1 IN THE SUPREME COURT OF THE STATE OF NEVADA 2 3 CASHMAN EQUIPMENT COMPANY, Supreme Court Case No. 9658 2015 03:06 p.m. Supreme Court Case No. 9658 2015 03:06 p.m. Supreme Court Case No. 9658 25 Lindeman 4 a Nevada corporation, 5 Appellant, Clerk of Supreme Court 6 EJDC Case No.: A642583 & A653029 v. 7 WEST EDNA ASSOCIATES, LTD. dba MOJAVE ELECTRIC, a Nevada 8 corporation; WESTERN SURETY COMPANY, a surety; THE WHITING 9 TURNER CONTRACTING COMPANY. a Maryland corporation; FIDELITY AND 10 DEPOSIT COMPANY OF MARYLAND, a surety; TRAVELERS 11 CASUALTY AND SURETY COMPANY OF AMERICA, a surety; QH LAS VEGAS LLC, a foreign limited liability company; PQ LAS VEGAS, 12 LLC, a foreign limited liability company; LWTIC SUCCESSOR LLC, an unknown limited liability; FC/LW VEGAS, a foreign limited liability company, 13 14 15 Respondents. 16 17 RESPONDENTS WEST EDNA, LTD., DBA MOJAVE ELECTRIC, WESTERN SURETY COMPANY, THE WHITING TURNER 18 CONTRACTING COMPANY, QH LAS VEGAS, LLC, PQ LAS VEGAS LLC, LWTIC SUCCESSOR LLC, AND FC/LW VEGAS'S ANSWERING 19 BRIEF 20 BRIAN W. BOSCHEE, ESQ. (NBN 7612) E-mail: bboschee@nevadafirm.com WILLIAM N. MILLER, ESQ. (NBN 11658) 21 wmiller@nevadafirm.com E-mail: 22 HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON 23 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 24 Telephone: 702/791-0308 Facsimile: 702/791-1912 25 Attorneys for Respondents West Edna, Ltd., dba Mojave Electric, Western Surety

Company, The Whiting Turner Contracting Company, QH Las Vegas, LLC, PQ Las Vegas, LLC, LWTIC Successor LLC, and FC/LW Vegas

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IN THE SUPREME COURT OF THE STATE OF NEVADA

CASHMAN EQUIPMENT COMPANY, a Nevada corporation,

Appellant,

v.

Supreme Court Case No.: 61715 Supreme Court Case No.: 65819 Supreme Court Case No.: 66452

EJDC Case No.: A642583 & A653029

WEST EDNA ASSOCIATES, LTD. dba MOJAVE ELECTRIC, a Nevada corporation; WESTERN SURETY COMPANY, a surety; THE WHITING TURNER CONTRACTING COMPANY, a Maryland corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a surety; TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a surety; QH LAS VEGAS LLC, a foreign limited liability company; PQ LAS VEGAS, LLC, a foreign limited liability; FC/LW VEGAS, a foreign limited liability; FC/LW VEGAS, a foreign limited liability company,

Respondents.

Respondents West Edna, Ltd., dba Mojave Electric, Western Surety Company, The Whiting Turner Contracting Company, QH Las Vegas, LLC, PQ Las Vegas, LLC, LWTIC Successor LLC, and FC/LW Vegas's NRAP 26.1

<u>Disclosure</u>

The undersigned counsel of record certifies that the following are persons and entities as described in NRAP 26.1(a), and must be disclosed. These representations are made in order that the Judges of this Court may evaluate possible disqualification or recusal.

- 1. Parent corporations of Respondents WEST EDNA ASSOCIATES, LTD. dba MOJAVE ELECTRIC, WESTERN SURETY COMPANY, THE WHITING TURNER CONTRACTING COMPANY, QH LAS VEGAS LLC, PQ LAS VEGAS, LLC, LWTIC SUCCESSOR LLC, AND FC/LW VEGAS (collectively, the "Respondents" or the "Mojave Parties"): None
- 2. Publicly held company owning ten percent (10%) of any of the Mojave Parties' stock: No such corporation
- 3. The Mojave Parties' law firm: Holley, Driggs, Walch, Fine, Wray, Puzey and Thompson
- 4. Pseudonym of any of the Mojave Parties: None DATED this 19th day of August, 2015.

HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON

/s/ BRIAN W. BOSCHEE
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1	
2	TABLE OF CONTENTS
3	Respondents NRAP 26.1 Disclosureii
4	TABLE OF CONTENTSiv
5	TABLE OF AUTHORITIESvi
6	I. JURISDICTIONAL STATEMENTviii
7	II.STATEMENT OF THE ISSUESix
8	III. STATEMENT OF THE CASE1
9	IV. STATEMENT OF RELEVANT FACTS7
10	A. Factual Background7
11	B. Procedural Background10
12	V.SUMMARY OF ARGUMENT
13	VI. ARGUMENT
14	A. Standards of Review
15	
16 17	B. The District Court Properly Ruled in Favor of the Mojave Parties on Cashman's Claims for Enforcement of its Lien/Amended Lien, Payment Bond, and Fraudulent Transfer
18	
19	1. The District Court Properly Dismissed Cashman's Claim for Enforcement of its Lien/Amended Lien against Mojave and Western 16
20	2. The District Court Properly Dismissed Cashman's Claim for Payment Bond against Mojave and Western20
21	
22	3. The District Court Properly Dismissed Cashman's Claim for Fraudulent Transfer27
23	C. The District Court Improperly Ruled in Favor of Cashman on its
24	Claims for Foreclosure of Security Interest and Unjust Enrichment and Mojave's Claim for Misrepresentation29
25	1. The District Court Improperly Ruled in Favor of Cashman on its
26	Claim for Foreclosure of Security Interest29
27	2. The District Court Improperly Ruled in Favor of Cashman on its Claim for Unjust Enrichment31
28	

1	
2	3. The District Court Improperly Ruled in Favor of Cashman on Mojave's Claim for Misrepresentation33
3	D. Although Mojave Believes it is not at Fault for any of the Actions of
4	CAM and Carvalho, the District Court came to a Reasonable Conclusion in Balancing the Fault Percentages, in Equity, of Mojave and Cashman, in
5	Terms of the Actions of CAM and Carvalho
6	E. The District Court Properly Held that the Codes Should be Turned Over to Mojave, given that Mojave Tendered Full Payment to CAM, the
7	Party it was Obligated to Pay40
8	F. The District Court Erred in Denying Recovery to Mojave on its Motion for Attorneys' Fees and Costs Pursuant to NRCP Chapter 108 for
10	Having to Defend Cashman's Excessive Lien Claim44
10 11	1. The District Court Should Have Awarded Mojave its Attorneys' Fees in the Amount of \$316,844.50
12	2. The District Court Should Have Awarded Mojave its Costs in the
13	Amount of \$19,129.5548
14 15	G. The District Court Properly Ruled that Cashman was not Entitled to its Attorneys' Fees and Costs49
16	VII. CONCLUSION55
17	CERTIFICATE OF COMPLIANCE56
18	CERTIFICATE OF SERVICE57
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	

TABLE OF AUTHORITIES

3	Cases
4	All Star Bail Bonds, Inc. v. Eighth Jud. Dist. Ct., Nev, 326 P.3d 1107 (2014)
5	
6	Barney v. Mt. Rose Heating & Air Conditioning, 124 Nev. 821, 192 P.3d 730 (2008)
7	Bergmann v. Boyce, 109 Nev. 670, 856 P.2d 560 (1993)
8	Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals, 114 Nev. 1348, 971 P.2d 383 (1998)16
10	BOPP v. Lino, 110 Nev. 1246, 885 P.2d 559 (1994)
11	Bruznell v. Golden Gate Nat'l Bank, 85 Nev. 345, 455 P.2d 31 (1969) 45, 53
12	Certified Fire Prot., Inc. v. Precision Constr., Inc., Nev, 283 P.3d 250
13 (2012)	(2012)32
14	County of Clark v. Blanchard Constr. Co., 98 Nev. 488, 653 P.2d 1217 (1982) 15
15	Coury v. Robison, 115 Nev. 84, 976 P.2d 518 (1999)
16 17	Dangberg Holdings Nev., LLC v. Douglas County, 115 Nev. 129, 978 P.2d 311 (1999)41
18	Dixon v. Thatcher, 103 Nev. 414, 742 P.2d 1029 (1987)41
19	Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979)
20	Henry Prods. Inc. v. Tarmu, 114 Nev. 1017, 967 P.2d 444 (1998)45
21	Hermann Trust v. Varco-Pruden Bldgs., 106 Nev. 564, 796 P.2d 590 (1990) 15
22	Ideal Elec. Co. v. Flowserve Corp., 357 F.Supp.2d 1248 (D. Nev. 2005)
2324	Leasepartners Corp. v. Robert L. Brooks Trust Dated Nov. 12, 1975, 113 Nev. 747, 942 P.2d 182 (1997)
25	Lee v. GLNV Corp., 116 Nev. 424, 996 P.2d 416 (2000)viii
26	McGrath v. State Dept. of Public Safety, 123 Nev. 120, 159 P.3d 239 (2007) 19, 51
27	Mountain Shadows v. Kopsho, 92 Nev. 599, 555 P.2d 841 (1976)
28	Nebaco, Inc. v. Riverview Realty Co., Inc 87 Nev. 55, 482 P.2d 305 (1971)25

1

1	
2	Pandelis Constr. Co. v. Jones-Viking Assoc., 103 Nev. 129, 734 P.2d 1236 (1987)
3	Pierce Lathing Co. v. ISEC, Inc., 114 Nev. 291, 956 P.2d 93 (1998)22, 30
4	Sobel v. Capital Mgmt. Consultants, Inc., 102 Nev. 444, 726 P.2d 335 (1986)41
5 6	Terracon Consultants W., Inc. v. Mandalay Resort Group, 125 Nev. 66, 206 P.3d 81 (2009)38, 39
7	Topaz Mut. Co. Inc. v. Marsh, 108 Nev. 845, 839 P.2d 606 (1992)31
8 9	Univ. and Cmty. College Sys. of Nev. v. Nevadans for Sound Gov't, 120 Nev. 712, 100 P.3d 179 (2004)
10	Other Authorities
11	Order Consolidating Appeals and Order to Show Cause filed on July 24, 2014viii
12	Order Consolidating Appeals and Referring Appeals to Settlement Program filed
13	by the Court on October 20, 2014viii, 13, 24
14	Rules
15	NEV. R. APP. P. 3(A)(b)(1)viii
16	NEV. R. APP. P. 4viii
17	NEV. R. APP. P. 26.1(a)ii
18	Statutes
19	NEV. REV. STAT. § 18.010
20	NEV. REV. STAT. § 18.020
21	NEV. REV. STAT. § 104.9607
22	NEV. REV. STAT. § 108.2275(6)
23	NEV. REV. STAT. § 108.237(3)
24	NEV. REV. STAT. § 108.2457(5)(e)
2526	NEV. REV. STAT. § 112.180(1)(a)
27	NEV. REV. STAT. § 112.180(1)(b)
28	

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I. JURISDICTIONAL STATEMENT

The Nevada Supreme Court has jurisdiction over this consolidated appeal, since this appeal revolves around a final judgment entered by the district court.¹ Additionally, NRAP 3(A)(b)(1) authorizes appeals from final judgments. district court entered a final judgment on August 18, 2014, and the notice of appeal was filed on September 8, 2014, within the thirty-day timeframe provided by NRAP 4.

Further, on or about July 24, 2014, this Court issued an order to show cause why the appeal should not be dismissed for lack of jurisdiction.² After briefing on this issue, on or about October 20, 2014, this Court stated that "[t]hese are consolidated appeals from a district court preliminary injunction . . . and a district court judgment. . . The parties have stipulated to consolidate these appeals with a third appeal . . . which is taken from a post-judgment order denying costs in the same underlying case. The parties' September 30, 2014, stipulation to consolidate these appeals is approved . . . Accordingly, it appears that a final judgment has been entered, and these appeals may proceed." Thus, this Court has already held that it has jurisdiction over the instant consolidated appeal.

See generally Lee v. GLNV Corp., 116 Nev. 424, 996 P.2d 416 (2000).

² See Order Consolidating Appeals and Order to Show Cause filed on July 24,

See Order Consolidating Appeals and Referring Appeals to Settlement Program filed on October 20, 2014, pages 1-2.

II. STATEMENT OF THE ISSUES

The principal issues on this consolidated appeal are:

- 1. Whether the district court properly ruled in favor of the Mojave Parties for Cashman Equipment Company's ("Cashman") claims for enforcement of its Lien/Amended Lien (both defined below), its payment bond, and fraudulent transfer;
- 2. Whether the district court improperly ruled in favor of Cashman on its claims for foreclosure of security interest and unjust enrichment, and West Edna Associates, LTD. dba Mojave Electric's ("Mojave") claim for misrepresentation;
- 3. Whether the district court properly balanced the fault percentages, in equity, of Mojave and Cashman, in terms of the actions of Cam Consulting, Inc. ("CAM") and Angelo Carvalho ("Carvalho"), the president of CAM;
- 4. Whether the codes should be turned over to Mojave, given that Mojave tendered payment in full to the party it was obligated to, CAM;
- 5. Whether the district court erred in denying recovery to Mojave on its Motion for Attorneys' Fees and Costs pursuant to NRS Chapter 108 for having to defend Cashman's excessive lien claim; and
- 6. Whether the district court properly ruled that Cashman was not entitled to its attorneys' fees or costs in this action, when it recovered at trial approximately only a quarter of what is was originally seeking.

III. STATEMENT OF THE CASE

This case revolves around whether the Mojave Parties have to pay for equipment supplied for the City Hall Project (the "Project") twice, or whether Cashman has to suffer some loss, which has already been mitigated by recovery against other defendants (besides the Mojave Parties), in the action, as a direct result of Cashman's conduct.

Cashman and Cam entered into a contract (the "<u>Cashman/CAM Contract</u>") whereby Cashman was to supply materials comprised of generators, switchgear, and associated items (the "<u>Materials</u>") that were for the Project. Mojave entered into a separate contract with CAM (the "<u>Mojave/CAM Contract</u>"), pursuant to Mojave's subcontract with The Whiting Turner Contracting Company ("<u>Whiting Turner</u>"), relating to the Materials on the Project. Essentially, CAM's involvement in the Project was mandated by the City of Las Vegas and the owners of the Project, who required participation by a disadvantaged business entity ("<u>DBE</u>"). In this case, CAM was a DBE on the Project, and therefore the middle man between Cashman and Mojave relating to the payments here.

After Mojave accepted Cashman's bid for the Project and began working on its submittals, in or about August 2010, Cashman began procuring the Materials. The Materials were delivered in a series of shipments to Mojave, with the final shipment of two generators being delivered directly to the Project and set in place

by crane beginning on January 20, 2011. Cashman's work required some startup functions that could not be completed at delivery but were to be scheduled later. Cashman supplied most, but not all, of the Materials through CAM relating to the Project.

Thereafter, and as required by its contract with CAM, despite the fact that Cashman had not yet completed all of the work on the Project, Mojave tendered **full and complete payment** to CAM. This payment was for the Materials and it is undisputed that Mojave tendered sufficient funds to the party it was contractually obligated to pay. Within minutes of CAM's receipt of Mojave's payment, CAM provided a post-dated check to Cashman for the amount due and owing under its contract with Cashman, and Cashman accepted the post-dated check without question. After Cashman accepted this post-dated check, and in exchange for this check, Cashman executed Unconditional Waiver and Release upon Final Payment documents relating to the Materials and provided them to Mojave.

Subsequently, CAM stopped payment on this post-dated check, which Cashman found out about on or about May 5, 2011. CAM later issued another check to Cashman, but again, the account did not have sufficient funds to pay Cashman. Shortly thereafter, CAM ceased operations, and Cashman was unable to collect the amount owed from CAM.

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Given that Cashman had not received payment for the Materials supplied from CAM, through partially its own fault, as it accepted a post-dated check from CAM, which check didn't clear the bank, Cashman: (1) filed a UCC Financing Statement with the Nevada Secretary of State on February 16, 2011, identifying the Materials; and (2) recorded a mechanic's lien (the "Lien") in the amount of \$755,893.89 against the Project on or about June 22, 2011.

During the middle of trial in this action, after evidence came out of partial payment being received by Cashman from another source (for batteries on the Project that was included in the Lien), and since Cashman's Lien was excessive on its face, on or about January 22, 2014, Cashman recorded an amended mechanic's lien (the "Amended Lien") in the amount of \$683,726.89 against the Project. Cashman never disclosed the fact that it had received payment from another source and only amended its Lien when it got caught at trial.

Therefore, Cashman had no choice but to reduce its lien and file the Amended Lien. This was clearly Cashman trying to hide the fact that that it had already been partially paid for certain materials and trying to recover an amount that it had already been paid.

Given the above, on or about June 3, 2011, Cashman filed an action against CAM and Carvalho in Case No. A-11-642583 (the "<u>First Action</u>"). Thereafter, Cashman filed an action against, among others, CAM, Carvalho, and Mojave in

Case No. A-11-653029-C (the "Section Action"). On or about January 31, 2012, the First Action and Second Action were consolidated and eventually, all of the Mojave Parties became parties to this consolidated action. On or about September 18, 2012, Cashman appealed the district court's order regarding an injunction for codes relating to the Project, Case No. 61715 (the "First Supreme Court Appeal"). The First Supreme Court appeal related to Cashman not providing codes to Mojave on the Project, even though Mojave tendered full payment regarding the Project to CAM. Thereafter, in January 2014, the Mojave Parties and Cashman had a trial in the action below and the district court:

- a. Ruled in favor of Mojave and Western Surety Company ("Western") on Cashman's claim for payment bond, because Mojave fully performed under the payment bond at issue (since it tendered payment to CAM, the entity that it had an agreement with to supply labor and materials) and because of the defense of impossibility.
- b. Ruled in favor of Mojave and Western on Cashman's claim for enforcement of its mechanic's lien release bond, because Cashman signed the Unconditional Waiver and Release upon Final Payments ("<u>Unconditional Releases</u>"), releasing any lien it had relating to the Materials.
- c. Ruled in favor of Mojave on Cashman's claim for fraudulent transfer, because there was no evidence that Mojave engaged in any conduct with the actual intent to harm, hinder, or delay Cashman relating to the Project.
- d. Ruled in favor of Cashman on its claim for foreclosure of security interest against Mojave, because Cashman filed the UCC Financing Statement.

- e. Ruled in favor of Cashman on its claim for unjust enrichment against the owners of the property at issue, as long as Cashman actually puts in the codes (to date, Cashman still has failed to provide or implement as of date).
- f. Ruled in favor of Cashman on the Mojave Parties' counterclaim for misrepresentation, because Cashman did not make a misrepresentation relating to its Lien.
- g. Ruled in equity, since Cashman and Mojave beared some responsibility of fault for what CAM and/or Carvalho did hereto (i.e. absconded with funds that Mojave provided, which funds were supposed to be used for payment for the Materials that Cashman provided), and even though both Mojave and Cashman were innocent victims, the district court held that Cashman was sixty-seven percent (67%) responsible and Mojave was thirty-three percent (33%) responsible for CAM and Carvalho's actions.

Since Cashman prevailed on a few of its claims at trial, the district court awarded Cashman the total amount of \$283,651.87, consisting of: (1) \$197,051.87 for Cashman prevailing on its claim for foreclosure of a security interest against Mojave; and (2) \$86,600.00 for Cashman prevailing on its unjust enrichment claim, so long as Cashman actually puts in the codes. On or about May 5, 2014, the district court's Findings of Fact and Conclusions of Law (the "FFCL") relating to the trial (incorporating the findings above) was filed, which Cashman appealed to this Court, Case No. 65819 (the "Second Supreme Court Appeal). Thereafter, the district court entered its Judgment, which Cashman appealed to this Court, Case No. 66452 (the "Third Supreme Court Appeal"). On or about October 20, 2014, the First Supreme Court Appeal, the Second Supreme Court Appeal, and the

Third Supreme Court Appeal were consolidated (the "Consolidated Appeal").

Further, and relating to the procedural history of the Consolidated Action:

(a) both Cashman and Mojave have default judgments against CAM and Carvalho;

and (b) Cashman has obtained/collected from CAM, Carvalho, and/or Janel Rennie

aka Janel Carvalho a house, a car, and money through judgments in the district

court, valued at over \$200,000.00.

For the foregoing reasons, this Court should: (1) dismiss with prejudice all of Cashman's claims, given that Mojave tendered payment in full to the party it was contractually obligated to, and solely because of Cashman's poor decisions and actions, Cashman did not get paid, not through any fault of the Mojave Parties; (2) award the Mojave Parties their attorneys' fees of approximately \$316,844.50 and costs in the amount of \$19,129.55 or remand this matter for a determination of the attorneys' fees and costs to be awarded to the Mojave Parties; and (3) deny Cashman's request for attorneys' fees and costs for the reasons stated above. Alternatively, this Court should affirm the Judgment in the district court.

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IV. STATEMENT OF RELEVANT FACTS⁴

A. Factual Background.5

All of the parties hereto agree that the facts of this case are largely not in dispute. There is no dispute that Cashman and Cam entered into the Cashman/CAM Contract whereby Cashman was to supply materials comprised of the Materials that were for the Project.⁶ There is also no dispute that Mojave entered into a separate contract with CAM, the Mojave/CAM Contract, pursuant to Mojave's subcontract with Whiting Turner, relating to the Materials on the Project.⁷ Mojave was the electrical subcontractor on the Project, contracting with Whiting Turner, the general contractor, to perform all electrical work, which included providing the Materials supplied to the Project by Cashman.⁸ Essentially, CAM's involvement in the Project was mandated by the City of Las Vegas and the owners of the Project, who required participation by a disadvantaged business entity ("DBE").⁹ In this case, CAM was a DBE on the Project.¹⁰ CAM was the

⁴ The Mojave Parties assert that only the facts noted in their Statement of Relevant Facts are relevant, and all other facts, including the facts that Cashman asserts in its Opening Brief on pages 4-13, are either inaccurate or irrelevant for this appeal.

⁵ Unless indicated otherwise, all pages numbers referenced in this Answering Brief are from the Joint Appendix filed with this Court on June 17, 2015.

⁶ See FFCL, Volume 31, page 7715, ¶1.

⁷ See Mojave/CAM Contract, Volume 12, pages 2776-2777; see also FFCL, Volume 31, page 7715, ¶4.

⁸ See FFCL, Volume 31, page 7715, ¶4.

⁹ See id., page 7716, ¶9.

¹⁰ See id.

middle man between Cashman and Mojave relating to pertinent payments at issue here.¹¹

On or about January 11, 2010, Mojave accepted Cashman's bid for the Project, and Cashman began work shortly thereafter on the submittal required for approval of the Materials. On or about April 23, 2010, Mojave issued a purchase order to CAM for the Materials provided by Cashman. On or about August 11, 2010, Mojave issued a Material Release Order to Cashman and Cashman began procuring the Materials. He Materials were delivered in a series of shipments to Mojave with the final shipment of two generators being delivered directly to the Project and set in place by crane beginning on January 20, 2011. Cashman's work required some startup functions that could not be completed at delivery but were to be scheduled later. Cashman supplied most, but not all, of the Materials through CAM after having been selected to supply the Materials by Mojave on the Project.

Thereafter, and as required by its contract with CAM, despite the fact that Cashman had not yet completed all of the work on the Project, Mojave tendered

¹¹ See id.

¹² See id., page 7716, ¶7.

¹³ See id., page 7716, ¶9.

¹⁴ See id., page 7716, ¶14.

See id., page 7717, ¶16.
 See id., page 7717, ¶17.

¹⁷ See id., page 7717, ¶21.

full payment to CAM.¹⁸ This payment was for the Materials and it is undisputed that Mojave tendered sufficient funds to the party it was contractually obligated to pay.¹⁹ Within minutes of CAM's receipt of Mojave's payment, CAM provided a post-dated check to Cashman for the amount due and owing under its contract with Cashman, and Cashman accepted this post-dated check without question.²⁰ After Cashman accepted this post-dated check from CAM, and in exchange for this check, Cashman executed the Unconditional Releases relating to the Materials and provided them to Mojave.²¹

Subsequently, CAM stopped payment on this post-dated check, which Cashman found out about on or about May 5, 2011.²² CAM later issued another check to Cashman, but again, the account did not have sufficient funds to pay Cashman.²³ Shortly thereafter, CAM ceased operations and Cashman was unable to collect the amount owed from CAM.²⁴

Given that Cashman had not received payment for the Materials supplied from CAM, Cashman filed a UCC Financing Statement with the Nevada Secretary

¹⁸ See check, Volume 11, page 2629; see also Testimony of Shane Norman at trial, Volume 27, pages 6687-6688 (noting that at the time Mojave made payment, Cashman's work on the Project was not complete).

¹⁹ See check, Volume 11, page 2629.

²⁰ See post-dated check, Volume 11, page 2603.

²¹ See Unconditional Releases, Volume 11, pages 2596-2597.

²² See FFCL, Volume 31, page 7718, ¶36.

²³ See id., page 7718-19, ¶38.

²⁴ See id., page 7719, ¶39.

of State on February 16, 2011²⁵ and recorded the Lien against the Project on or about June 22, 2011.²⁶

During the middle of trial in this action, after evidence came out of partial payment being received by Cashman from another source, since Cashman's Lien was excessive on its face, and the fact that Cashman got caught at trial with attempting to double recover on a portion of its work on the Project, on or about January 22, 2014, Cashman recorded its Amended Lien against the Project.²⁷

B. Procedural Background.

Given the above, on or about June 3, 2011, Cashman filed an action against CAM and Carvalho in the First Action.²⁸ Thereafter, on or about December 9, 2011, Cashman filed an action against, among others, CAM, Carvalho, and Mojave in the Second Action.²⁹ On or about January 31, 2012, the First Action and Second Action were consolidated and eventually, all of the Mojave Parties became parties to the Consolidated Action.³⁰ After Mojave filed a motion for injunctive relief regarding codes on the project, and the district court granted said motion, on or

²⁵ See UCC Financing Statement, Volume 11, page 2599; see also FFCL, Volume 31, page 7717, ¶23.

²⁶ See Lien, Respondents' Supplemental Appendix ("RSA"), Volume 33, pages 7843-7844; see also FFCL, Volume 31, page 7719, ¶41.

²⁷ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also FFCL, Volume 31, page 7719, ¶44.

²⁸ See Complaint filed in the First Action, Volume 1, pages 1-9.

²⁹ See Complaint filed in the Second Action, Volume 1, pages 104-111.

³⁰ See Notice of Entry of Order Granting Motion to Consolidate, Volume 1, pages 129-134.

about September 18, 2012, Cashman appealed the district court's order regarding this injunction for codes relating to the Project with this Court, the First Supreme Court Appeal.³¹

Again, the First Supreme Court Appeal related to Cashman not providing codes to Mojave on the Project, even though Mojave tendered full payment regarding the Project to CAM.³² Thereafter, the parties to this action each filed respective dispositive motions relating to the payment bond, license bond, and Lien; all of these dispositive motions were denied by the district court on or about May 6, 2013.

A bench trial was held in the district court on January 21-24, 2014.³³ Prior to trial: (1) Cashman alleged nine causes of action against the Mojave Parties, but at trial, it only asserted five of these causes of action; and (2) Mojave alleged three causes of action (counterclaims) against Cashman, but at trial, it only asserted one of these causes of action.³⁴ At trial, the district court:

a. Ruled in favor of Mojave and/or Western on Cashman's claims for payment bond, enforcement of its mechanic's lien release bond, and fraudulent transfer:³⁵

³¹ See Notice of Appeal filed with this Court on September 18, 2012, Volume 3, pages 610-619.

³² See id.

³³ See FFCL, Volume 31, page 7714.

³⁴ See id., pages 7719, n. 1 and 7724-7725, n. 3.

³⁵ See id., page 7728.

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- b. Ruled in favor of Cashman on its claim for foreclosure of security interest against Mojave and its claim for unjust enrichment against the owners of the property at issue, as long as Cashman actually puts in the codes (i.e. provides them and implements them);³⁶
- c. Ruled in favor of Cashman on the Mojave Parties' counterclaim for misrepresentation;³⁷
- d. In equity, Cashman was sixty-seven percent (67%) responsible and Mojave was thirty-three percent (33%) responsible for CAM and Carvalho's actions:³⁸ and
- e. Awarded Cashman the total amount of \$283,651.87, consisting of: (1) \$197,051.87 for Cashman prevailing on its claim for foreclosure of a security interest against Mojave, which equates to the Amended Lien amount minus the amount in escrow (if Cashman finalizes the codes), times the percentage of Mojave's fault ((\$683,726.89-\$86,600.00)*.33 = \$197,051.87); and (2) \$86,600.00 for Cashman prevailing on its unjust enrichment claim, so long as Cashman actually puts in the codes, and this amount is the amount in escrow.³⁹

On or about May 5, 2014, the district court's FFCL relating to the trial (incorporating the findings above) was filed, which Cashman appealed to this Court, the Second Supreme Court Appeal.⁴⁰ Thereafter, the district court entered its Judgment in this action, and Cashman subsequently appealed to this Court, the Third Supreme Court Appeal.⁴¹ On or about October 20, 2014, the First Supreme

³⁶ See id.

³⁷ See id. ³⁸ See id., pages 7726-7727.

³⁹ See id., pages 7728-7729.

⁴⁰ See id., pages 7714-7729; see also Notice of Appeal filed with this Court on June 5, 2014, Volume 32, pages 7751-7772.

See Judgment, Volume 32, pages 7789-7791; see also Notice of Appeal filed with this Court on September 2, 2014, Volume 32, pages 7813-7829.

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Court Appeal, the Second Supreme Court Appeal, and the Third Supreme Court Appeal were all consolidated.⁴²

Further, both Cashman and Mojave have default judgments against CAM and Carvalho, and Cashman has obtained/collected from CAM/Carvalho/Janel Rennie (aka Janel Carvalho) a house, a car, and money though judgment in the district court, valued at well over \$200,000.00.⁴³

V. <u>SUMMARY OF ARGUMENT</u>

In its simplest form, this action revolves around whether the Mojave Parties have to pay for the Materials twice or whether Cashman has to suffer some loss, which has already been mitigated by recovery against other defendants in the action, as a direct result of its conduct. Mojave paid for the Materials already,

⁴² See Order Consolidating Appeals and Referring Appeals to Settlement Program filed by the Court on October 20, 2014.

See id; see also Testimony of Shane Norman at trial, Volume 27, pages 6722-6723 (noting that Cashman has recovered \$5,200 from the other defendants and has been awarded a house and a car from another defendant in the district court); see also Closing Argument at trial, Volume 29, page 7046 (noting that the house is valued anywhere between \$165,000.00, what a defendant paid for the house in 2011, and \$214,881.00, the value of the house on Zillow); see also FFCL, Volume 31, page 7727, ¶41 (noting that the Court was upholding its prior findings of fact and conclusions of law with respect to its award of a property to Cashman); see also Notice of Entry of Findings of Fact and Conclusions of Law and Order on Cashman Equipment Company's Motion for Summary Judgment against Janel Rennie aka Janel Carvalho, RSA, Volume 33, pages 7845-7855 (noting the price of the property was \$165,000.00 and awarding this property to Cashman, as well as awarding a vehicle to Cashman worth approximately \$39,000.00). Additionally, on May 12, 2014 (approximately eleven months after Cashman was awarded the house and vehicle), Cashman filed in the district court a Satisfaction of Judgment of Janel Rennie aka Janel Carvalho. See RSA, Volume 33, pages 7858-7859.

tendered full payment to the entity it was contractually obligated to pay, and CAM provided a post-dated check to Cashman, which Cashman accepted said check. Thereafter, Cashman executed Unconditional Releases relating to the Materials and provided these releases to Mojave. Pursuant to Nevada law, the Mojave Parties did everything they were supposed to do and did it correctly. Cashman is not entitled to any damages from the Mojave Parties hereto.

As will be evident below: (1) the district court properly ruled in favor of the Mojave Parties for Cashman's claims for enforcement of its Lien/Amended Lien, its payment bond, and fraudulent transfer; (2) the district court improperly ruled in favor of Cashman on its claims for foreclosure of security interest and unjust enrichment, and Mojave's claim for misrepresentation; (3) although Mojave believes it is not at fault for any of the actions of CAM and Carvalho, the district court came to a reasonable conclusion in balancing the fault percentages, in equity, of Mojave and Cashman, in terms of the actions of CAM and Carvalho; (4) the district court properly ruled that the codes should be turned over to Mojave; (5) the district court erred in denying recovery to Mojave on its request for attorneys' fees and costs for having to defend Cashman's excessive lien claim; and (6) the district court properly ruled that Cashman was not entitled to its attorneys' fees or costs in this action, when it recovered at trial approximately only a quarter of what is was originally seeking.

VI. ARGUMENT

A. Standards of Review.44

A "district court's findings of fact will not be set aside unless those findings are clearly erroneous." "Accordingly, if the district court's findings are supported by substantial evidence, they will be upheld." "Substantial evidence is that evidence which a reasonable mind might accept as adequate to support a conclusion." A "district court's conclusions of law, however, [such as its construction of statutes,] are reviewed de novo."

Further, "[t]he decision whether to award attorney's fees is within the sound discretion of the trial court." "However, where a trial court exercises its discretion in clear disregard of the guiding legal principles, this action may constitute an abuse of discretion." Additionally, "[t]he determination of

⁴⁴ Given that this action involves findings of fact, conclusions of law, and attorneys' fees and costs requested by both sides hereto, the standard of review of each of these items is noted below.

⁴⁵ BOPP v. Lino, 110 Nev. 1246, 885 P.2d 559, 561 (1994); see also Hermann v. Varco-Pruden Bldgs., 106 Nev. 564, 566, 796 P.2d 590, 591-92 (1990).

⁴⁶ BOPP, 110 Nev. at 1249, 885 P.2d at 561; see also Pandelis Constr. Co. v. Jones-Viking Assoc., 103 Nev. 129, 130, 734 P.2d 1236, 1237 (1987).

⁴⁷ *BOPP*, 110 Nev. at 1249, 885 P.2d at 561.

⁴⁸ *Id.*, 885 P.2d at 561; see also All Star Bail Bonds, Inc. v. Eighth Jud. Dist. Ct., ___ Nev. ___, 326 P.3d 1107, 1109 (2014).

⁴⁹ Bergmann v. Boyce, 109 Nev. 670, 674, 856 P.2d 560, 563 (1993); see also County of Clark v. Blanchard Constr. Co., 98 Nev. 488, 492, 653 P.2d 1217, 1220 (1982).

⁵⁰ Bergmann v. Boyce, 109 Nev. at 674, 856 P.2d at 563; see also Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 562-63, 598 P.2d 1147, 1149 (1979) (citations

allowable costs is within the sound discretion of the trial court."51

B. The District Court Properly Ruled in Favor of the Mojave Parties on Cashman's Claims for Enforcement of its Lien/Amended Lien, Payment Bond, and Fraudulent Transfer.

At the conclusion of trial, the district court ruled that Cashman's claims for enforcement of its Lien/Amended Lien against Mojave and Western, payment bond against Mojave and Western, and fraudulent transfer were dismissed.⁵² As is evident below, the district court took into accounts all of the facts and circumstances in this action and properly concluded that all three claims should be dismissed.

1. The District Court Properly Dismissed Cashman's Claim for Enforcement of its Lien/Amended Lien against Mojave and Western.

The district court properly concluded that Cashman's claim for enforcement of its Lien/Amended Lien against Mojave and Western be dismissed.⁵³ On or about June 22, 2011, Cashman recorded the Lien against the Project.⁵⁴ During the middle of trial, because partial payment was received by Cashman from another source, since its Lien was excessive on its face, and because Cashman got caught at trial with attempting to double recover on a portion of its work on the Project, on ________(continued)

⁵¹ Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals, 114 Nev. 1348, 1352, 971 P.2d 383, 385 (1998).

⁵² See FFCL, Volume 31, page 7728.

⁵³ See id., pages 7721-7722 and 7728.

⁵⁴ See Lien, RSA, Volume 33, pages 7843-7844; see also FFCL, Volume 31, page 7719, ¶41.

or about January 22, 2014, Cashman recorded its Amended Lien against the Project.⁵⁵ These two liens stood for the proposition that Cashman had a lien in place relating to the Materials.

However, on or about April 26, 2011, Cashman released any lien it had relating to the Materials, as Cashman executed and delivered to Mojave Unconditional Releases relating to the Materials.⁵⁶ Cashman signed and delivered these Unconditional Releases to Mojave after: (1) Mojave had paid the full amount due and owing to the entity it was contractually obligated to pay, which it is undisputed that these funds were sufficient;⁵⁷ and (2) Cashman received and accepted a post-dated check from CAM.⁵⁸

More specifically, these Unconditional Releases, which Cashman signed, stated that the undersigned, Cashman, had been paid in full for the work on the Project and waived and released any notice of lien and continued as follows: "NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THESE RIGHTS.

⁵⁵ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also FFCL, Volume 31, page 7719, ¶44.

⁵⁶ See Unconditional Releases, Volume 11, pages 2596-2597; see also FFCL, Volume 31, page 7718, ¶34; see also Testimony of Shane Norman at trial, Volume 27, page 6685 (noting that Cashman provided the Unconditional Releases to Mojave).

⁵⁷ See Unconditional Releases, Volume 11, pages 2596-2597; see also FFCL, Volume 31, page 7718, ¶34.

⁵⁸ See post-dated check, Volume 11, page 2603.

THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM."59 Thus, when executing this document, Cashman understood that it was unconditionally waiving its rights to any lien relating to the Materials and asserting it had been paid for the Materials.⁶⁰ Pursuant to the plain language of these releases, if Cashman had any doubts of whether it was releasing its lien rights, it could have executed a conditional release. 61 Cashman instead choose to execute these Unconditional Releases. Since Cashman acknowledged it had been fully paid and was releasing any lien rights it had on the Materials, the district court properly concluded that Cashman did indeed release any and all of these lien rights.⁶²

Furthermore, Cashman's reliance on NRS 108.2457(5)(e) is inaccurate. In its entirety, the statute reads:

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See Unconditional Releases, Volume 11, pages 2596-2597 (emphasis in original); see also FFCL, Volume 31, page 7721, ¶9.

See Unconditional Releases, Volume 11, pages 2596-2597.

⁶¹ See id.

⁶² See FFCL, Volume 31, pages 7721-7722.

Notwithstanding any language in any waiver and release form set forth in this section, if the payment given in exchange for any waiver and release of lien is made by check, draft or other such negotiable instrument, and the same fails to clear the bank on which it is drawn for any reason, then the waiver and release shall be deemed null, void and of no legal effect whatsoever and all liens, lien rights, bond rights, contract rights or any other right to recover payment afforded to the lien claimant in law or equity will not be affected by the lien claimant's execution of the waiver and release.

When a statute's language is plain and unambiguous, the court will interpret it according to its ordinary meaning.⁶³

Pursuant to the plain language of NRS 108.2457(5)(e), the "payment given in exchange for" the Unconditional Releases was Mojave's check. The district court properly concluded this as well by stating "the check Mojave provided to CAM constitutes payment to Cashman for purposes of the enforceability of the Unconditional Releases that Cashman provided in exchange for the payment Cashman received from CAM." Further, it is undisputed that Mojave's check (made to the entity it was obligated to pay) cleared the bank. Thus, NRS 108.2457(5)(e) is inapplicable here.

Both Mojave and Cashman understood that the funds were coming from Mojave relating to the Materials, and the middle man was essentially obligated to simply pay Cashman with Mojave's check. Cashman, knowing that CAM had no

⁶³ See McGrath v. State Dept. of Public Safety, 123 Nev. 120, 123, 159 P.3d 239, 241 (2007).

⁶⁴ FFCL, Volume 31, page 7722, ¶14.

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credit and having no prior history with CAM, accepted a post-dated check from CAM for the Materials and agreed to wait a few days before trying to deposit this post-dated check.⁶⁵ Cashman could have made CAM sign over Mojave's check and then written CAM a small check for the difference owed to CAM, or Cashman could have insisted on immediate payment from CAM and gone to the bank with CAM. Cashman did neither of these things and instead, accepted a post-dated check. Cashman could also have insisted on a joint check, but it chose not to.⁶⁶

Again, Cashman did not have to sign these Unconditional Releases and could have executed conditional waivers instead; however, since it did sign these releases, thereby acknowledging that it had been paid in full, and Mojave tendered payment in full, the district court properly dismissed this claim and held that Cashman waived and released any lien it had relating to the Materials.

The District Court Properly Dismissed Cashman's Claim 2. for Payment Bond against Mojave and Western.

The district court properly concluded that Cashman's claim for payment bond against Mojave and Western be dismissed.⁶⁷ On or about March 2, 2010, Mojave, as principal, and Western, as a surety, executed the relevant Payment

See post-dated check, Volume 11, page 2603.

⁶⁶ Although, if a joint check was issued here, this may have defeated the purpose of the City's requirement of a disadvantaged business owner being part of the process. ⁶⁷ *See* FFCL, Volume 31, pages 7720-7721 and 7728.

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Bond.⁶⁸ In relevant part, the Payment Bond states:

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such, that if the Principal shall promptly make payments to all persons supplying labor, material, rental equipment, supplies or services in the performance of said Contract and any and all modifications of said Contract that may hereafter be made, then this obligation shall be null and void; otherwise it shall remain in full force and effect.⁶⁹

After hearing all of the evidence at trial, the district court dismissed Cashman's claim under the payment bond. The district court's dismissal of this claim for relief was appropriate for four main reasons (even though in its findings, the district court only held that that the defense of impossibility was the reason why Cashman's claim under the payment bond failed as a matter of law).⁷¹

First, Mojave was contractually obligated to and did indeed tender payment to the entity that it had an agreement with to supply labor and materials, CAM.72 Mojave fully performed its duties and obligations under the Payment Bond. Mojave, the principal on the Payment Bond, "promptly made payments" to CAM for "supplying labor, material, rental equipment, supplies or services" for the Project. Pursuant to the plain and unambiguous language of the Payment Bond, Mojave, as principal, was discharged of its duty upon payment to CAM, which it

⁶⁸ See Payment Bond, Volume 16, pages 3784-3786.

See id. at 3784 (emphasis in original).

⁷⁰ See FFCL, Volume 31, pages 7720-7721 and 7728.

⁷¹ See id. ⁷² See check, Volume 11, page 2629.

made said payment on or about April 26, 2011.⁷³ Thus, on or about April 26, 2011, pursuant to the plain language of the Payment Bond, Mojave was discharged from any and all obligations, responsibilities, and duties under the Payment Bond, as Mojave's "obligation [was] null and void" upon payment to CAM.⁷⁴

Second, the doctrine of accord and satisfaction applies to the Payment Bond and thus, Cashman's claim has no merit. In order for there to be an accord and satisfaction, three elements must be present: "(1) a bona fide dispute over an unliquidated amount; (2) payment tendered in full settlement of the entire dispute; and (3) an understanding by the creditor of the transaction as such, and acceptance of the payment."⁷⁵ Central to the issue of an accord and satisfaction is a meeting of the minds with regard to the resolution. ⁷⁶

Cashman supplied invoices to Mojave, the parties reached a meeting of the minds as to the amount owed for those invoices, Mojave, Whiting and the Owners (who are comprised of collectively, Respondents QH Las Vegas LLC, PQ Las Vegas, LLC, LWTIC Successor LLC, and FC/LW Vegas) tendered payment in full for those invoices,⁷⁷ and Cashman supplied the Unconditional Releases to

⁷³ See id; see also Payment Bond, Volume 16, pages 3784-3786.

⁷⁴ Payment Bond, Volume 16, pages 3784-3786.

⁷⁵ Pierce Lathing Co. v. ISEC, Inc., 114 Nev. 291, 297, 956 P.2d 93, 97 (1998).

⁷⁶ See id.; see also Mountain Shadows of Incline v. Kopsho, 92 Nev. 599, 601, 555 P.2d 841, 842 (1976).

⁷⁷ See check, Volume 11, page 2629.

Mojave.⁷⁸ The lien releases, upon receipt of payment, clearly evidence that Cashman and Mojave believed that an accord was reached and ultimately satisfied, as the lien releases clearly stated that Cashman was unconditionally waiving any rights under the Lien/Amended Lien and had been paid.⁷⁹ It was only after this event that Cashman and CAM made a new payment arrangement. As such, all of the elements of accord and satisfaction are met and this claim for relief was properly dismissed by the district court.

Third, Cashman failed to complete the work relating to the Materials that CAM contracted with Cashman to provide.⁸⁰ Mojave expended approximately \$142,431.84 paying other subcontractors to complete Cashman's work on the Project, including the \$79,721.31 Cashman was paid for batteries that were included in its Lien, which when discovered at trial, forced Cashman to file its Amended Lien to take into account the overpayment for the batteries.⁸¹

⁷⁸ See Unconditional Releases, Volume 11, pages 2596-2597; see also Testimony of Shane Norman at trial, Volume 27, page 6685 (noting that Cashman provided the Unconditional Releases to Mojave).

⁷⁹ See Unconditional Releases, Volume 11, pages 2596-2597.

⁸⁰ See Testimony of Shane Norman at trial, Volume 27, pages 6687-6688 (noting that at the time Mojave made payment, Cashman's work on the Project was not complete).

⁸¹ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also Testimony of Brian Bugni at trial, Volume 28, pages 6841-6843 (noting that Mojave had to pay over \$142,000.00 to finish the work on the Project, including the expenses for the batteries); see also Testimony of Chris Meiers at trial, Volume 28, pages 6879-6881 (noting that Mojave had to retain new subcontractors to finish the Project and also that it had to repurchase the UPS batteries); see also Misc. Invoices to

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Additionally, Cashman has collected over \$200,000 worth of assets (a house, a car, and money) from other defendants in this action.⁸² Cashman is not entitled to anything under the Payment Bond.

Fourth, as the district court held, Mojave was entitled to judgment on this claim for relief under the Payment Bond because of the defense of impossibility articulated in *Nebaco, Inc. v. Riverview Realty Co., Inc.* which states that "[g]enerally, the defense of impossibility is available to a promisor where his performance is made impossible or highly impractical by the occurrence of unforeseen contingencies . . . but if the unforeseen contingency is one which the promisor should have foreseen, and for which he should have provided, this

Mojave, Volume 27, pages 6535-6552 (invoices for this calculation of \$142,431.84, including the invoice for \$79,721.31 for the battery at page 6549).

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⁸² See Order Consolidating Appeals and Referring Appeals to Settlement Program filed by the Court on October 20, 2014; see also Testimony of Shane Norman at trial, Volume 27, pages 6722-6723 (noting that Cashman has recovered \$5,200 from the other defendants and has been awarded a house and a car from another defendant in the district court); see also Closing Argument at trial, Volume 29, pages 7046 (noting that the house is valued anywhere between \$165,000,00 what a defendant paid for the house in 2011, and \$214,881.00, the value of the house on Zillow); see also FFCL, Volume 31, page 7727, ¶41 (noting that the Court was upholding its prior findings of fact and conclusions of law with respect to its award of a property to Cashman); see also Notice of Entry of Findings of Fact and Conclusions of Law and Order on Cashman Equipment Company's Motion for Summary Judgment against Janel Rennie aka Janel Carvalho, RSA, Volume 33, pages 7845-7855 (noting the price of the property was \$165,000.00 and awarding this property to Cashman, as well as awarding a vehicle to Cashman worth approximately \$39,000.00). Additionally, on May 12, 2014 (approximately eleven months after Cashman was awarded the house and vehicle), Cashman filed in the district court a Satisfaction of Judgment of Janel Rennie aka Janel Carvalho. See RSA, Volume 33, pages 7858-7859.

defense is unavailable to him."83

Here, the district court properly ruled that the defense of impossibility was applicable and available to Mojave, because after Mojave made payment to CAM, the entity it was legally obligated to pay, it was impossible for Mojave to foresee that CAM and/or Carvalho would abscond with the funds. There was absolutely no reason to believe CAM and/or Carvalho would walk away after receiving these funds, especially given the fact that Mojave had worked with CAM on other projects with no problems whatsoever.⁸⁴

Instead, Cashman was the one to select CAM as the DBE on the Project, even when Mojave gave Cashman two other alternatives.⁸⁵ Cashman was the one who had CAM fill out a credit application and upon CAM filling this application out, Cashman identified credit problems and did not want to extend credit to CAM; Cashman, not Mojave, potentially knew that CAM could walk away with the money.⁸⁶ Cashman entered into the agreement with CAM and negotiated the terms

^{83 87} Nev. 55, 57, 482 P.2d 305, 307 (1971).

⁸⁴ See FFCL, Volume 31, page 7726; see also Testimony of Peter Fergen at trial, Volume 28, page 6909 (noting that he had worked on other jobs with CAM/Carvalho).

⁸⁵ See FFCL, Volume 31, page 7726; see also Testimony of Peter Fergen at trial, Volume 28, pages 6907-6912 (noting that he gave Cashman different alternatives for a DBE).

⁸⁶ See FFCL, Volume 31, page 7726; see also Credit Application, Volume 11, pages 2584-2585.

of the contract with CAM.⁸⁷ Mojave had dealt with CAM on a couple of other projects where no payment issues were evident; Mojave reasonably concluded that CAM and/or Carvalho was doing what it/he was supposed to do in those sorts of scenarios.⁸⁸

Additionally, Cashman could have made CAM sign over Mojave's check and then written CAM a small check for the difference owed to CAM, or Cashman could have insisted on immediate payment from CAM and gone to the bank with CAM. Cashman did neither of these things and instead, accepted a post-dated check. Cashman could have also insisted on a joint check but it chose not to.

There were many things that Cashman could have done to protect itself, especially given the fact that Cashman may have known of the risks (i.e. credit risks) after CAM filled out the application for Cashman. However, it was impossible for Mojave to foresee that CAM and/or Carvalho would abscond with the funds, especially given the prior business dealings between the parties, with no problems related to payments, or otherwise.

⁸⁷ See FFCL, Volume 31, page 7715, ¶1; see also Testimony of Peter Fergen at trial, Volume 28, pages 6910-6911 (noting that after the introduction with CAM, Mojave had no involvement with Cashman and CAM's agreement or the negotiation thereto).

⁸⁸ See FFCL, Volume 31, page 7726; see also Testimony of Peter Fergen at trial, Volume 28, page 6909 (noting that he had worked on other jobs with CAM/Carvalho).

Given that Mojave fully performed all of its duties and obligations under the Payment Bond, Cashman failed to complete the work on the Project, and the fact that Mojave is entitled to the defense of impossibility, the district court properly held that Cashman could not recover on its claim relating to the Payment Bond.⁸⁹

3. The District Court Properly Dismissed Cashman's Claim for Fraudulent Transfer.

In Cashman's Opening Brief, Cashman fails to assert any arguments with respect to its fraudulent transfer claim. In other words, Cashman has conceded this claim. Given this lack of argument, Mojave asserts that Cashman has waived its rights to any and all arguments with respect to its fraudulent transfer claim. Notwithstanding this notion, the district court properly concluded that Cashman's claim for fraudulent transfer be dismissed.⁹⁰

First, at trial, Cashman never asserted whether it was pursuing a claim for actual fraudulent transfer (pursuant to NRS 112.180(1)(a)) or constructive fraudulent transfer (pursuant to NRS 112.180(1)(b)). With this lack of specificity, the claim was properly dismissed.

Second, in terms of actual fraudulent transfer (under NRS 112.180(1)(a)), there was no evidence at trial that Mojave engaged in any conduct with actual intent to harm, hinder or delay Cashman. Mojave certainly was not an insider with respect to CAM, and Mojave retained nothing out of the funds tendered by CAM.

⁸⁹ See FFCL, Volume 31, pages 7720-7721 and 7728.

⁹⁰ See id., pages 7723-7724 and 7728.

While CAM ultimately absconded with money, there was no way for Mojave to know that CAM was going to engage in nefarious conduct, and truthfully, CAM's conduct would not have mattered at all had Cashman been more diligent and not accepted post-dated funds from CAM. Cashman made a bad deal with CAM after the tender of funds that ultimately allowed CAM to steal the money owed to Cashman. There is no evidence of an actual fraudulent transfer here and this claim has no merit.

Third, in terms of constructive fraudulent transfer (under NRS 112.180(1)(b)), there was no evidence at trial that Mojave had any reason to believe that CAM was going to incur debt that it would not be able to re-pay. Again, Mojave tendered payment to CAM in full. Had Cashman taken any number of steps (requiring CAM to sign the check over, going to the bank with CAM right then and there, demanding immediate payment, etc.) instead of agreeing to hold off on depositing CAM's post-dated check for several days, none of this would have happened, regardless of what CAM tendered to Mojave for the other projects.

In essence, the district court properly held that Cashman's fraudulent transfer claim failed, because "Mojave had no real inside complicity with CAM" and "the Court finds that there must been complicity between Mojave and CAM in

⁹¹ See post-dated check, Volume 11, page 2603.

⁹² See check, Volume 11, page 2629.

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order for Cashman to prevail on its claim for Fraudulent Transfer."93 There was no evidence presented at trial that somehow Mojave and CAM were in some type of conspiracy to deprive Cashman of any money. The district court properly dismissed Cashman's fraudulent transfer claim.

C. The District Court Improperly Ruled in Favor of Cashman on its Claims for Foreclosure of Security Interest and Unjust Enrichment and Mojave's Claim for Misrepresentation.94

At the conclusion of trial, the district court ruled in favor of Cashman on its claims for foreclosure of security interest and unjust enrichment, as well as on Mojave's claim for misrepresentation.⁹⁵ The district court erred in rendering its decision on these three claims.

The District Court Improperly Ruled in Favor of Cashman on its Claim for Foreclosure of Security Interest. 1.

The district court improperly ruled in favor of Cashman on its claim for foreclosure of security interest.⁹⁶ First, the doctrine of accord and satisfaction applies here and thus, this claim has no merit. As noted above, in order for there to be an accord and satisfaction, three elements must be present: "(1) a bona fide dispute over an unliquidated amount; (2) payment tendered in full settlement of the

⁹³ See FFCL, Volume 31, pages 7723-7724, ¶¶ 23 and 24.

Since Cashman appealed the FFCL, the Mojave Parties assert that any and all claims for relief tried in the district court below have been appealed. As set forth below, the district court improperly ruled in favor of Cashman in its claims for foreclosure of security interest and unjust enrichment and Mojave's claim for Misrepresentation.

⁹⁵ See FFCL, Volume 31, page 7728. 96 See id., pages 7722-7723 and 7728.

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97 Pierce Lathing Co. v. ISEC, Inc., 114 Nev. 291, 297, 956 P.2d 93, 97 (1998).

entire dispute; and (3) an understanding by the creditor of the transaction as such,

Here, Cashman recorded its UCC with respect to the Materials.⁹⁹ Mojave

was presented invoices from CAM for work and materials for the Project, and

based upon those invoices, Mojave tendered payment in full. 100 The payment was

made to CAM, as it needed to be under the respective contracts. 101 After Mojave

tendered the full amount, which was accepted both by CAM and by Cashman,

Mojave was provided with Unconditional Releases in exchange, a clear showing

that there was a meeting of the minds as to whether Mojave had paid the amount

Cashman believed it was owed and also that the Mojave Parties' payment

obligation had been satisfied. 102 It was only after the accord and satisfaction

between Mojave, CAM, and Cashman that Cashman entered into the subsequent

agreement with CAM to accept a post-dated check and wait to deposit Mojave's

The parties agreed on the value of the Materials, that value was

satisfaction is a meeting of the minds with regard to the resolution.⁹⁸

Central to the issue of an accord and

and acceptance of the payment."97

payment. 103

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⁹⁸ See id.; see also Mountain Shadows of Incline v. Kopsho, 92 Nev. 599, 601, 555 P.2d 841, 842 (1976).

⁹⁹ See UCC Financing Statement, Volume 11, page 2599; see also FFCL, Volume 31, page 7717, ¶23.

¹⁰⁰ See check, Volume 11, page 2629.

¹⁰¹ See id.

¹⁰² See Unconditional Releases, Volume 11, pages 2596-2597.

¹⁰³ See post-dated check, Volume 11, page 2603.

 tendered and accepted, and only then, did Cashman endeavor to make a side deal with CAM that ultimately resulted in Cashman not getting paid.

Second, there is no conceivable or reasonable way to pull the equipment out of City Hall. This is primarily because the Materials related to a power generator, equipment impossible to disassemble with no impact on the building and its employees. Thus, contrary to the district court's ruling, this claim for foreclosure of Cashman's security interest should have been dismissed because of the doctrine of accord and satisfaction or because it is not feasible.

2. The District Court Improperly Ruled in Favor of Cashman on its Claim for Unjust Enrichment.

The district court improperly ruled in favor of Cashman on its claim for unjust enrichment against the Owners. Unjust enrichment is the unjust retention . . . of money or property of another against the fundamental principles of justice or equity and good conscience. Unjust enrichment occurs whenever a person has and retains a benefit which in equity and good conscience belongs to another. Unjust enrichment is the unjust retention of a benefit to the loss of another. A cause of action for unjust enrichment exists when the plaintiff confers a benefit on the defendant, the defendant appreciates such benefit, and

¹⁰⁴ See FFCL, Volume 31, page 7724 and 7728.

¹⁰⁵ Topaz Mut. Co. Inc. v. Marsh, 108 Nev. 845, 856, 839 P.2d 606, 613 (1992) (citations omitted).

¹⁰⁶ Coury v. Robison, 115 Nev. 84, 90, 976 P.2d 518, 521 (1999) (citations omitted).

there is 'acceptance and retention by the defendant of such benefit under circumstances such that it would be inequitable for him to retain the benefit without payment of the value thereof." 107

Here, the district court held that as long as Cashman provides, implements, and actually puts in the codes, Cashman is entitled to relief under its unjust enrichment claim. As an initial matter, Cashman still, to date, has not provided, implemented, or put in the codes so it cannot be entitled to this claim for relief. Notwithstanding this, the district court erred in ruling in favor of Cashman on this claim, because the Owners have not unjustly retained a benefit bestowed upon them by Cashman. Conversely, the Mojave Parties paid Cashman, in full, even though the work was not, and is still not, complete. Cashman accepted a post-dated check from CAM that was not honored. However, those funds were already appropriated to Mojave for its subcontractors, including CAM, and paid out by the Owners of the Project and Whiting Turner.

At trial, there was no evidence that demonstrated that the Owners were unjustly enriched by any conduct of Cashman. Rather, the Mojave Parties paid the

¹⁰⁷ Certified Fire Prot., Inc. v. Precision Constr., Inc., __ Nev. __, 283 P.3d 250, 257 (2012) (citations omitted).

¹⁰⁸ See FFCL, Volume 31, page 7724 and 7728.

¹⁰⁹ See check, Volume 11, page 2629; see also Testimony of Shane Norman at trial, Volume 27, pages 6687-6688 (noting that at the time Mojave made payment, Cashman's work on the Project was not complete).

¹¹⁰ See post-dated check, Volume 11, page 2603.

full value of their contract, even though Cashman's work had not been completed, and the codes have still, even as of date of this writing, never been supplied by Cashman. The Mojave Parties have not retained, accepted, or accepted any benefit which in law or equity belongs to Cashman. Thus, the district court should have dismissed Cashman's unjust enrichment claim.

3. The District Court Improperly Ruled in Favor of Cashman on Mojave's Claim for Misrepresentation.

The district court improperly ruled in favor of Cashman on Mojave's claim for misrepresentation.¹¹¹ In Nevada "the elements of the tort of negligent misrepresentation are: (a) a representation that is false; (b) this representation was made in the course of the defendant's business, or in any action in which he has a pecuniary interest; (c) the representation was for the guidance of others in their business transactions; (d) the representation was justifiably relied upon; (e) this reliance resulted in pecuniary loss to the relying party; and (f) the defendant failed to exercise reasonable care or competence in obtaining or communicating the information."¹¹²

As an initial matter, Mojave's claim for negligent misrepresentation is essentially moot, since this claim revolves around Cashman's claim for enforcement of its Lien/Amended Lien, a claim that was dismissed below.¹¹³

¹¹¹ See FFCL, Volume 31, pages 7725 and 7728.

¹¹² Ideal Elec. Co. v. Flowserve Corp., 357 F.Supp.2d 1248, 1255 (D. Nev. 2005).

¹¹³ See FFCL, Volume 31, pages 7721-7722 and 7728.

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Notwithstanding this issue, Cashman, upon Mojave tendering full payment under its contract, provided Unconditional Releases to Mojave. 114 These releases were provided in the course of both parties' business, and they were provided to give Mojave (and the other Mojave Parties) assurance and guidance that the Mojave Parties would not end up engaged in a lien dispute, despite tendering full The Mojave Parties justifiably relied upon these releases, and in payment.¹¹⁵ particular, upon the idea that because they had submitted full payment under the contract, Cashman would finish the work and not lien the property. 116 reliance has now led to pecuniary loss to the Mojave Parties, as Mojave had to retain new subcontractors to finish the Project, eventually had to "re-pay" for the UPS batteries it had already paid for (which is why Cashman amended its Lien at trial), and has had to fight the instant suit for several years, due to no fault of the Mojave Parties, especially given the fact that the Mojave Parties tendered full payment to the entity it was obligated to pay. 117

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¹¹⁴ See Unconditional Releases, Volume 11, pages 2596-2597; see also Testimony of Shane Norman at trial, Volume 27, page 6685 (noting that Cashman provided the Unconditional Releases to Mojave).

¹¹⁵ See id.; see also check, Volume 11, page 2629.

¹¹⁶ See check, Volume 11, page 2629.

¹¹⁷ See id; see also Testimony of Chris Meiers at trial, Volume 28, pages 6879-6881 (noting that Mojave had to retain new subcontractors to finish the Project and also that it had to repurchase the UPS batteries); see also Testimony of Brian Bugni at trial, Volume 28, pages 6841-6843 (noting that Mojave had to pay over \$142,000.00 to finish the work on the Project).

If Cashman had any doubt that it was not going to be actually releasing its lien rights or that it was planning to engage in some side deal with CAM, then it should not have represented otherwise. Instead, Cashman accepted the funds from Mojave, provided Unconditional Releases, then cut its side deal with CAM, which resulted in Cashman not getting paid and ultimately not finishing its work on the Project, all to the detriment of the Mojave Parties. The district court erred in finding in favor of Cashman for Mojave's claim for misrepresentation.

D. Although Mojave Believes it is not at Fault for any of the Actions of CAM and Carvalho, the District Court came to a Reasonable Conclusion in Balancing the Fault Percentages, in Equity, of Mojave and Cashman, in Terms of the Actions of CAM and Carvalho.

At the conclusion of trial, the district court ruled that Cashman was sixty-seven percent (67%) at fault for the actions of CAM and Carvalho, while Mojave was only thirty-three percent (33%) at fault for their actions.¹¹⁸

As an initial matter, Mojave believes that it is not at fault for any of the actions of CAM and Carvalho and thus, Cashman should have been awarded nothing in this action, given all of Cashman's actions relating to CAM and the payment issues.

Cashman was the one to select CAM as the DBE on the Project, even when Mojave gave Cashman two other alternatives. 119 Cashman was the one who had

¹¹⁸ See FFCL, Volume 31, pages 7726-7727.

¹¹⁹ See id., Volume 31, page 7726; see also Testimony of Peter Fergen at trial,

CAM fill out a credit application and upon CAM filling this application out, Cashman identified credit problems and did not want to extend credit to CAM; Cashman, not Mojave, potentially knew that CAM could walk away with the money. Cashman entered into the agreement with CAM and negotiated the terms of the contract with CAM. Cashman could have made CAM sign over Mojave's tendered check and then written CAM a small check for the difference owed to CAM, or Cashman could have insisted on immediate payment from CAM and gone to the bank with CAM. Cashman did neither of these things and instead, accepted a post-dated check. Cashman could have also insisted on a joint check but it chose not to. There were many things that Cashman could have done to protect itself but it failed to do. Cashman should be held one hundred percent (100%) at fault with regards to the actions of CAM and Carvalho.

Notwithstanding Mojave's aforementioned belief, if this Court believes that Mojave is liable for some of the actions relating to CAM and Carvalho, and since the Court did indeed conduct an equitable fault analysis, Mojave asserts that the district court came to a reasonable conclusion in balancing the fault percentages, in

Volume 28, pages 6907-6912 (noting that he gave Cashman different alternatives for a DBE).

¹²⁰ See FFCL, Volume 31, page 7726; see also Credit Application, Volume 11, pages 2584-2585.

¹²¹ See FFCL, Volume 31, page 7715, ¶1; see also Testimony of Peter Fergen at trial, Volume 28, pages 6910-6911 (noting that after the introduction with CAM, Mojave had no involvement with Cashman and CAM's agreement or the negotiation thereto).

equity, of Mojave and Cashman, in terms of the actions of CAM and Carvalho. Again, there were numerous things that Cashman could have done to protect itself but failed to do (noted in the previous paragraph). Yet, the district court did place some fault on Mojave for not issuing a joint request (which the district court even admitted would not have necessarily solved the problem). Further, Mojave had worked on other projects with CAM (although, Mojave had no problems with CAM on these projects) and thus, this may have contributed to the district court's analysis on equitable fault. 123

In its Opening Brief, Cashman asserts a few arguments on why the district court erred in applying a comparative fault analysis. All of these arguments lack merit. First, Cashman believes that "it is improper to engage in a comparative/equitable fault analysis when a damages recovery is based upon a valid and enforceable contract." However, Cashman never asserted a breach of contract claim against Mojave in this action, because there was never a contract between Cashman and Mojave. The only contract here with Cashman was between it and CAM.

¹²² See FFCL, Volume 31, pages 7726-7727.

¹²³ See id., page 7726; see also Testimony of Peter Fergen at trial, Volume 28, page 6909 (noting that he had worked on other jobs with CAM/Carvalho).

¹²⁴ See Opening Brief at pages 35-42.

¹²⁵ See id. at page 35.

¹²⁶ See FFCL, Volume 31, page 7715, ¶1.

Further, at trial, the only two claims that Cashman prevailed on were for foreclosure of a security interest and unjust enrichment.¹²⁷ Neither of these claims relate to valid and enforceable contracts. In fact:

[a]n action based on a theory of unjust enrichment is not available when there is an express, written contract, because no agreement can be implied when there is an express agreement . . . The doctrine of unjust enrichment . . . applies to situations where there is no legal contract but where the person sought to be charged is in possession of money or property which in good conscience and justice he should not retain but should deliver to another [or should pay for] . . . To permit recovery by quasi-contract where a written agreement exists would constitute a subversion of contractual principles. 128

Given there was no contract between Cashman and Mojave, its argument regarding comparative fault is misplaced.

Second, Cashman discusses the economic loss doctrine and cites to *Terracon* for the proposition that "when economic loss occurs as a result of negligence in the context of commercial activity, contract law can be invoked to enforce the quality expectations derived from the parties' agreement." Yet, Cashman's analysis to the economic loss doctrine is misplaced because not only was there no agreement between Mojave and Cashman, but there was no negligence here on the part of

¹²⁷ See id., page 7728.

¹²⁸ Leasepartners Corp. v. Robert L. Brooks Trust Dated Nov. 12, 1975, 113 Nev. 747, 755-56, 942 P.2d 182, 187 (1997) (citations omitted) (emphasis added).

Opening Brief, pg. 39; see also Terracon Consultants W., Inc. v. Mandalay Resort Group, 125 Nev. 66, 75, 206 P.3d 81, 87 (2009).

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Mojave. 130 As noted above, because of the actions of Cashman, CAM absconded with the money. There were numerous things that Cashman could have done to protect itself but failed to do. Further, Cashman did not assert any negligence claims against Mojave (at trial or otherwise). 131 The economic loss doctrine is inapplicable to the situation at hand pursuant to Terracon. 132

Third, the district court conducted an equitable fault analysis because it wanted to come up with a judgment amount to balance the relative faults of Mojave and Cashman with respect to CAM/Carvalho absconding with the money. 133 In the end, the district court reasonably decided that even though Mojave and Cashman were both "innocent victims", Cashman was responsible for the majority of CAM and Carvalho's actions in absconding with the money. 134 Only telling part of the story, Cashman notes that the district court explained in its decision that it was a great company and supplied the materials for the Project. 135 What Cashman fails to tell this Court however is the very next thing that came out of the judge's mouth was "I think Mojave is a good company too. It seems like anytime you are asked to do something, you do it, and you pay for stuff but this

If any negligence is evident here, it belonged to Cashman for its actions, as described in this Answering Brief.

¹³¹ See FFCL, Volume 31, page 7719 n. 1.

¹³² 125 Nev. at 75, 206 P.3d at 87.

¹³³ See Court's Ruling at trial, Volume 29, pages 7081-7082. ¹³⁴ *See id.*

¹³⁵ See Opening Brief at page. 41.

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time to your detriment to some extent." The district court acknowledged that Mojave fulfilled any and all obligations hereto, including providing payment to the entity it was obligated to pay, CAM.

Even though Mojave believes it is not at fault for any of CAM and Carvalho's actions regarding absconding with the money, the district court came to a reasonable conclusion in balancing the fault percentages, in equity, of Mojave and Cashman, in terms of CAM and Carvalho's actions.

E. The District Court Properly Held that the Codes Should be Turned Over to Mojave, given that Mojave Tendered Full Payment to CAM, the Party it was Obligated to Pay.

On August 10, 2012, the district court properly ruled that the codes on the Project, the codes that Cashman had and refused to provide to Mojave, must be installed on the Project.¹³⁷ In rendering this decision, the district court balanced the potential immediate and irreparable injury, the public policy, and the hardships and ultimately concluded that an injunction was appropriate, ordering the codes to be installed. ¹³⁸ Cashman appealed this ruling and subsequently, at trial, the district court again ordered that the codes be installed; upon installation, Cashman would then receive the \$86,600.00 in escrow. 139 Even though the Mojave Parties are

¹³⁶ See Court's Ruling at trial, Volume 29, page 7082.

See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 416.

¹³⁸ See id. ¹³⁹ See Notice of Appeal filed with this Court on September 18, 2012, Volume 3,

willing and able to provide this amount to Cashman, as of date, Cashman still has not provided, implemented, and put in the codes.¹⁴⁰

Again, in August 2012, the district court properly granted Mojave's injunctive relief, requiring that the codes by installed on the Project. ¹⁴¹ In Nevada, a court will issue an injunction if there is: (1) a reasonable likelihood of success on the merits; (2) a reasonable probability that if the conduct is allowed to continue, it will cause irreparable harm for which there is an inadequate remedy at law; (3) the threatened injury to the moving party absent issuance of an injunction outweighs any potential harm that the injunction may cause the non-moving party; and (4) the granting of the injunction is not contrary to the public interest. ¹⁴² "[T]he decision whether to grant a preliminary injunction is within the sound discretion of the district court, whose decision will not be disturbed on appeal absent an abuse of discretion."

^{- (}continued)

pages 610-619; see also FFCL, Volume 31, pages 7724 and 7729.

Even at trial, Mojave testified that it tried to get the codes from Cashman, but Cashman refused, and has refused to give Mojave the codes even as of date. *See* Testimony of Chris Meiers at trial, Volume 28, page 6881; *see also* Testimony of Peter Fergen at trial, Volume 28, page 6918.

¹⁴¹ See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 416.

¹⁴² See Univ. and Cmty. College Sys. of Nev. v. Nevadans for Sound Gov't, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004); see also Dixon v. Thatcher, 103 Nev. 414, 415, 742 P.2d 1029, 1029 (1987); see also Sobel v. Capital Mgmt. Consultants, Inc., 102 Nev. 444, 446, 726 P.2d 335, 337 (1986).

¹⁴³ Dangberg Holdings Nev., LLC v. Douglas County, 115 Nev. 129, 142-43, 978 P.2d 311, 319 (1999).

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The district court properly analyzed all four of these aforementioned factors and concluded that an injunction was proper, for Cashman to install the codes.¹⁴⁴ The district court correctly ruled that Cashman must install the codes at that time because: (1) Mojave tendered full payment to the entity it was obligated to pay, for the Materials, which included installation of the codes; 145 (2) City Hall was not, and is not, fully functional without the codes; ¹⁴⁶ and (3) "[w]ithout the codes, City Hall has an incomplete operating system which prevents the City from completion of the project."147

The district court took into account all of these factors and concluded that: there was a reasonable likelihood of success on the merits, given that Mojave tendered the full amount for the Materials 148; there would be irreparable harm if the codes were not installed, given that the City Hall system would not be fully functional, which is a safety concern; 149 that the balance of the hardships weighed

¹⁴⁴ See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 416.

¹⁴⁵ See check, Volume 11, page 2629.

¹⁴⁶ See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 415; see also Testimony of Keith Lozeau at trial, Volume 27, pages 6632-6633 (noting the generators on the Project do not work as designed because the codes have not been installed); see also Testimony of Chris Meiers at trial, Volume 28, pages 6881-6882 (noting that the system does not work efficiency or properly without the codes).

See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 415.

¹⁴⁸ See check, Volume 11, page 2629.

¹⁴⁹ See Findings of Fact and Conclusions of Law based upon Counterclaimants

in favor of installing the codes, as Cashman had (and still has) no use for the codes outside of City Hall, is simply refusing to install the codes, and City Hall and Mojave would both harmed by not installing the codes;¹⁵⁰ and that the public interest weighed in favor of installing the codes, given that the City Hall system would not be fully functional and there is no reason for Cashman not to install the codes.¹⁵¹ The district court properly analyzed all of the elements of an injunction and held that Cashman must install the codes.

At trial, the code issue was revisited and the district court awarded Cashman damages for \$86,600.00 in escrow "as long as Cashman provides, implements, and actually puts in the codes at issue." In other words, as long as Cashman installs the codes, it is entitled to the amount of \$86,600.00 in escrow. The Mojave Parties are still willing and able to give this amount to Cashman. However, Cashman is holding these codes hostage, to the detriment of both the Mojave Parties and the City of Las Vegas. 153

There is no reason for Cashman to hold on to these codes. Not only are the Mojave Parties able and willing to pay the \$86,600.00 to Cashman immediately,

Motion to Procure Codes, Volume 2, page 415.

¹⁵⁰ See id., page 415-416.

¹⁵¹ See id.

 $^{^{152}}$ FFCL, Volume 31, page 7724, ¶28; see also Judgment, Volume 32, pages 7789-7791.

¹⁵³ See Testimony of Keith Lozeau at trial, Volume 27, pages 6614 (noting that Cashman won't activate the codes until it gets paid). The Mojave Parties are willing and able to pay for these codes and even have this money in escrow.

but the City Hall system is still not efficient and needs these codes.¹⁵⁴ Additionally, Cashman has not stayed the district court's trial ruling regarding turnover and installation of these codes, yet again, another reason for Cashman to turn over and install the codes.

In essence, Cashman has now failed to abide by two court orders (the one in August 2012 and the one in January 2014 (the trial)) and will not install the codes. There is absolutely no reason why Cashman should hold these codes hostage, and the Mojave Parties respectfully request that this Court mandate the turnover of the codes.

F. The District Court Erred in Denying Recovery to Mojave on its Motion for Attorneys' Fees and Costs Pursuant to NRCP Chapter 108 for Having to Defend Cashman's Excessive Lien Claim. 155

Subsequent to the trial in the district court on January 21-24, 2014, the district court entered into FFCL and noted that the district court "will address any issues of attorneys' fees, costs, and prejudgment interest through post decision

¹⁵⁴ See Findings of Fact and Conclusions of Law based upon Counterclaimants Motion to Procure Codes, Volume 2, page 415; see also Testimony of Keith Lozeau at trial, Volume 27, pages 6632-6633 (noting the generators on the Project do not work as designed because the codes have not been installed); see also Testimony of Chris Meiers at trial, Volume 28, pages 6881-6882 (noting that the system does not work efficiency or properly without the codes).

¹⁵⁵ Since Cashman appealed the Decision and Order regarding attorneys' fees, the Mojave Parties assert their attorneys' fees and costs have been appealed as well, given that the district court denied all parties' attorneys' fees and costs hereto.

motions that may be filed with the" district court.¹⁵⁶ Thereafter, both the Mojave Parties and Cashman filed their respective attorneys' fees and costs motion, which the district court denied both requests in its Decision and Order filed on August 4, 2014.¹⁵⁷ The district court erred in denying Mojave's request for attorneys' fees and costs pursuant to NRS Chapter 108.

1. The District Court Should Have Awarded Mojave its Attorneys' Fees in the Amount of \$316,844.50.

"Attorney fees are . . . available when authorized by rule, statute, or contract." Further, this Court has articulated four factors district courts should consider in determining whether attorneys' fees are reasonable including: (1) the qualities of the advocate (ability, training, experience, professional standing, and skill); (2) the character of the work to be done (difficulty, intricacy, importance, time and skill required); (3) the work performed by the lawyer (skill, time, and attention given to the work); and (4) the result (success and benefits derived). 159

NRS 108.2275(6) provides that "[i]f, after a hearing on the matter, the court determines that: (a) The notice of lien is frivolous and was made without reasonable cause, the court shall make an order releasing the lien and awarding

¹⁵⁶ See FFCL, Volume 31, page 7729.

¹⁵⁷ See Decision and Order, Volume 32, pages 7777-7781.

¹⁵⁸ Henry Prods. Inc. v. Tarmu, 114 Nev. 1017, 1020, 967 P.2d 444, 446 (1998); see also Nev. Rev. Stat. §18.010.

¹⁵⁹ See Barney v. Mt. Rose Heating & Air Conditioning, 124 Nev. 821, 829, 192 P.3d 730, 736 (2008) (citations omitted); see also Bruznell v. Golden Gate Nat'l Bank, 85 Nev. 345, 349-50, 455 P.2d 31, 33 (1969).

costs and reasonable attorney's fees to the applicant for bringing the motion . . . (b) The amount of the notice of lien is excessive, the court may make an order reducing the notice of lien to an amount deemed appropriate by the court and awarding costs and reasonable attorney's fees to the applicant for bringing the motion." Further, NRS 108.237(3) states in its entirety "[i]f the lien claim is not upheld, the court may award costs and reasonable attorney's fees to the owner or other person defending against the lien claim if the court finds that the notice of

lien was pursued by the lien claimant without a reasonable basis in law or fact."

After trial, Mojave moved for its attorneys' fees pursuant to NRS 18.010, NRS 108.2275(6), and NRS 108.237(3) in the amount of \$316,844.50.¹⁶⁰ The district court should have granted said request because of three main reasons. First, pursuant to NRS 108.2275(6), Mojave was entitled to its attorneys' fees because prior to the district court ruling at trial, the Lien was excessive on its face and after being caught, Cashman amended its Lien during trial.¹⁶¹ Thereafter, the district court ultimately decided that the Lien was not enforceable and dismissed this claim for relief.¹⁶² Thus, there was a hearing (i.e. a trial), the Lien was excessive based on Cashman's own admissions, and ultimately, the Lien claim was

¹⁶⁰ See Mojave's Motion for Relief Pursuant to NRCP 60(b) and Motion for Attorneys' Fees and Costs Pursuant to NRS Chapter 108, Volume 29, pages 7099-7112.

¹⁶¹ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also FFCL, Volume 31, page 7719, ¶44.

¹⁶² See FFCL, Volume 31, pages 7721-7722, and 7728.

dismissed outright. Pursuant to the plan language of NRS 108.2275(6), Mojave should have been awarded its attorneys' fees as the prevailing party on a lien claim. Cashman must be forced to live with the consequences of recording and prosecuting an invalid lien made under NRS Chapter 108.

Second, pursuant to NRS 108.237(3), Mojave was entitled to its attorneys' fees, because at the conclusion of trial, the Lien claim was dismissed outright. Additionally, the Lien was "pursued by the lien claimant without a reasonable basis in law or fact" since Cashman knew its Lien was excessive throughout all relevant times and only amended its Lien during the trial since it had been caught with double-dipping on damages. Thus, pursuant to the plain language of this statute, Mojave was entitled to its attorneys' fees.

Third, as clearly depicted, analyzed, and explained in Mojave's Motion for Attorneys' Fees and Costs Pursuant to NRS Chapter 108, under the *Barney/Bruznell* factors, the attorneys' fees requested were reasonable, necessary, and actually incurred in prosecution of this action. There was extensive motion practice and discovery conducted in the action and after trial, not only did the

¹⁶³ See id.

¹⁶⁴ NEV. REV. STAT. §108.237(3).

¹⁶⁵ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also FFCL, Volume 31, page 7719, ¶44.

¹⁶⁶ See Mojave's Motion for Relief Pursuant to NRCP 60(b) and Motion for Attorneys' Fees and Costs Pursuant to NRS Chapter 108, Volume 29, pages 7107-7111.

Mojave Parties successfully defend almost all of the claims for relief asserted by Cashman, but Cashman was awarded less than a quarter of the amount it was seeking.¹⁶⁷ The district court should have granted Mojave's requests for attorneys' fees in the amount of \$316,844.50, as these fees were reasonable, necessary, and actually incurred hereto.

When a party records a mechanic's lien in Nevada, and then prosecutes this lien, that party submits itself to the risks and benefits of NRS Chapter 108. If that lien is ultimately reduced or expunged, then the party has to live with the consequences. Here, there is no dispute that Cashman pursued an excessive lien and also that the district court ultimately expunged the Lien after trial. Cashman must now live with the consequences of pursuing an overvalued and ultimately invalid mechanic's lien claim. Mojave should have been awarded its fees and costs for defending that claim at trial.

2. The District Court Should Have Awarded Mojave its Costs in the Amount of \$19,129.55.

As noted in the previous section, NRS 108.2275(6) provides that if, after a hearing, the court determines that a lien is excessive, the court may award costs to the other party. Further, and as noted above, NRS 108.237(3) provides that if a lien claim is not upheld, the court may award costs to the party defending the claim as well. Finally, NRS 18.020 allows costs to a party if that party prevails and

¹⁶⁷ See Judgment, Volume 32, pages 7789-7791.

where a plaintiff sought to recovery more than \$2,500.00.

Here, Mojave should have been awarded costs pursuant to NRS 108.2275(6), 108.237(3), and 18.020 because the Lien was excessive (as evident by Cashman amending the Lien at trial), Mojave prevailed at trial on this Lien claim (i.e. the Lien claim was dismissed), and Cashman sought to recovery more than \$2,500.00 at trial. Pursuant to the plain language of these statutes, the district court should have awarded Mojave its costs for \$19,129.55.

G. The District Court Properly Ruled that Cashman was not Entitled to its Attorneys' Fees and Costs.

As noted previously, subsequent to the trial in the district court on January 21-24, 2014, the district court entered into FFCL and noted that the district court will address requests for attorneys' fees and costs through post-trial motions. Thereafter, both the Mojave Parties and Cashman filed their respective attorneys' fees and costs motion, which the district court denied both requests on August 4, 2014. The state of the previous substantial in the district court denied by the district court denied by the district court denied by the state of the previous substantial in the district court denied by the district court denied by the district court denied by the state of the previous substantial in the district court denied by the district court denied by the district court denied by the state of the previous substantial in the district court denied by the district court denied by the state of the previous substantial in the district court denied by the district court denied by the state of the previous substantial in the district court denied by the district court denied by the state of the previous substantial in the district court denied by the state of the previous substantial in the district court denied by the state of the previous substantial in the district court denied by the state of the state of the state of the previous substantial in the district court denied by the state of the state

The district court properly ruled that Cashman was not entitled it its attorneys' fees and costs. First, Cashman's entire argument regarding why it is entitled to attorneys' fees and costs revolves around the notion that it was the

¹⁶⁸ See Amended Lien, RSA, Volume 33, pages 7856-7857; see also FFCL, Volume 31, page 7719, ¶44.

¹⁶⁹ See FFCL, Volume 31, pages 7721-7722, and 7728.

¹⁷⁰ See id., page 7729.

¹⁷¹ See Decision and Order, Volume 32, pages 7777-7781.

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prevailing party.¹⁷² Unlike Cashman asserts in its Opening Brief, Cashman was not the prevailing party at trial, and is therefore not entitled to any of its attorneys' fees and costs. At trial, Cashman sought well over \$750,000.00 in damages but was awarded approximately a quarter of that amount, and the unjust enrichment damages were specifically tied to Cashman's performance with respect to the codes, performance which has not occurred even to date.¹⁷³ The Mojave Parties were forced to spend three (3) years defending against claims that were almost all dismissed and damages were ultimately cut to a fraction of what Cashman sought at trial. 174 There is no conceivable argument that can be advanced that Cashman prevailed in this case against the Mojave Parties. Additionally, Cashman cannot cite to one Nevada case which stands for the proposition that if it receives a quarter of what it was seeking, it was the prevailing party. The district court even agreed that Cashman was not the prevailing party, as it stated in its post-trial Decision and Order regarding attorneys' fees and costs that "[t]his Court concludes that based on the outcome of the trial, there is no obvious prevailing party."¹⁷⁵

Second, Cashman argues that pursuant to the plain language of NRS 104.9607, since it is the prevailing party, it is entitled to attorneys' fees. 176 When a

¹⁷² See Opening Brief, pages 49-56.

¹⁷³ See Judgment, Volume 32, pages 7789-7791.

¹⁷⁴ See id.

¹⁷⁵ See Decision and Order, Volume 32, page 7780 (emphasis added).

¹⁷⁶ See Opening Brief, pages 49-56.

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¹⁷⁹ See id. ¹⁸⁰ *Id.*; see also FFCL, Volume 31, page 7715, ¶1.

statute's language is plain and unambiguous, the court will interpret it according to its ordinary meaning.¹⁷⁷ In relevant part, NRS 104.9607 entitled "Collection and enforcement by secured party" provides at subsections 3 and 4:

- 3. A secured party shall proceed in a commercially reasonable manner if the secured party:
- (a) Undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and
- (b) Is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.
- A secured party may deduct from the collections made pursuant to subsection 3 reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party. 178

This statute is permissive in nature, as the court "may" award attorneys' fees and expenses. 179

Pursuant to NRS 104.9607, Cashman may be entitled to "reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party" against CAM, as CAM was the entity who entered into the contract with Cashman. 180 CAM would potentially be the account debtor or other person obligated on collateral pursuant to this statute. 181 The district court could, but did not have to, award attorneys' fees against CAM.

¹⁷⁷ See McGrath v. State Dept. of Public Safety, 123 Nev. 120, 123, 159 P.3d 239,

¹⁷⁸ Nev. Rev. Stat. §104.9607(3) and (4) (emphasis added).

241 (2007).

¹⁸¹ See FFCL, Volume 31, page 7715, ¶1.

Mojave however never entered into any agreement with Cashman. Pursuant to the plain language of NRS 104.9607, Mojave was never Cashman's "account debtor" or "other person obligated on collateral" or "debtor" or "secondary obligor". This statute is inapplicable to Mojave, and Cashman cannot assert a claim for attorneys' fees under this statute against Mojave. Typically, a claim for fees and costs under NRS Chapter 104 comes pursuant to a security agreement, but no such agreement existed between Cashman and Mojave (or even Western for that matter).

Even if a claim for fees pursuant to NRS 104.9607 could be brought against Mojave here, which Mojave submits would violate Nevada law, in the district court, Cashman failed to identify which attorneys' fees related to Cashman's claim for foreclosure of security interest against Mojave. In essence, Cashman grouped all of its attorneys' fees together and failed to apportion each one properly. Given this lack of specificity, the district court properly concluded that Cashman was not entitled to any attorneys' fees and costs. Furthermore, the UCC claim (i.e. Cashman's claim for foreclosure of security interest) was a very

¹⁸² See Opposition to Motion for Relief Pursuant to NRCP 60(b) and Motion for Attorneys' Fees and Costs Pursuant to NRS Ch. 108, Volume 30-31, pages 7360-7693; see also Reply to Cashman's Opposition to Motion for Relief Pursuant to NRCP 60(b) and Motion for Attorneys' Fees and Costs Pursuant to NRS Ch. 108, Volume, 31, pages 7694-7707.

¹⁸³ See id.

¹⁸⁴ See Decision and Order, Volume 32, pages 7779-7780.

minor point of the extensive motion practice in the case or at trial. Cashman cannot lump all of its attorneys' fees and costs together in this matter, and try to claim that all of these fees and costs relates to the UCC claim and in turn, the statute Cashman is claiming to recovery its attorneys' fees and costs (i.e. NRS 104.9607). Thus, the amount claimed by Cashman for its attorneys' fees could not be reasonable under the *Barnev/Bruznell* factors. ¹⁸⁵

The only causes of action that Cashman prevailed at trial were for Foreclosure of Security Interest against Mojave and Unjust Enrichment against the Owners as long Cashman actually puts the codes in. Neither of these claims provides any basis for recovery of attorneys' fees. There is no statute in NRS Chapter 104, including, but not limited to, NRS 104.9607, which provides for an award of fees and costs to a prevailing party on a UCC claim. Further, there is no basis for an award of fees for the claim of unjust enrichment, and Cashman really only recovers under that claim if/when it provides the codes. As such, the district court properly denied Cashman's request for attorneys' fees under NRS 104.9607, a permissive stature for awarding attorneys' fees.

Third, Cashman argues that since it is the prevailing party, pursuant to NRS 18.020, it is entitled to costs. As noted above, since Cashman is not the prevailing

¹⁸⁵ See Barney, 124 Nev. at 829, 192 P.3d at 736); see also Bruznell, 85 Nev. at 349-50, 455 P.2d at 33.

¹⁸⁶ See FFCL, Volume 31, page 7728.

¹⁸⁷ See Decision and Order, Volume 32, pages 7779-7780.

party, it cannot be entitled to any costs pursuant to NRS 18.020. Cashman only prevailed on two of its claims, only was awarded damages of a quarter of what it was seeking, and even the district court agreed that Cashman was not the prevailing party, by stating "[t]his Court concludes that based on the outcome of the trial, there is no obvious prevailing party."188

As such, the district court properly ruled that Cashman was not entitled to its attorneys' fees and costs hereto.

¹⁸⁸ See id., page 7780 (emphasis added).

VII. CONCLUSION

The Mojave Parties respectfully request this Court to: (1) dismiss with prejudice all of Cashman's claims that were tried in the district court, given that Mojave tendered payment in full to the party it was contractually obligated to, and solely because of Cashman's poor decisions, Cashman did not get paid, not through any fault of the Mojave Parties; (2) award the Mojave Parties their attorneys' fees of approximately \$316,844.50 and costs in the amount of \$19,129.55 or remand this matter for a determination of the attorneys' fees and costs to be awarded to them; and (3) deny Cashman's request for attorneys' fees and costs. Alternatively, this Court should affirm the Judgment in the district court.

DATED this 19th day of August, 2015.

HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON

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CERTIFICATE OF COMPLIANCE

I hereby certify that I have read this Answering Brief, and to the best of my knowledge, information and belief, it is not frivolous or interposed for any improper purpose. I fully certify this Answering Brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e), which requires every assertion in the Answering Brief regarding matters in the record to be supported by a reference to the page of the transcript of appendix where the matter relied on is so found. This Answering Brief complies with the formatting requirements of NRAP 32(a)(4)-(7), the font type is Times New Roman, 14 point font, and contains 13,997 words, excluding the parts of the Answering Brief exempted by NRAP 32(a)(7)(c). I understand that I may be subject to sanctions in the event that the accompanying Answering Brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

DATED this 19th day of August, 2015.

HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON

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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson, and that on the 19th day of August, 2015, I caused to be served a true and correct copy of this RESPONDENTS WEST EDNA, LTD., DBA MOJAVE ELECTRIC, WESTERN SURETY COMPANY, THE WHITING TURNER CONTRACTING COMPANY, QH LAS VEGAS, LLC, PQ LAS VEGAS, LLC, LWTIC SUCCESSOR LLC, AND FC/LW VEGAS'S **ANSWERING BRIEF** in the following manner:

 \boxtimes (ELECTRONIC SERVICE) The above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by that Court's facilities.

M (UNITED STATES MAIL) By depositing a copy of the abovereferenced document for mailing in the United States Mail, first class postage prepaid, at Las Vegas, Nevada, to:

Jennifer R. Lloyd, Esq. Marisa L. Maskas, Esq. HOWARD & HOWARD 3800 Howard Hughes Parkway, Suite 1000 Las Vegas, Nevada 89169 Attorneys for Appellant Cashman Equipment Company

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Fine, Wray, Puzey & Thompson

An employee of Holley, Driggs, Walch,