is only through this Court's factual and conflicting determination of what a trade secret is, that GSR was immunized from a finding that it misappropriated trade secrets. Even today, it is the assertion of ATLANTIS that the Court erred in so finding, and that the objective evidence adduced at trial could only support a conclusion that GSR violated the UTSA. In other words, ATLANTIS continues to hold the subjective belief that the UTSA has been violated and that the objective evidence can only support such a finding. For the purposes of this Opposition, ATLANTIS argues that neither subjective nor objective bad faith is present. This argument is further set forth in the Motion to Stay Enforcement of Judgment and For Injunction Pending Appeal and the appeal documents, incorporated herein.

Moreover, consistent with Nevada law and NRCP 11, the definition of bad faith in NRS 600A.060(1) should be compared to and be consistent with sanctionable conduct under NRCP 11. Under NRCP 11, conduct is not sanctionable if it is: 1) not being presented for any

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This is critical as other host's guests have been found by the Court to be a trade secret.

improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation; 2) the claims, defense and other legal contentions therein are warranted by existing law or by a non-frivolous argument for the extension, modification or reversal of existing law or the establishment of new law; 3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and 4) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief. Thus, under NRCP 11, in order for ATLANTIS' claim of misappropriation by GSR to have been made in bad faith, it must be both baseless and made without a reasonable and competent inquiry. See Bergmann v. Boyce, 109 Nev. 670, 856 P.2d 560 (1993). As indicated above, Plaintiff's claim of misappropriation against GSR was not baseless as there is significant evidence in the record to support same, nor is there a lack of evidence that would support the conclusion that the claim was brought without a reasonable competent inquiry.

Even the California standard for bad faith requested by GSR is not met in this case. California courts have developed a two-pronged analysis that must show: (1) the objective speciousness of opposing party's claim, and (2) the subjective bad faith of the opposing party in bringing or maintaining the action, that is, for an improper purpose. See Gabriel, supra, citing Gemini Aluminum Corp. v. CA Custom Shapes, Inc., 95 Cal. App. 4<sup>th</sup> 1249, 1261 (Cal. Ct. App. 2002). Objective speciousness "exists where the action superficially appears to have merit, but there is a complete lack of evidence to support the claim." Id. citing FLIR Sys., Inc. v. Parrish, 174 Cal. Appl. 4<sup>th</sup> 1270, 1276 (Cal. Ct. App. 2009). The second prong, subjective bad faith, is satisfied when it may be inferred from the evidence that a party "intended to cause unnecessary delay, filed the action to harass, or harbored an improper motive." FLIR, supra, 174 Cal. App. 4<sup>th</sup> at 1278. As set forth above, there was and is significant evidence to support the claim of

Page 9 of 16

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LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 misappropriation against GSR so the first prong cannot be met. Additionally, there is no evidence that ATLANTIS intended to delay or harass or harbored an improper motive. Indeed, the Court found the initiation of litigation appropriate.

For these reasons, ATLANTIS respectfully requests the Court utilize its discretion to deny GSR's claim for attorney's fees under NRS 600A.060(1) as Plaintiff did not make a claim of misappropriation against GSR in bad faith.

#### C. The Attorney's Fees Sought By GSR Under NRS 600A Are Unreasonable

In considering the factors for an award of attorney's fees under NRS 600A and under Schouweiler v. Yancy, 101 Nev. 827, 834-35, 712 P.2d 786,790 (1985), it is clear that the amount requested, \$391,932.80 is unreasonable.

As admitted by GSR, the initial filing of the lawsuit was in good faith, therefore following the lapse of the Offer of Judgment on June 3, 2013, should the Court find that Plaintiff's claim of misappropriation was made in bad faith, only attorney's fees from June 4, 2013 forward would be reasonable. Also, as set forth in the Motion to Retax and the supporting Reply, and *infra* in this Motion, and as already recognized and partially adopted by the Court, ATLANTIS objects to any attorney's fees of Steven Cohen as unreasonable and unnecessary. ATLANTIS would need to be in a position to review Mr. Cohen's time entries in order to make an argument to the Court as to specific entries. ATLANTIS objects to the rates of all the attorneys at Cohen Johnson in providing a defense to GSR on the grounds that those attorney rates are high for this jurisdiction.<sup>5</sup>

On November 6, 2013, the Court ordered GSR to resubmit its invoices with more detail, specificity and definite statements to allow the Court to review the requested attorney's fees of

<sup>&</sup>lt;sup>5</sup> Compare the GSR's discounted hourly attorney rates of \$375 for Johnson and Cohen, \$350 for Kinnally (Sr. Associate) and \$250 for associates to Laxalt & Nomura's prevailing hourly attorney rates of \$350 for Dotson, \$250 for Bader (Sr. Associate) and \$180 for associates. Notably, Laxalt & Nomura's rates for this case were also discounted to \$300 for Dotson.

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\$455,068.24 for reasonableness. Instead, Cohen-Johnson has massaged and manipulated its bills swearing that the difference of \$63,135.45 represents a voluntary reduction consistent with the Court's analysis used in awarding costs to GSR. However, a detailed review of page 2 of Mr. Johnson's Affidavit in support of the Motion, when compared to the Renewed Motion is conflicting and confusing at best. Clearly, Mr. Johnson's hours have decreased by 53.82 without explanation. Mr. Cohen's hours have decreased by 156.6 hours, nearly half. Ms. Kinnally's time, however, has inexplicably increased by 14 hours and Associate Bruggenwirth's time of 24.10 hours has been deleted without explanation. Additionally, paralegal time has been broken out per paralegal and reduced by 8.32 hours, also without explanation. The contrasting Affidavits of Mr. Johnson, each which state that such hours and expenses contained therein have been necessarily incurred by GSR, are therefore in conflict. It appears that detailed billing records were simply not maintained by Cohen-Johnson and the conflicting Affidavits appear to represent an effort to recreate time records after the fact. As such, based on the support provided, GSR cannot prove their requested fees are reasonable.

#### D. GSR Is Not Entitled To Attorney's Fees Under The Offer Of Judgment Provisions

#### 1. GSR's Offer of Judgment is Invalid

GSR's offer of Judgment is invalid as it is made on behalf of Nav-Reno-GS, LLC, a non-existent entity as of October 1, 2012. See Exhibit 5 to Affidavit of Counsel, Nevada Secretary of State business entity search<sup>6</sup> and Exhibit 6 to Affidavit of Counsel, Order on Stipulation. These documents show that Nav-Reno-GS LLC was merged into MEI-GSR HOLDINGS, LLC prior to that date. Moreover, at least as early as April 12, 2013, defense counsel knew this fact and advised that Tony Santo could not be presented for deposition as he was no longer associated with GSR. See Exhibit 7 to Affidavit of Counsel. This is because Tony Santo was

<sup>&</sup>lt;sup>6</sup> The Court can take judicial notice of this public record.

a principal for Nav-Reno-GS, LLC, the former licensee for GSR. Nav-Reno-GS, LLC also had no further association with GSR after October 1, 2012 when it ceased to be the licensee. See Exhibit 8 to Affidavit of Counsel. ATLANTIS even prompted GSR prior to the Offer of Judgment being sent, and many times thereafter, to stipulate to substitute the appropriate entity, MEI-GSR Holdings, LLC dba Grand Sierra Resort in place of Nav-Reno-GS, LLC. See Exhibit 9 to Affidavit of Counsel.

In any event, at the time that the Offer of Judgment was made on May 20, 2013,

Defendant Nav-Reno-GS, LLC did not exist, was not the real party in interest, and had no

authority or standing to make such an offer. As such, the Offer of Judgment was ephemeral and

is invalid and cannot form a basis for an award of costs and fees.

# 2. GSR Cannot Show That The Beattie Factors Militate In Favor Of A Discretionary Award of Attorney's Fees

The Nevada Supreme Court has set forth several factors that must be considered by district courts in determining when and how to exercise their discretion in the award of attorney's fees to an offeror after a judgment that determines the final outcome is obtained.

Those factors include: 1) whether the plaintiff's claim was brought in good faith; 2) whether the offer of judgment was reasonable and in good faith in both its timing and amount; 3) whether the decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and 4) whether the fees sought by the offeror are reasonable and justified in amount. *Beattie v. Thomas*, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983). No single factor under *Beattie* is determinative. The district court has broad discretion to grant the request as long as all appropriate factors are considered. *Yamaha Motor Co., U.S.A. v. Arnoult*, 114 Nev. 233, 252 n.16, 955 P.2d 661, 673 n.16 (1998). In determining whether an offeree acted in "bad faith" or was "unreasonable" in rejecting an offer and proceeding to trial, the district court may consider whether sufficient

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information was available to determine the merits of the offer. See Trs. of Carpenters for S. Nev. Health & Welfare Trust v. Better Building Co., 101 Nev. 742, 746, 710 P.2d 1379, 1382 (1985).

#### a. Plaintiff's Claim Was Brought In Good Faith

As admitted by both the Court (as set forth above) and GSR (as set forth in the Renewed Motion For Award of Attorney's Fees at 7:12), it is undisputed that Plaintiff's claims against GSR were brought in good faith.

## b. The Offer of Judgment Was Not Reasonable Or In Good Faith In Both Its Timing and Amount

In this case where Plaintiff calculated its damages in excess of \$300,000 and possibly far greater, survived Defendant's Motion For Summary Judgment and Motion In Limine to exclude all of Plaintiff's damage experts and their opinions and reports, and GSR's own expert contended that under one of Plaintiff's offered theories—also indicated by the Court to be proper at Exhibit 3 to Affidavit of Counsel, 15:16-18—Plaintiff's damages were in the several hundred thousand dollar range between \$138,374 and \$322,872, GSR's \$75,000 offer of Judgment was not reasonable or in good faith in both its timing and amount.

# c. <u>ATLANTIS' Decision To Reject GSR's Offer And Proceed To Trial</u> <u>Was Not Grossly Unreasonable Or In Bad Faith</u>

As set forth in section B above addressing attorney's fees under NRS 600A, Plaintiff has not acted in bad faith and was not unreasonable in that GSR's own expert, under one of his advanced theories, espoused a minimum of \$138,374 in damages for any misappropriation by GSR. As also set forth above, Plaintiff intends to appeal what the Court found was a trade secret due to the inherent inconsistencies in the decisions on Plaintiff's claims as against ISLAM versus the claims against GSR. Thus, Plaintiff was neither grossly unreasonable nor acting in bad faith in rejecting the \$75,000 offer from GSR.

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#### d. The Fees Sought By GSR Are Not Reasonable Or Justified In Amount

GSR's Motion and supporting documents do not allow ATLANTIS to examine what Steven Cohen's reduced hours of 157 (comprising \$58,875.00 in attorney's fees) were for. However, if his time entries are mostly for duplicate attendance at the trial and other hearings, ATLANTIS submits that consistent with its Motion to Retax and the supporting Reply, incorporated herein, and the Court's Order regarding the same, these fees and expenses are simply not reasonable or justified and were not necessarily incurred. Mr. Cohen did not examine any witness or undertake any argument during the trial.

Additionally, GSR does not segregate out for ATLANTIS, who did not have the benefit of reviewing GSR's invoices *in camera* when responding to this Motion, the amount of the attorney's fees incurred after the lapse of the May 20, 2013 Amended Offer of Judgment. Thus, ATLANTIS is unable to comment on whether such amount is reasonable and therefore requests the opportunity to do so.

Finally, the rates of the attorneys for GSR set forth in the supporting Affidavit of Counsel appear high for this jurisdiction.

# E. <u>ATLANTIS Does Not Contend That ISLAM Is Responsible For GSR's Attorney's Fees</u>

Contrary to GSR's assertions in its motion, ATLANTIS requested that all costs of GSR be passed through it as a prevailing plaintiff to, and taxed against, ISLAM as a non-prevailing defendant. ATLANTIS did not and does not contend that ISLAM is responsible for GSR's fees. Finally this issue is moot as the Court has already decided this issue in Islam's favor on January 3, 2014.

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#### **CONCLUSION**

Based on the foregoing, Plaintiff respectfully requests that the Court deny GSR's Renewed Motion For Award of Attorney's Fees in the amount of \$391,932.80, or in the alternative, Order GSR to provide the invoices submitted to the Court to ATLANTIS, redacted for any privilege. The Court has already ruled that GSR is entitled to its costs of \$15,540.85, so this issue and further discussion on is moot.

#### **Affirmation Pursuant to NRS 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this Au day of February, 2014.

LAXALT & NOMURA, LTD.

ROBERT A. DOTSON

Nevada State Bar No. 5285 ANGELA M. BADER

Nevada State Bar No. 5574

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(775) 322-1170

Attorneys for Plaintiff

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#### **CERTIFICATE OF SERVICE** Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT & NOMURA, LTD., and that on this date; I caused to be served a true and correct copy of the foregoing by: 冈 (BY MAIL) on all parties in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At the Law Offices of Laxalt & Nomura, mail placed in that designated area is given the correct amount of postage and is deposited that same date in the ordinary course of business, in a United States mailbox in the City of Reno, County of Washoe, Nevada. 冈 By electronic service by filing the foregoing with the Clerk of Court using the E-Flex system, which will electronically mail the filing to the following individuals. (BY PERSONAL DELIVERY) by causing a true copy thereof to be hand delivered this date to the address(es) at the address(es) set forth below. (BY FACSIMILE) on the parties in said action by causing a true copy thereof to be telecopied to the number indicated after the address(es) noted below. Reno/Carson Messenger Service. Ø By email to the email addresses below. addressed as follows: 16 Steven B. Cohen, Esq. Mark Wray, Esq. Stan Johnson, Esq. Law Office of Mark Wray 17 Terry Kinnally, Esq. 608 Lander Street 18 Cohen-Johnson, LLC Reno, NV 89509 255 E. Warm Springs Rd, Ste 100 19 Las Vegas, NV 89119 mwray@markwraylaw.com 20 scohen@cohenjohnson.com sjohnson@cohenjohnson.com 21 tkinnally@cohenjohnson.com 22 DATED this day of February, 2014 23 24 25

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FILED Electronically 2014-02-06 03:53:40 PM Joey Orduna Hastings Clerk of the Court Transaction # 4294308 : mchdlico 1 1030 ROBERT A. DOTSON, ESQ. 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com 3 ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 4 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive 6 Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8 9 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 10 IN AND FOR THE COUNTY OF WASHOE 11 GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: CV12-01171 Corporation, d/b/a ATLANTIS CASINO 12 **RESORT SPA** Dept No.: B7 13 Plaintiff, 14 VS. 15 SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC, a Nevada limited liability 16 company, d/b/a GRAND SIERRA RESORT; 17 ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through 18 X, inclusive. 19 Defendants. 20 AFFIDAVIT OF COUNSEL IN SUPPORT OF 21 PLAINTIFF'S OPPOSITION TO GSR'S RENEWED MOTION FOR AWARD OF ATTORNEY'S FEES AND COSTS 22 23 STATE OF NEVADA ) ss. 24 COUNTY OF WASHOE ) 25 ANGELA M. BADER hereby affirms, under penalty of perjury, that the assertions 26 contained herein are true; 27 1. I am an attorney licensed to practice law in the State of Nevada and represent the 28 Plaintiff, Golden Road Motor Inn, Inc., a Nevada corporation d/b/a Atlantis Casino Resort Spa exalt & Nomura, Ltd. ATTORNEYS AT LAW 9600 GATEWAY DRIVE Page 1 of 5

RENO, NEVADA 89521

#### Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person

FURTHER YOUR AFFIANT SAYETH NAUGHT.

ANGELA M. BADER

SUBSCRIBED and SWORN to before me this \_\_\_\_\_\_ day of February, 2014.

NOTARY PUBLIC



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### **CERTIFICATE OF SERVICE** Pursuant to NRCP 5(b), I hereby certify that I am an employee of LAXALT & NOMURA, LTD., and that on this date; I caused to be served a true and correct copy of the foregoing by: $\boxtimes$ (BY MAIL) on all parties in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At the Law Offices of Laxalt & Nomura, mail placed in that designated area is given the correct amount of postage and is deposited that same date in the ordinary course of business, in a United States mailbox in the City of Reno, County of Washoe, Nevada. X By electronic service by filing the foregoing with the Clerk of Court using the E-Flex system, which will electronically mail the filing to the following individuals. (BY PERSONAL DELIVERY) by causing a true copy thereof to be hand delivered this date to the address(es) at the address(es) set forth below. (BY FACSIMILE) on the parties in said action by causing a true copy thereof to be telecopied to the number indicated after the address(es) noted below. Reno/Carson Messenger Service. 冈 By email to the email addresses below. addressed as follows: Steven B. Cohen, Esq. Mark Wray, Esq. Stan Johnson, Esq. Law Office of Mark Wrav Terry Kinnally, Esq. 608 Lander Street Cohen-Johnson, LLC Reno, NV 89509 255 E. Warm Springs Rd, Ste 100 Las Vegas, NV 89119 mwray@markwraylaw.com scohen@cohenjohnson.com sjohnson@cohenjohnson.com tkinnally@cohenjohnson.com DATED this \( \( \begin{aligned} \text{day of February, 2014.} \end{aligned} \)

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#### **INDEX OF EXHIBITS**

Ехнівіт	DESCRIPTION		
1	Total Tompolary Attourning Class		
2			
3	3 July 18, 2013 Decision of the Court		
4	August 26, 2013 Findings of Fact and Conclusions of Law and Order  Nevada Secretary of State Business Entity Search For Nav-Reno, GS, LLC  June 21, 2013 Stipulation To Substitute Defendant and Change Caption and July 1, 2013 Order Substituting Defendant and Changing Caption		
5			
6			
7	7 April 12, 2013 letter from Terry Kinnally addressed to Angela Bader		
8	Gaming License Information for Grand Sierra Resort	2	
9	Emails	6	

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Page 5 of 5

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Clerk of the Court
Transaction # 4294308: mcholico

### **EXHIBIT 1**

### **EXHIBIT 1**

#### FILED

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#### IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

#### IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: CV12-01171 Corporation, d/b/a ATLANTIS CASINO RESORT SPA Dept No.: B7

Plaintiff,

VS.

SUMONA ISLAM, an individual; NAV-RENO-GS, LLC, a Nevada limited liability company, d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through X, inclusive.

Defendants.

ORDER GRANTING GOLDEN ROAD MOTOR INN, INC'S MOTION
FOR TEMPORARY RESTRAINING ORDER AGAINST DEFENDANT SUMONA
ISLAM AND AGREEMENT BETWEEN DEFENDANT NAV-RENO-GS, LLC, d/b/a
GRAND SIERRA RESORT AND GOLDEN ROAD MOTOR INN, INC.

Laxalt & Nomura, Ltd., counsel for GOLDEN ROAD MOTOR INN, INC. d/b/a
ATLANTIS CASINO RESORT SPA ("PLAINTIFF" or "ATLANTIS"), has filed an Ex-Parte
Motion For Temporary Restraining Order and Motion for Preliminary Injunction asking this
Court to enjoin the defendants, SUMONA ISLAM ("ISLAM") and NAV-RENO-GS, LLC d/b/a
GRAND SIERRA RESORT ("GSR") from particular actions alleged to be in violation of several
agreements signed by ISLAM as a condition to her employment with ATLANTIS. This motion
for Temporary Restraining Order came on before the Court (Department 6) on Monday May 7,

Page 1 of 4

Laxalt & Nomura, Ltd. Attorneys at Law 9600 Gateway Drive Reno, Nevada 89521

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28 LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 2012, the honorable Brent Adams, District Judge, presiding, Plaintiff ATLANTIS appeared through Robert Dotson of the law firm of Laxalt & Nomura, and Defendant GSR appeared through Steven Cohen and Stan Johnson of the law firm Cohen Johnson. Sumona Islam did not appear. Based upon review of the Verified Complaint, the Ex Parte Motion, the Verified Amended Complaint and the affidavits attached thereto, and the arguments of counsel, the Court granted the Motion as requested as to ISLAM and in a more narrowed scope as to GSR. An Order was entered as to ISLAM on May 9, 2012. Shortly thereafter, the case was transferred multiple times and has now been reassigned to this department. This Court convened a status check on June 20, 2012.

This Court has reviewed all of the pleadings on file (including the Verified Complaint, the Ex Parte Motion, the Verified Amended Complaint and the affidavits attached thereto, the partial transcript from the May 7<sup>th</sup> hearing, and the Answers filed by each Defendant) considered the arguments of counsel and has solicited and considered the proposed Orders from each party and finds as follows:

- 1. ISLAM appears to have been, prior to the entry of the initial TRO, in violation of at least some provisions of the various agreements regarding the use and dissemination or proprietary information and trade secrets and of the non-compete agreement which were signed as a condition of her employment with the ATLANTIS by having accepted employment with GSR and soliciting customers of the ATLANTIS.
- 2. Based on the Affidavits of Steve Ringkob and Susan Moreno, it appears that ISLAM is in possession of trade secrets and confidential information that ATLANTIS considers valuable and proprietary, and that ISLAM has utilized or is likely to utilize that information in her employment with GSR.
- The letter from counsel for GSR indicates that GSR was in fact employing ISLAM, despite having notice of the non-compete agreement.
- 4. The facts shown by affidavit and the Verified Complaint demonstrate that immediate and irreparable injuries are likely to occur, or perhaps already have occurred, and that the Defendants' actions must be enjoined in order to prevent further harm.

Page 2 of 4

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LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

- 5. Plaintiff's counsel made reasonable efforts to notify all opposing parties of the Ex Parte Motion, and Counsel for GSR did in fact receive notice and attended the May 7<sup>th</sup> hearing. Since that time both Defendants have made appearances in the case and counsel for each has attended the June 20<sup>th</sup> hearing, counsel for GSR by telephonic means.
- 6. Because of the likelihood that immediate and irreparable injury will occur absent a temporary restraining order, and because it appears that Plaintiff is likely to succeed on the merits, the Court previously granted the Motion for Temporary Restraining Order as to Defendant SUMONA ISLAM and now extends the previously entered Order as to Defendant Islam.

Accordingly, it is hereby

ORDERED, ADJUDGED AND DECREED that the Order entered on May 9, 2012 is extended and will now, by stipulation of the Parties, expire at the conclusion of the bench trial currently set to begin on August 27, 2012.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant NAV-RENO-GS, LLC dba GRAND SIERRA RESORT ("GSR") shall not directly or indirectly, or through any third parties, knowingly receive any information of any nature which it has any reason to believe was acquired by Defendant SUMONA ISLAM, directly or indirectly through PLAINTIFF, or make use of any such information, or make use of any information which it knows has been the product of information Defendant SUMONA ISLAM brought to GSR through her employment;

1. Defendant NAV-RENO-GS, LLC dba GRAND SIERRA RESORT ("GSR") agrees that it shall not directly or indirectly, knowingly receive any proprietary information concerning any customer, customer activity, customer identity or address from Defendant SUMONA ISLAM, which she obtained during her employment with the Atlantis or make use of any proprietary information which it knows is proprietary information Defendant SUMONA ISLAM brought to GSR through her employment;

Page 3 of 4

1	2. Except in the normal course of this litigation, GSR will not cooperate with
2	Defendant SUMONA ISLAM in any way or communicate with her concerning any confidential
3	and proprietary trade secret information of the ATLANTIS; and
4	IT IS FURTHER ORDERED, ADJUDGED AND DECREED that to the extent GSR has
5	not already done so, it shall cease employing Defendant SUMONA ISLAM as a Casino Host.
6	IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Plaintiff is required
7	to post security for the Temporary Restraining Order in the amount of \$5,000 before this Order
8	will be filed and effective.
9	IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Plaintiff's Motion for
10	Preliminary Injunction shall be set as a bench trial on the merits before this Court on August 27,
11	2012 at the hour of 9:30 a.m. A status check shall be set for August 2, 2012. The parties are to
12	submit and exchange a list of proposed live witnesses and copies of any proposed exhibits and
13	affidavits not previously attached to any of the motion papers by 5:00 p.m. on August 17, 2012.
14	Any trial briefs, if any, shall be submitted to the Court no later than 5:00 p.m. on August 22,
15	2012.
16	IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to the
17	stipulation of the parties at the June 20th hearing this Temporary Restraining Order shall remain
18	in effect until the conclusion of the bench trial scheduled to proceed on August 27, 2012.
19	DATED this 5_day of July, 2012.
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21	DISTRICT HIDGE
22	Barred Handa in 1
23	Respectfully submitted, LAXALT & NOMURA, LTD
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25	ab De
26	By: ROBERT A. DOTSON (NSB # 5285)
27	ANGELA M. BADER, ESQ. (NSB #5574)

LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

Page 4 of 4

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Joey Orduna Hastings
Clerk of the Court
Transaction # 4294308 : mcholico

### **EXHIBIT 2**

### **EXHIBIT 2**

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Joey Orduna House

			Clerk of the Court Transaction # 31744				
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8	Attorneys for Plaintiff						
9	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA						
10	IN AND FOR THE COUNTY OF WASHOE						
11		_					
12	GOLDEN ROAD MOTOR INN, INC., a Nevada Corporation, d/b/a ATLANTIS CASINO	Case No.:	CV12-01171				
	RESORT SPA	Dept No.:	B7				
13	Plaintiff,						
14	Plamuii, Vs.						
15							
16	SUMONA ISLAM, an individual; NAV-RENO- GS, LLC, a Nevada limited liability company,						
	d/b/a GRAND SIERRA RESORT; ABC						
17	CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through X, inclusive.						
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19	Defendants.	_					
20	ORDER ON STIPULATION FOR	PRELIMINA	RY INJUNCTION				
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	Pursuant to the Stipulation For Preliminary	A rulancoor o	IT THE REFERING WITH ROOM CHINSE				
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Page 1 of 2

IT IS HEREBY ORDERED that a Preliminary Injunction shall issue in favor of Plaintiff, on the terms of the Temporary Restraining Order entered on July 5, 2012, and be in effect until otherwise modified pursuant to stipulation or Order of the Court or to the completion of the trial on the merits scheduled for March 25, 2013.

Dated this 24 day of August 2012.

Respectfully submitted,

LAXALT & NOMURA, LTD

By:

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Page 2 of 2

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Transaction # 4294308 : mcholico

### **EXHIBIT 4**

# **EXHIBIT 4**

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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada | C Corporation, d/b/a ATLANTIS CASINO

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Plaintiff,

· VS.

SUMONA ISLAM, an individual; MEI-GSR HOLDINGS LLC, a Nevada limited liability company, d/b/a GRAND SIERRA RESORT; ABC CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through X, inclusive.

Defendants.

Case No.: CV12-01171

Dept No.: B7

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER

This matter came on for a non-jury trial on July 1, 2013 before the Court, Honorable Patrick Flanagan, District Judge, presiding. The Court heard evidence for 9 days and the arguments of counsel on the 10<sup>th</sup> day of trial. The Court, having carefully considered all of the exhibits in evidence, the testimony of the witnesses, trial statements of the parties, and the arguments of counsel, hereby issues the following Findings of Fact and Conclusions of Law:

Page 1 of 16

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- 1. On or about April 15, 2008, ISLAM became an employee of the Golden Road Motor Inn, Inc., dba Atlantis Casino Resort Spa ("ATLANTIS").
- On April 15, 2008, ISLAM executed the ATLANTIS Online System User Agreement ("Online System User Agreement"). Among other terms, the Online System User Agreement prohibits unauthorized downloading or uploading of software and information.
- 3. On April 15, 2008, in conjunction with her employment with ATLANTIS, ISLAM also executed an agreement with ATLANTIS concerning its Business Ethics Policy and Code of Conduct Acknowledgement and Conflicts of Interest Statement. This agreement ("Business Ethics Policy"), was again signed by ISLAM on January 23, 2009, February 26, 2010 and January 19, 2011. This policy in section 3.1 identifies confidential information as all nonpublic information regarding the company's operation and business activities and those of its customers and suppliers. Nonpublic means any information that is not officially disclosed through means such a press releases or other forms of publication, where it is not common knowledge. Section 4.4 prohibits the disclosure of inside information to persons outside the company or other persons within the company who are not authorized to receive such information. Pursuant to the terms of the Business Ethics Policy, ISLAM agreed not to disclose confidential information including customer lists or customer information (such as player tracking or club information) to any unauthorized persons, either during or after her termination, and not to take any documents or records belonging to ATLANTIS after her departure. She also agreed not to profit from confidential information of ATLANTIS. ISLAM's agreement to the terms of this contract was a condition of her employment with ATLANTIS.
- 4. On April 15, 2008, in conjunction with commencing her employment with ATLANTIS, ISLAM executed the ATLANTIS Company Policy regarding Company Property, Proprietary Information, and Trade Secrets (hereinafter referred to as "Trade Secret Agreement"). This agreement, including any updates, was again signed by ISLAM on January 23, 2009, February 26, 2010 and January 19, 2011. This agreement provides that any improper

use or dissemination of ATLANTIS intellectual property is a breach of the policy and may be a violation of state and federal trade secrets laws and also warns that such violation is punishable both civilly and criminally.

- 5. ISLAM was hired to be an Executive Casino Host at ATLANTIS. When she was hired, she was under a contractual obligation to her former employer, Harrah's, which prohibited her from working in a same or similar position within six months after separation from employment at Harrah's. In order to honor this obligation, ATLANTIS placed her in the position of concierge manager. She worked in the hotel side of the operation of the ATLANTIS and not in the gaming side of the operation until the expiration of the six month restriction imposed by her agreement with Harrah's. Thereafter, she was transferred to the gaming operation and began her employment as a host.
- 6. When ISLAM began to work as a host at ATLANTIS, she brought with her what she claimed to be her personal book of trade. ISLAM has identified Exhibits 75 and 80 as her book of trade.
- 7. Steve Ringkob, indeed almost every witness, testified that there were certain items that hosts were entitled to take with them from property to property and that a host's book of trade is the host's property and "nothing is wrong with her taking this information wherever she goes." However, he also testified that the player's gaming history and tracking at the ATLANTIS would become proprietary information.
- 8. Although the term "casino host book of trade" has been defined variously, it has generally been defined as those names and contact information of guests with whom the host has developed relationships through their own efforts. Ringkob defined it as those guests with whom the host has developed a relationship and it was not information coming from the casino.
- 9. The evidence is clear that ISLAM intentionally downloaded, by hand copying from the ATLANTIS computer screen, players' names, contact information, level of play, game preferences and other proprietary information from the ATLANTIS Casino's, casino management system, Patron Management Program.

 10. On February 26, 2010, ISLAM signed a Non-Compete/Non-Solicitation Agreement with ATLANTIS ("Non-Compete Agreement"). Pursuant to the terms of the Non-Compete Agreement, ISLAM agreed that she would not, without the prior written consent of ATLANTIS, be employed by, in any way affiliated with, or provide services to any gaming operation located within 150 miles of ATLANTIS for a cooling off period of one year after the date that the employment relationship between she and the ATLANTIS ended.

- 11. During ISLAM'S employment at ATLANTIS, she had access to and worked with highly sensitive trade secrets and proprietary and confidential information of the ATLANTIS. This information included customer and guest lists, customer information and data including player contact information, tracking and club information, guest preferences and gaming tendencies of the guests. This information included not just the information for guests assigned to her, but also information for guests assigned to other hosts.
- 12. Before and during ISLAM'S employment, ATLANTIS undertook significant precautions to maintain the secrecy of its confidential information. These efforts included disabling USB ports in the computers at ATLANTIS, not providing or allowing printers, and monitoring all emails that are sent to recipients off property.
- 13. Despite the precautions taken to protect ATLANTIS' confidential trade secret information, during her employment at ATLANTIS ISLAM copied guest information by hand from the screen of the ATLANTIS computer onto spiral note pads. Ms. ISLAM, in her handwritten notes in spiral notebooks, which she identified as hers, copied players' names, contact information and also the designation of whether or not they played table games or slots. The information copied had the notation of the guests' marker information, for purposes of knowing what their credit limit was. Some notations included information regarding previous gaming results and losses incurred by that player. This is information Ms. ISLAM testified that she wrote down from the ATLANTIS computer. A copy of some of those spirals is found in Exhibit 80.
- 14. Ms. ISLAM testified that in the fall of 2011, she was becoming dissatisfied with her employment at the ATLANTIS. She testified that she had not been given a raise, that she

had only been given one bonus and not the quarterly bonuses that she states were promised to her, she felt isolated in her interpersonal relationships with other employees at the ATLANTIS and she had come to a point in her career where she believed that if she was ever going to make more money, she would have to seek employment elsewhere.

- 15. The evidence is that on or around October, Ms. ISLAM learned from Ms. Antonetti that the Grand Sierra Resort ("GSR") was hiring new employees. Through an online application, ISLAM applied for and interviewed with the GSR to obtain a position as a host.
- 16. At about that time, Ms. ISLAM asked Mr. DeCarlo for a copy of her Non-Compete Agreement with the ATLANTIS.
- 17. Sometime in December and January, two interviews took place. The first was with Ms. Hadley, at the GSR. Ms. Hadley testified that she was impressed with Ms. ISLAM. She testified she did not ask for ISLAM's book of business at that time.
- 18. A second interview was arranged between ISLAM and Hadley and Flaherty of the GSR. At that time, a more in-depth discussion took place relative to Ms. ISLAM's book of business. Mr. Flaherty testified and it's confirmed by the transcript of a subsequent interview that he told Ms. ISLAM not to bring anything from the ATLANTIS to the GSR, to bring nothing, but herself and her relationships.
- 19. During the course of the interview process, ISLAM and representatives of GSR discussed the fact that ISLAM was subject to an agreement restricting her employment with a competitor of ATLANTIS and ISLAM provided GSR with a copy of the Non-Compete Agreement. This conduct is consistent with ISLAM's testimony of her behavior when applying for the position with the ATLANTIS. She testified that she provided a copy of the Harrah's Non-Compete to the ATLANTIS prior to their offering of employment to her.
- 20. The testimony is that GSR then passed the ATLANTIS Non-Compete Agreement to its legal counsel. Legal counsel apparently reviewed that and gave the green light to hire Ms. ISLAM.

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- 21. Ms. ISLAM was concerned that ATLANTIS would initiate litigation against her and sought assurances that GSR would provide legal representation to her should there be litigation over the Non-Compete. GSR agreed.
- ISLAM terminated her employment as an Executive Casino Host with the ATLANTIS on January 19, 2012 and accepted an offer with GSR as an Executive Casino Host on the same day.
  - 23. ISLAM began work at GSR at the end of January, 2012.
- 24. The ATLANTIS alleges that soon after ISLAM terminated her employment, ATLANTIS employees discovered that ISLAM had falsely modified, destroyed, falsely changed and/or sabotaged confidential, proprietary, trade secret information of ATLANTIS, including customer data belonging to the ATLANTIS on its online system to her benefit and the benefit of GSR and to the detriment of ATLANTIS.
- 25. The evidence adduced in this matter by Ms. ISLAM herself and other witnesses of the Plaintiff is that Ms. ISLAM did change the addresses, telephone number and/or the email addresses of guests that had been coded to her in the ATLANTIS' casino customer or guest database.
- 26. The evidence shows that shortly after Ms. ISLAM left the employ of the ATLANTIS, the guests who had been assigned to her at the ATLANTIS were distributed amongst the remaining ATLANTIS hosts who attempted to contact those guests to maintain and establish a continued relationship with the ATLANTIS. Shortly thereafter, those hosts reported difficultly, indeed inability to contact the guests. It quickly became apparent that the contact information had been sabotaged. ATLANTIS staff testified that they restored old copies of the Patron Management data to a location in the computer system where the auditors could access the information and the information was restored to the Patron Management Program, the guest marketing database, in a relatively short period of time.
- 27. Additionally, the evidence showed that none of the information was changed in the LMS database, which is the database known as the Lodging Management System that controls the hotel operations.

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28. ISLAM testified that she did not show either Ms. Hadley or Mr. Flaherty the spiral notebooks which contained the information she had wrongfully taken from the ATLANTIS' database. Nevertheless, after her employment by the GSR began, Ms. ISLAM began to input that information, the information taken from the ATLANTIS and contained on the spiral notebooks, into the GSR database.

- 29. The testimony from the GSR representatives is that the database fields accessed and completed by ISLAM are limited. They restrict the information that a host could input to name, address, telephone number and contact information. There are no fields for a host to themselves input information regarding a player's gaming history, level of play or preference of game.
- 30. Both Ms. Hadley and Mr. Flaherty testified they never saw the spiral notebooks containing the information ISLAM had wrongfully taken from the ATLANTIS' database.
- 31. After the database sabotage was discovered by the ATLANTIS, ATLANTIS' general counsel, Debra Robinson, wrote a letter to GSR advising them that Ms. ISLAM was subject to a Non-Compete, Non-Disclosure Agreement and that she may have confidential information and ATLANTIS demanded the GSR cease and desist from the use of that information and return it forthwith.
- 32. In response to the cease and desist letter from ATLANTIS to the GSR and Ms. ISLAM relating to the ATLANTIS' concerns about ISLAM's employment, the counsel for the GSR sent a letter rejecting the assertions of the ATLANTIS and essentially maintaining that there was nothing confidential or proprietary that had been acquired by GSR and that all information provided by Ms. ISLAM came from her own personal relationships and her book of business.
  - 33. The ATLANTIS reasonably initiated litigation.
- 34. On April 27, 2012, ATLANTIS filed its Complaint for relief with seven causes of action.
- 35. On May 9, 2012, this Court, through its sister Department, entered a Temporary Restraining Order barring Ms. ISLAM from any employment with GSR. That Order was

extended by Order of this Court dated July 5, 2012 which also applied to GSR. Thereafter, the parties stipulated to a Preliminary Injunction ending this case pending the case's resolution.

36. To the extent appropriate and to give intent to this order, any finding of fact should be found to be a conclusion of law. Similarly, to the extent appropriate any conclusion of law shall be deemed a finding of fact.

#### CONCLUSIONS OF LAW

# Breach of Contract - Online Systems User Agreement, Business Ethics Policy, Trade Secrets Agreement as to ISLAM

- 1. The elements for establishing a breach of contract claim are: (1) A valid and existing contract was entered into between Plaintiff and Defendant; (2) Plaintiff performed or was excused from performance of the contract; (3) Defendant breached; and (4) Plaintiff sustained damages as a result of the breach. Reichert vs. General Insurance Co. of Amer., 68 Cal. 2d 822, 69 Cal. Rptr. 321, 442 P.2d 377 (1968); Marwan Ahmed Harara vs. Conoco Phillips Co., 375 F. Supp. 2d 905, 906 (9th Cir. 2005).
- 2. In order to succeed on a breach of contract claim in Nevada, a plaintiff must show "(1) the existence of a valid contract, (2) a breach by the defendant, and (3) damage as a result of the breach." Saini v. Int'l Game Tech., 434 F. Supp. 2d 913, 919-920 (D. Nev. 2006), citing Richardson v. Jones, 1 Nev. 405, 405 (1865).
- 3. In its first cause of action the Plaintiff alleges the violation of three contracts. These are the Online User Agreement, the Business Ethics Policy, and the Trade Secrets Agreement. These agreements were signed by Defendant ISLAM and a representative of Plaintiff, ATLANTIS. This Court finds that these are valid contracts. The Court further finds that the Defendant ISLAM breached these contracts.
- 4. Based upon the fact that ISLAM downloaded players' names, contact information, level of play, game preferences and other proprietary information from the ATLANTIS Casino's, casino management system, Patron Management Program, the Court finds that she has breached these contracts and that the ATLANTIS has suffered damages as a

 result of the breach. Consequently, the Court finds in favor of the Plaintiff and against Defendant Sumona ISLAM on the first cause of action.

5. The Court finds that damages should be awarded in favor of ATLANTIS and against ISLAM on this claim. These are made up of compensatory damages of \$10,941 plus an additional \$2,119 to repair the database, totaling \$13,060.

#### Breach of Contract—Non-Compete Agreement as to ISLAM

- 6. The Non-compete/Non-solicitation Agreement was signed by ISLAM and a representative of ATLANTIS in 2010. The law presumes that all parties have the freedom to contract and establish the terms of employment between themselves. However, restrictive covenants are not favored in the law. The determination of the validity of such a contract as written is governed by whether or not it imposes upon the employee any greater restraint than is reasonably necessary to protect the business and the goodwill of the employer.
- 7. A restraint of trade is unreasonable if it is greater than that required to protect the person for whose benefit the restraint is imposed or imposes an undue hardship on the person restricted. *Hansen v. Edwards*, 83 Nev. 189, 426 P.2d 792 (1967). *See also, Jones v. Deeter*, 112 Nev. 291, 294, 913 P.2d 1272, 1274 (1996).
- 8. The public has an interest in seeing that competition is not unreasonably limited or restricted.
- 9. In the instant matter, this Court finds that the term restricting employment for a period of one year is reasonable and necessary to protect the interests of the ATLANTIS.
- 10. This Court finds that the term restricting employment within 150 miles from ATLANTIS is reasonable. It encompasses the markets of Sacramento and the evidence supports the threat that Thunder Valley and indeed other Northern California casinos pose to the casinos of Northern Nevada.
- 11. The Court finds, however, that the total exclusion from employment with a competitor is unreasonable. This Court finds that excluding the employment of an individual such as Ms. ISLAM, who has attempted to create a career in this industry from any role in any casino in any capacity is an unreasonable restraint on her and it imposes an undue hardship on

 Ms. ISLAM and it is a restraint that is greater than that required for the protection of the person for whose benefit the restraint is imposed, the ATLANTIS. Therefore, the Court finds the Non-Competition contract unenforceable and dismisses the second cause of action related to breach of that contract.

#### Conversion of Property as to ISLAM

- 12. The elements of conversion are that a defendant exercises an act of dominion wrongfully exerted over the personal property of another in denial of or inconsistent with title rights therein, or in derogation, exclusion or defiance of such rights. M.C. Multi Family Development, L.L.C. v. Crestdale Associates Ltd., 124 Nev. 901, 910, 196 P.3d 536 (2008) citing Evans v. Dean Witter Reynolds, Inc., 116 Nev. 598, 606, 5 P.3d 1043, 1048 (2000).
- 13. The caselaw here states that conversion generally is limited to those severe, major and important interferences with the right to control personal property that justified requiring the actor to pay the property's full value. Courts have noted that this remedy in general is harsh and is reserved for the most severe interferences with personal property.
- 14. The Court finds that the evidence adduced shows that the interference with the property of the ATLANTIS was not severe, that the information, although altered, was not lost and was easily restored. One measure of that is the fact that the damages sought for the restoration expense is de minimus in light of the value of not only Ms. ISLAM's book of trade, which she estimated at \$3.5 to \$4 million, but the operation of the ATLANTIS itself. Therefore, this Court finds that the Plaintiff has failed to establish the elements of conversion and the third cause of action is therefore dismissed.

## <u>Tortious Interference with Contractual Relations and Prospective Economic Advantage as</u> <u>to ISLAM</u>

15. To establish intentional interference with contractual relations, ATLANTIS must show: (1) a valid and existing contract; (2) the defendant's knowledge of the contract; (3) intentional acts intended or designed to disrupt the contractual relationship; (4) actual

Page 10 of 16

disruption of the contract; and (5) resulting damage. Sutherland v. Gross, 105 Nev. 192, 772 P.2d 1287, 1290 (1989).

16. The elements of the tort of wrongful interference with a prospective economic advantage are: (1) a prospective contractual relationship between the plaintiff and a third party; (2) the defendant's knowledge of this prospective relationship; (3) the intent to harm the plaintiff by preventing the relationship; (4) the absence of a privilege or justification by the defendant; and, (5) actual harm to the plaintiff as a result of the defendant's conduct. Leavitt v. Leisure Sports, Inc., 103 Nev. 81, 88, 734 P.2d 1221, 1225 (1987); Las Vegas-Tonopah-Reno Stage v. Gray Line, 106 Nev. 283, 792 P.2d 386, 388 (1990).

17. Based upon the Nevada Supreme Court's decision in Frantz v. Johnson, 116 Nev. 455, 999 P.2d 351(2000), this Court is directed to look to the specific evidence adduced at trial to determine whether or not the acts of a defendant are more appropriately adjudicated under the Uniform Trade Secrets Act than under a claim for tortious interference with contract or prospective economic advantage. In an examination of the facts here, this Court has determined that the facts adduced in this trial make it more appropriate that the claim against Sumona ISLAM be adjudicated under the Uniform Trade Secrets Act.

#### Violation of Uniform Trade Secret Act, NRS 600A.010 et. seq. as to ISLAM and GSR

18. To establish a misappropriation claim under NRS § 600A.010 et. seq., the plaintiff must show: (1) a valuable trade secret; (2) misappropriation of the trade secret

"Misappropriation" per NRS 600A.030(2) means:

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(a) Acquisition of the trade secret of another by a person by improper means;

(c) Disclosure or use of a trade secret of another without express or implied consent by a person who:

(1) Used improper means to acquire knowledge of the trade secret;

(I) Derived from or through a person who had used improper means to acquire it;

(III) Derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

Page 11 of 16

<sup>(</sup>b) Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

<sup>(2)</sup> At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was:

<sup>(</sup>II) Acquired under circumstances giving rise to a duty to maintain its secrecy or limits its use; or

<sup>(3)</sup> Before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

through use, disclosure, or nondisclosure of the use of the trade secret; and (3) the requirement that the misappropriation be wrongful because it was made in breach of an express or implied contract or by a party with a duty not to disclose. *Frantz v. Johnson*, 116 Nev. 455, 466, 999 P.2d 351, 358 (2000).

- 19. A trade secret is information that derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by the public, as well as information that is subject to efforts that are reasonable under the circumstances to maintain its secrecy. NRS 600A.040.
- 20. The determination of what is a trade secret is a question of fact for the trier of fact. Frantz, 116 Nev. at 466, 999 P.2d at 358. The caselaw indicates that contractual restrictions alone or designations alone do not control whether or not a particular design, compilation, or mechanism is a trade secret. To determine whether or not an item is a trade secret, the Court considers these factors. First, the extent to which the information is known outside the business and the ease or difficulty with which the information could be properly acquired by others. Second, whether the information was confidential or secret. Third, the extent and manner in which the employer guarded the secrecy of the information. Fourth, the former employee's knowledge of the customer's buying habits and other customer data and whether this information is known by the employer's competitors.
- 21. There was a consensus amongst all the witnesses that in the case of a customer with whom a host has established a relationship, that customer's name, address, contact information is not a trade secret. All of the witnesses here have identified certain items that they consider trade secrets in the gaming industry and these are well-qualified witnesses who have spent decades in this industry. Those items have been identified as, (1) player tracking records; (2) other hosts' customers; (3) initial buy-ins; (4) level of play; (5) whether the player plays table games or slots; (6) time of play; (7) customers' personal information that is personal to them, such as a Social Security number; (8) customers' casino credit; (9) customer's location, whether they are an international, regional or local player; (10) marketing strategy; (11) customers' birth date, which one witness testified was critical for credit accounts; (12) tier

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levels, which is different than player ratings, they are more specific in terms of measurement; (13) comp information for the player; (14) players' history of play; (15) players' demographics; (16) players' financial information; (17) the company's financial information; (18) the company's marketing strategy; (19) other employees' information and customer information. The Court does not by this list deem this list to be exclusive. There may be other instances and other items that are properly designated as trade secrets, however, this was the evidence adduced in this trial.

- 22. This Court finds that this information is not known outside of the business of the ATLANTIS. Indeed, the previous 19 items are not easy to learn, in fact, it is difficult to acquire this information properly.
- 23. This Court further finds that there is no question that this information was confidential within the ATLANTIS and that has been demonstrated amply by the extent and manner in which the ATLANTIS took steps to guard the secrecy of this information. Specifically, Mr. Woods testified that there were no printers and that the USB ports on the computers were restricted, that the hosts had no ability to print or download guest lists. He further explained that security access was determined by the job designation. There was testimony that the passwords for this access were changed frequently and therefore it has been established beyond any reasonable doubt that the ATLANTIS considered all of this information a trade secret and this Court does so find.
- 24. This Court finds that the information written down in the spiral notebooks which Ms. ISLAM identified as hers was taken from the ATLANTIS' computer and is not information open to the public.
- 25. This Court finds that Ms. ISLAM has violated not only the terms and conditions of her contract, but also has committed a violation of the Uniform Trade Secrets Act.
- 26. This Court finds that Damages are appropriately awarded against ISLAM for violation of the Uniform Trade Secrets Act and awards damages totaling \$10,814.

///

III

27. The sixth cause of action filed by the Plaintiff is a request for declaratory relief.
The Courts grants and denies this claim as follows.

- 28. This Court finds that the Online System User Agreement is a valid contract. This Court finds that the Business Ethics Policy and Code of Conduct Agreement is a valid contract. This Court finds that the Trade Secrets Agreement is a valid contract. This Court finds that the Non-compete Agreement is overbroad and unenforceable. This Court also finds that those contracts have been breached.
- 29. This Court finds that the Defendant has violated the Uniform Trade Secrets Act and that the Plaintiff has suffered damages.

#### **Proof of Damages**

- 30. There are two distinct damage models proffered in this case. One is based on theoretical win based upon a customer lifetime value analysis proffered by the Plaintiff. The other is a damage analysis based on actual win loss proffered by the Defendants in this case.
- 31. This Court has examined all of the exhibits in support of both models. This Court has listened to the testimony of Brandon McNeely, who testified on behalf of the Plaintiff in support of a valuation based upon theoretical wins. This Court finds that the customer lifetime value analysis is a solid one and is supported by scholarly research and empirical data.
- 32. This Court has also considered Mr. Aguero's testimony and reviewed his expert report, which is Exhibit 32. The Court has also reviewed Brandon McNeely's reports and the Exhibits included within Exhibit 59, A, B, C, D and E.
- 33. The Court has also considered the testimony of Mr. Frank DeCarlo when he testified about the mitigation marketing costs, and Lilia Santos, who testified to the loss of guests of the ATLANTIS to the GSR.
- 34. Having considered both models, this Court feels the more appropriate model in this particular case is the actual win-loss model. That model is based upon the data provided by

Page 14 of 16

both parties, the hard data and an analysis that is well reasoned and supported not only by the evidence, but scholarly review.

35. Therefore, the compensatory damages as to Defendant ISLAM, as previously described will be on the first count for breach of contract, \$10,941 plus an additional \$2,119. As to the violation of the Uniform Trade Secret Act, judgment will be in favor of Plaintiff, against Defendant ISLAM in the amount of \$10,814.

#### Punitive Damages

- 36. The Plaintiff has requested punitive damages be awarded in this case and this Court finds that punitive damages are warranted here.
- 37. Ms. ISLAM testified that her actions were malicious, as they were intended to hurt the ATLANTIS. Despite whatever reason she may have felt justified her actions, her actions were unjustified, they were willful, they were malicious, and they were intentional.
- 38. Punitive damages have a two-pronged effect. One is to punish the transgressor and the other is to serve as an example to deter others similarly situated from engaging in the same conduct. Therefore, there are several factors to be taken into consideration, including the willfulness of the conduct, the public interest that is at stake, and not the least of which is the Defendant's financial condition. Ms. ISLAM testified that she makes \$80,000 per year. This Court is assessing significant compensatory damages against her. However, the Court feels that a significant punitive damage is necessary in order to deter others from violating those contracts between the ATLANTIS and its employees. This Court therefore has determined that a punitive damage award of \$20,000, representing one quarter of her annual salary, is an appropriate punishment to Ms. ISLAM.

#### Attorney Fee Award

- 39. The Uniform Trade Secrets Act also provides for the award of Attorney's fees in the case of willful and malicious misappropriation.
- 40. Having found in favor of the Plaintiff as the prevailing party against the Defendant ISLAM, under the circumstances of this case, this Court will award attorney's fees

and litigation costs. Those fees will be awarded after appropriate affidavit of fees and the 1 memorandum of costs are timely submitted. 2 3 Injunctive Relief 41. This Court further finds that this is an appropriate matter in which to impose a Permanent Injunction, pursuant to NRS 600A.040, prohibiting ISLAM from any further use of the trade secret information at issue until such time as the information becomes ascertainable 6 by proper means by the public or is otherwise no longer a Trade Secret as defined by NRS 7 8 600A.030(5). In this regard, ISLAM is Ordered to destroy any and all customer lists obtained from or originating from ATLANTIS, including specifically the spiral notebooks, copies of 9 10 which have been marked at trial as Exhibits 6, 80 and 81. Further, ISLAM is Ordered to purge from any electronic record or physical records, any and all information (including any 11 information not previously produced by her in the litigation which is subsequently located) 12 which has been identified in this decision as a trade secret, originating from the ATLANTIS. 13 14 CONCLUSION 15 42. Judgment in favor of ATLANTIS against Defendant ISLAM. 16 DATED AND DONE this <u>Alo</u> day of <u>August</u>, 2013. 17 18 19 20 Respectfully submitted, 21 LAXALT & NOMURA, LTD 22 23 By: ROBERT A. DOTSON (NSB # 5285) 24 ANGELA M. BADER, ESQ. (NSB #5574) 9600 Gateway Dr. 25 Reno, NV 89521 26 T: (775) 322-1170 F: (775) 322-1865

Page 16 of 16

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Joey Orduna Hastings
Clerk of the Court
Transaction # 4294308 : mcholico

## **EXHIBIT 5**

## NAV-RENO-GS, LLC

Business Entity I	nformation		
	Merge Dissolved	File Date:	5/12/2005
Туре:	Domestic Limited-Liability Company	Entity Number:	E0288172005-4
Qualifying State:	NV	List of Officers Due:	5/31/2013
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20051308603	Business License Exp:	5/31/2013

Additional Information	
Central Index Key:	

Registered Agent	Information		
Name:	H. STAN JOHNSON	Address 1:	255 E WARM SPRINGS RD STE 100
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89119
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent		
Status:			

Financial Information		
No Par Share Count: 0	Capital Amount:	\$0
No stock records found for this company		

Officers			☑ Include Inactive Officers
Manager - ANTHO	NY SANTO	· · · · · · · · · · · · · · · · · · ·	
Address 1:	1 MAIN STREET	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89101	Country:	USA
Status:	Active	Email:	

Action Type:	Articles of Organization		
Document Number:	20050177570-44	# of Pages:	3
File Date:	5/12/2005	Effective Date:	
P/U 051305 RSS			•
Action Type:	Initial List		
Document Number:	20050204172-13	# of Pages:	1
File Date:	5/26/2005	Effective Date:	
(No notes for this actio	n)		

Document Number:	20050177200-95	# of Pages:	14
File Date:		Effective Date:	•
(No notes for this action		Zilouto Dute.	
Action Type:	Annual List		
Document Number:		# of Pages:	1
File Date:		Effective Date:	
(No notes for this action	1)		
Action Type:	Annual List		
Document Number:		# of Pages:	1
File Date:		Effective Date:	•
08/09			
Action Type:	Registered Agent Name Change		
Document Number:	20080440795-09	# of Pages:	2
File Date:	6/30/2008	Effective Date:	
(No notes for this action			
Action Type:	Annual List		
Document Number:	20090432886-52	# of Pages:	1
File Date:	5/19/2009	Effective Date:	
(No notes for this action	n)		<u> </u>
Action Type:	Annual List		
Document Number:	20100221294-53	# of Pages:	1
File Date:		Effective Date:	
(No notes for this action	1)		
Action Type:			
Document Number:		# of Pages:	1
File Date:		Effective Date:	
(No notes for this action	1)		
	Amended List		
Document Number:		# of Pages:	1
File Date:		Effective Date:	
(No notes for this action	1)		
Action Type:			
Document Number:	20120143134-01	# of Pages:	1
	2/29/2012	Effective Date:	
(No notes for this action			
Action Type:	Amended List		
Document Number:	20120144147-76	# of Pages:	1
	2/29/2012	Effective Date:	
(No notes for this action			
Action Type:	Registered Agent Change		
Document Number:		# of Pages:	1
File Date:		Effective Date:	
(No notes for this action			
Action Type:	Merge Out		
Document Number:		# of Pages:	6
	10/1/2012	Effective Date:	10/1/2012
(No notes for this action	n)		

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## **EXHIBIT 6**

#### FILED Electronically

4050 1 ROBERT A. DOTSON, ESQ. 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESO. Nevada State Bar No. 5574 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865

Attorneys for Plaintiff

06-21-2013:10:28:28 AM Joey Orduna Hastings Clerk of the Court Transaction # 3805150

#### IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

#### IN AND FOR THE COUNTY OF WASHOE

GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: Corporation, d/b/a ATLANTIS CASINO **RESORT SPA** 

Plaintiff,

SUMONA ISLAM, an individual; NAV-RENO-GS, LLC, a Nevada limited liability company,

d/b/a GRAND SIERRA RESORT; ABC

CORPORATIONS; XYZ PARTNERSHIPS: AND JOHN DOES I through X, inclusive.

Dept No.:

CV12-01171

VS.

**B7** 

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Defendants.

#### STIPULATION TO SUBSTITUTE DEFENDANT AND CHANGE CAPTION

Plaintiff, GOLDEN ROAD MOTOR INN, INC. d/b/a ATLANTIS CASINO RESORT SPA ("Plaintiff" or "ATLANTIS"), by and through its counsel, Laxalt & Nomura, and Defendants, SUMONA ISLAM ("ISLAM"), by and through her counsel, Mark Wray, and NAV-RENO-GS, LLC d/b/a GRAND SIERRA RESORT ("GSR"), by and through its counsel, Cohen/Johnson, hereby stipulate that pursuant to the merger of Defendant, NAV-RENO-GS, LLC into MEI-GSR HOLDINGS, LLC in October, 2012, MEI-GSR HOLDINGS, LLC should be substituted as the appropriate Defendant entity doing business as GRAND SIERRA RESORT. MEI-GSR HOLDINGS, LLC stipulates that it is responsible for and has assumed all

Page 1 of 2

ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521

1	liabilities of NAV-RENO-GS, LLC include	ding those alleged by Plaintiff in this action to include
2	compensatory and punitive damages as w	ell as equitable and injunctive relief. The parties agree
3	that with this binding stipulation and orde	r of the Court, the caption may be changed to substitu
4	MEI-GSR HOLDINGS, LLC in place of	NAV-RENO-GS, LLC.
5	Affirmation I	Pursuant to NRS 239B.030
6	The undersigned do hereby affirm	that the preceding document does not contain the
7	social security number of any person.	·
. 8	Dated this 2/1/2 day of June, 2013.	Dated this 20 Hday of June, 2013.
9	LAXALT & NOMURA, LTD.	COHEN/JOHNSON
10	MAR	as 12 0 0
11	ROBERT A BOTSON	STEVEN B. COHEN
12	Nevada State Bar No. 5285 ANGELA M. BADER, ESQ.	Nevada State Bar No. 2327
13	Nevada State Bar No. 5574	STAN JOHNSON Nevada State Bar No. 265
14	9600 Gateway Drive Reno, Nevada 89521	TERRY KINNALLY Nevada State Bar No. 6379
15	Attorneys for Plaintiff	255 E. Warm Springs Rd, Ste 100 Las Vegas, NV 89119
16	·	Attorneys for Defendant Grand Sierra Resort
17		Grand Sierra Resort
18	Dated this day of June, 2013.	
19	LAW OFFICE OF MARK WRAY	
20		
21	MARK WRAY	<del></del>
22	Nevada State Bar No. 4425 608 Lander Street	
23	Reno, NV 89509 Attorneys for Defendant Sumona Islam	
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Laxalt & Nomura, Ltd. Attorneys at Law 9600 gateway Drive Reno, Nevada 89521		Page 2 of 2

Page 2 of 2

		•	
1	liabilities of NAV-RENO-GS, LLC includ	ing those alleged by Plaintiff in this action to include	
2	compensatory and punitive damages as well as equitable and injunctive relief. The parties agr		
3	that with this binding stipulation and order	of the Court, the caption may be changed to substitute	
4	MEI-GSR HOLDINGS, LLC in place of N		
. 5	Affirmation P	ursuant to NRS 239B.030	
6	The undersigned do hereby affirm	that the preceding document does not contain the	
7	social security number of any person.		
8	Dated this day of June, 2013.	Dated this day of June, 2013.	
9	LAXALT & NOMURA, LTD.	COHEN/JOHNSON	
10			
11	ROBERT A. DOTSON	STEVEN B. COHEN	
12	Nevada State Bar No. 5285 ANGELA M. BADER, ESQ.	Nevada State Bar No. 2327	
13	Nevada State Bar No. 5574	STAN JOHNSON Nevada State Bar No. 265	
14	9600 Gateway Drive Reno, Nevada 89521	TERRY KINNALLY Nevada State Bar No. 6379	
15	Attorneys for Plaintiff	255 E, Warm Springs Rd, Ste 100 Las Vegas, NV 89119	
16		Attorneys for Defendant Grand Sierra Resort	
17	Dated this 20 hay of June, 2013.	o, and only, a region.	
18	'		
19	LAW OFFICE OF MARK WRAY		
20	Madellean		
21	MARK WRAY Nevada State Bar No. 4425		
22.	608 Lander Street		
23	Reno, NV 89509 Attorneys for Defendant Sumona Islam		
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Laxalt & Nobura, Ltd. Attorneys at Law 9600 Gateway Drivs Reno, Nevada 89521		Page 2 of 2	

FILED Electronically 07-01-2013:09:38:11 AM Joey Orduna Hastings Clerk of the Court 1 Transaction #3824868 ROBERT A. DOTSON, ESQ. 2 Nevada State Bar No. 5285 rdotson@laxalt-nomura.com ANGELA M. BADER, ESQ. Nevada State Bar No. 5574 abader@laxalt-nomura.com 5 LAXALT & NOMURA, LTD. 9600 Gateway Drive 6 Reno, Nevada 89521 Tel: (775) 322-1170 7 Fax: (775) 322-1865 Attorneys for Plaintiff 8 9 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 10 IN AND FOR THE COUNTY OF WASHOE 11 CV12-01171 GOLDEN ROAD MOTOR INN, INC., a Nevada Case No.: Corporation, d/b/a ATLANTIS CASINO 12 RESORT SPA Dept No.: **B7** 13 Plaintiff, 14 VS. 15 SUMONA ISLAM, an individual; NAV-RENO-GS, LLC, a Nevada limited liability company, 16 d/b/a GRAND SIERRA RESORT; ABC 17 CORPORATIONS; XYZ PARTNERSHIPS; AND JOHN DOES I through X, inclusive. 18 Defendants. 19 20 ORDER SUBSTITUTING DEFENDANT AND CHANGING CAPTION 21 Pursuant to the Stipulation To Substitute Defendant and Change Caption, on file herein, 22 and good cause appearing, 23 111 24 25 111 26 /// 27 28 LAXALT & NOMURA, LTD. ATTORNEYS AT LAW 9600 GATEWAY DRIVE RENO, NEVADA 89521 Page 1 of 2

ļ	
1	IT IS HEREBY ORDERED that MEI-GSR HOLDINGS, LLC is substituted in place of
2	NAV-RENO-GS, LLC as the appropriate Defendant entity doing business as GRAND SIERRA
3	RESORT as it is responsible for and has assumed all liabilities of Defendant NAV-RENO-GS,
4	LLC pursuant to a merger in October, 2012.
5	IT IS FURTHER ORDERED THAT the caption may be changed to substitute MEI-GSR
6	HOLDINGS, LLC in place of NAV-RENO-GS, LLC.
7	The state of the A-VENO-OR's LTC.
8	Dated this / day of July , 2013.
9	
10	Panck Tanacan
11	DISTRICT COURT JUDGE
12	Respectfully submitted,
13	LAXALT & NOMURA, LTD
14 15	By: Par Oh. B
16	ROBERT A. DOTSON (NSB # 5285) ANGELA M. BADER, ESQ. (NSB #5574)
17 18	9600 Gateway Dr. Reno, NV 89521 Attorneys for Plaintiff
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Clerk of the Court
Transaction # 4294308 : mcholico

#### EXHIBIT 7

# COHEN | JOHNSON ATTORNEYS & COUNSELORS AT LAW

Terry Kinnally, Esq. tkinnally@cohenjohnson.com

255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 702-823-3500 tel 702-823-3400 fax

April 12, 2013

Via Email: abader@laxalt-nomura.com
Angela Bader, Esq.
Laxalt & Nomura, Ltd.
9600 Gateway Drive
Reno, Nevada 89521

Re: Case No.: Golden Road Motor Inn, Inc., et al v. Sumona Islam, et al.

File No.:

CV12-01171 120123

Dear Angie

Please be advised that Tony Santo is no longer associated with Grand Sierra Resort and therefore we cannot produce him for his deposition which has been scheduled for April 19, 2013 at 9:00 a.m.

Here is his last known address:

Tony Santo 1243 Jessie Road Henderson, Nevada 89002-9213

I will also be calling you next week to see if we can finally resolve our discovery questions. Please let me know when it would be convenient to schedule the call. I am currently reviewing the supplemental responses you recently served.

Very Truly Yours

TERRY KINNALLY, I

MTK/jsr cc: Mark Wray

via email: mwray@markwraylaw.com

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Joey Orduna Hastings
Clerk of the Court
Transaction # 4294308 : mcholico

### **EXHIBIT 8**

```
01/01/11
                     ADDITION OF A RACE BOOK
 01/01/11
                     ADDITION OF A SPORTS POOL
 01/01/11
                     APPROVAL OF OFF-TRACK PARI-MUTUEL RACE WAGERING
 01/01/11 10/01/12 R NAV-RENO-GS, LLC (1)
 10/01/12
                     MEI-GSR HOLDINGS, LLC (1)
                    : (1) RECEIVING PERCENTAGE OF GAMING REVENUE
                      <End of Owners>
Name MEI-GSR HOLDINGS, LLC
                                                Approve Date
                                                                 06/22/06
DB at
                                                Start Date
                                                                 06/23/06
DB as GRAND SIERRA RESORT AND CASINO
                                                Finaled Date
                                                                 99/99/99
N -Non Restricted
                              Active
                                                            Ownership LLCO
  ---- Location Address ---
                                                -- Mailing Address --
2500
       E 2ND
                         ST
                                      2500 E 2ND ST
 RENO
                    NV 89595
                                         RENO
                                                             NV 89595
 --Added---Removed--
                                        --- Owners only --
06/23/06 08/01/11 R LARRY JEAN WOOLF/
                       MANAGER
 08/01/11 10/01/12 R SANTO GAMING, LLC
                    - (100% MEMBER AND MANAGER OF SANTO GAMING - GSR, LLC)
 08/01/11 10/01/12 R ANTHONY FRANCIS SANTO/----- 100%
                         MANAGER
 08/01/11 10/01/12 R SANTO GAMING - GSR, LLC
                    - (100% MEMBER AND MANAGER OF NAV-RENO-GS, LLC)
10/01/12
                     MEI-GSR HOLDINGS, LLC (2) DBA
                      GRAND SIERRA RESORT AND CASINO
10/01/12
                       ALEX MERUELO/----
                        MANAGER
 10/01/12
                       LUIS ALBERTO ARMONA/---- 23%
                         MANAGER
 06/23/06 10/01/12 R NAV-RENO-GS, LLC DBA
                    - GRAND SIERRA CASINO
                    - KEY EMPLOYEE
06/19/08 06/09/11 R BRANDYWINE BOOKMAKING LLC/(1)
                         RACE BOOK AND SPORTS POOL MANAGER
 06/19/08 06/09/11 R
                           JOSEPH MAX ASHER/MANAGER
 06/19/08 06/09/11 R
                           BRANDYWINE GAMING LLC----
                                                      ----- 100%
 06/19/08 06/09/11 R
                             JOSEPH MAX ASHER/---- 100%
                               MANAGER
 06/23/06 10/01/12 R APPROVAL OF RACE BOOK
06/23/06 10/01/12 R APPROVAL OF SPORTS POOL
06/23/06 10/01/12 R APPROVAL TO CONDUCT OFF-TRACK PARI-MUTUAL RACE WAGERING
                    - (1) APPROVAL TO RECEIVE A PERCENTAGE OF GAMING REVENUE
                    : (2) APPROVAL TO RECEIVE A PERCENTAGE OF GAMBLING
                    : REVENUE FROM THE RACE BOOK AND SPORTS POOL OPERATED BY
                    : BRANDYWINE BOOKMAKING LLC.
                      <End of Owners>
```

FILED
Electronically
2014-02-06 03:53:40 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 4294308 : mcholico

## **EXHIBIT 9**

#### **Angie Bader**

From:

Terry Kinnally <tkinnally@cohenjohnson.com>

Sent:

Tuesday, May 07, 2013 12:08 PM

To: Subject:

Angie Bader Re: depositions

I will, I'll get the stip over to you today, and the depostions would be Tuesday at 9 30 am and 1 p.m and Monday at 9:30 (if you remember we adjusted them due to the Stan flying in that morning. If this is a problem let me know.

On Tue, May 7, 2013 at 11:35 AM, Angie Bader <a href="mailto:abader@laxalt-nomura.com">abader@laxalt-nomura.com</a>> wrote: This works. How about the same timing as the last time they were set. Also, can you send over a proposed stipulation correcting the name of the appropriate GSR entity. Thanks. Angie

From: Terry Kinnally [mailto:tkinnally@cohenjohnson.com]

Sent: Tuesday, May 07, 2013 10:10 AM

To: Angie Bader Subject: depositions

I just heard back from Jeremy's office and he has a problem with Friday. Can we do your witnesses on Tuesday, and then do Jeremy on Monday the 20th. He is free that day. It would also give us the chance to get him your witnesses depositions for review, as Rob asked. Let me know if that works, and what times are good.

From:

Morgan Bogumil

Sent:

Monday, June 10, 2013 12:08 PM

To:

scohen@cohenjohnson.com; Stan Johnson; Terry Kinnally; jrussell@cohenjohnson.com; 'Mark

Wray'; 'Angeline Peterson'

Cc:

Rob Dotson; Angle Bader; 'Debra Robinson'

Subject:

Atlantis Casino Resort Spa v. Sumona Islam, et al.

Importance: High

itatice. High

Attachments: Stipulation To Substitute Defendant.pdf

Counsel,

Attached please find a proposed Stipulation to Substitute Defendant and Change Caption, which will be discussed today at the Pretrial Conference.

L. Morgan Bogumil
Assistant to Robert A. Dotson, Esq. and Angela M. Bader, Esq. Laxalt & Nomura, Ltd.
Phone: (775) 322-1170, x 137
Fax: (775) 322-1865
mbogumil@laxalt-nomura.com

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From: Rob Dotson

Sent: Tuesday, June 18, 2013 2:52 PM

To: Stan Johnson

Cc: Mark Wray; Angie Bader; Morgan Bogumil

Subject: Stipulation

Stan - Do you have authority to enter into the stipulation to substitute parties or do you have any edits you would propose. If you are unable to stipulate please simply advise me of that and I will file a motion. However, given the date we are going to need to bring a motion on Order shortening time. - Rob

From:

Rob Dotson

Sent: To:

Wednesday, June 19, 2013 6:53 PM

Cc:

Debra Robinson; Angle Bader

Morgan Bogumil

Subject:

FW: Stipulation

FYI

From: Rob Dotson

Sent: Wednesday, June 19, 2013 6:44 PM

To: Stan Johnson

Subject: RE: Stipulation

Will do. It will be in the morning.

From: Stan Johnson [sjohnson@cohenjohnson.com]

Sent: Wednesday, June 19, 2013 6:29 PM

To: Rob Dotson

Subject: Re: Stipulation

I can sign it; please resend.

Stan

Sent from my iPhone

On Jun 19, 2013, at 3:55 PM, Rob Dotson <rdotson@laxalt-nomura.com> wrote:

> What is the status of authority on the stipulation?

> Robert Dotson

> Reno Office : 775.322.1170 > Las Vegas : 702.388.1551 > Cell : 775.560.7622

From:

Morgan Bogumil

Sent:

Thursday, June 20, 2013 8:50 AM

To:

Stan Johnson; Terry Kinnally; jrussell@cohenjohnson.com; 'Mark Wray'; 'Angeline Peterson'

Cc:

Rob Dotson; Angie Bader; 'Debra Robinson'

Subject:

Atlantis Casino Resort Spa v. Sumona Islam, et al.

Attachments: Stipulation To Substitute Defendant.pdf

Counsel,

Attached please find the Stipulation to Substitute Defendant and Change Caption. Please review, sign where indicated and return your signature page to our office via email. If you have any questions, please contact me.

L. Morgan Bogumil
Assistant to Robert A. Dotson, Esq. and Angela M. Bader, Esq.
Laxalt & Nomura, Ltd.
Phone: (775) 322-1170, x 137
Fax: (775) 322-1865

mbogumil@laxalt-nomura.com

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