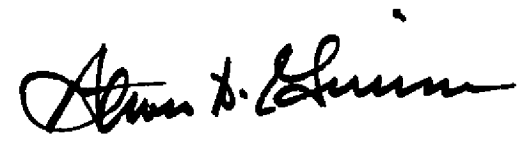


# Exhibit 5

# Exhibit 5



CLERK OF THE COURT

**NEOJ**  
DON SPRINGMEYER, ESQ.  
Nevada State Bar No. 1021  
BRADLEY SCHRAGER, ESQ.  
Nevada State Bar No. 10217  
DANIEL BRAVO, ESQ.  
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Email: dbravo@wrslawyers.com  
*Attorneys for Plaintiffs*

**EIGHTH JUDICIAL DISTRICT COURT**

**IN AND FOR CLARK COUNTY, STATE OF NEVADA**

PAULETTE DIAZ, an individual; and  
LAWANDA GAIL WILBANKS, an  
individual; SHANNON OLSZYNSKI, an  
individual; CHARITY FITZLAFF, an  
individual, on behalf of themselves and all  
similarly-situated individuals,

Plaintiffs,

vs.

MDC RESTAURANTS, LLC, a Nevada  
limited liability company; LAGUNA  
RESTAURANTS, LLC, a Nevada limited  
liability company; INKA, LLC, a Nevada  
limited liability company, and DOES 1  
through 100, Inclusive,

Defendants.

**Case No: A-14-701633-C**  
**Dept. No.: XVI**

**NOTICE OF ENTRY OF ORDER**

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**NOTICE OF ENTRY OF ORDER**

NOTICE IS HEREBY GIVEN that an ORDER REGARDING MOTION FOR PARTIAL SUMMARY JUDGMENT ON LIABILITY AS TO PLAINTIFF PAULETTE DIAZ'S FIRST CLAIM FOR RELIEF was entered in the above-captioned matter on the 17<sup>th</sup> day of July, 2015. A copy of the ORDER is attached hereto.

DATED this 17<sup>th</sup> day of July, 2015.

**WOLF, RIFKIN, SHAPIRO,  
SCHULMAN & RABKIN, LLP**

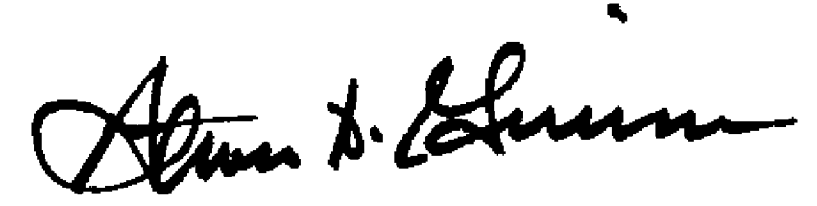
By: */s/ Bradley Schrager*  
DON SPRINGMEYER, ESQ.  
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 17<sup>th</sup> day of July, 2015, a true and correct copy of **NOTICE OF ENTRY OF ORDER** was served by electronically filing with the Clerk of the Court using the Wiznet Electronic Service system and serving all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

By: /s/ Dannielle R. Fresquez  
Dannielle R. Fresquez, an Employee of WOLF,  
RIFKIN, SHAPIRO, SCHULMAN &  
RABKIN, LLP



CLERK OF THE COURT

**ORDR**  
DON SPRINGMEYER, ESQ.  
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**EIGHTH JUDICIAL DISTRICT COURT**

**IN AND FOR CLARK COUNTY, STATE OF NEVADA**

PAULETTE DIAZ; LAWANDA GAIL  
WILBANKS; SHANNON OLSZYNSKI;  
and CHARITY FITZLAFF, all on behalf of  
themselves and all similarly-situated  
individuals,

Plaintiffs,

vs.

MDC RESTAURANTS, LLC; LAGUNA  
RESTAURANTS, LLC; INKA, LLC; and  
DOES 1 through 100, Inclusive,

Defendants.

Case No.: A-14-701633-C  
Dept. No.: XVI

**ORDER REGARDING MOTION FOR  
PARTIAL SUMMARY JUDGMENT ON  
LIABILITY AS TO PLAINTIFF  
PAULETTE DIAZ'S FIRST CLAIM FOR  
RELIEF**

Hearing Date: June 25, 2015  
Hearing Time: 9:00 a.m.

On April 24, 2015, Plaintiff Paulette Diaz filed her Motion for Partial Summary Judgment on Liability as to her First Claim for Relief. On May 22, 2015, Defendants filed their Opposition to Plaintiffs' Motion. On June 5, 2015, Plaintiffs filed their Reply in Support of their Motion. On June 25, 2015, the Court held a hearing on Plaintiffs' Motion, Bradley S. Schrager, Esq., Jordan J. Butler, Esq., and Daniel Bravo, Esq. appearing for Plaintiffs, and Montgomery Y. Paek, Esq. and Kathryn B. Blakey, Esq. appearing for Defendants.

After review and consideration of the record, the points and authorities on file herein, and oral argument of counsel, the Court finds the following facts and states the following conclusions

of law.<sup>1</sup>

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The language of the Minimum Wage Amendment, Nev. Const. art. XV, § 16, is unambiguous: An employer must actually provide, supply, or furnish qualifying health insurance to an employee as a precondition to paying that employee the lower-tier hourly minimum wage in the sum of \$7.25 per hour. Merely offering health insurance coverage is insufficient.

2. This Court finds under the Minimum Wage Amendment, Nev. Const. art. XV, § 16, that for an employer to "provide" health benefits, an employee must actually enroll in health insurance that is offered by the employer.

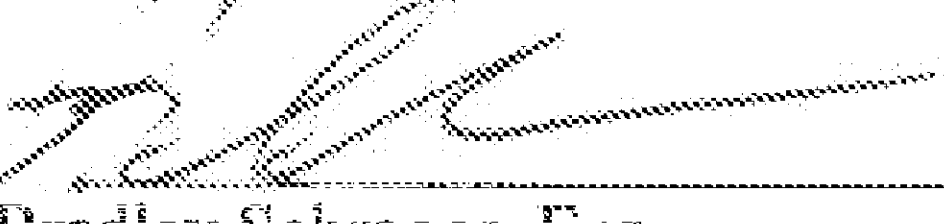
IT IS THEREFORE ORDERED that Plaintiff Paulette Diaz's Motion for Partial Summary Judgment on Liability as to her First Claim for Relief is GRANTED.

IT IS SO ORDERED this 15<sup>th</sup> day of July, 2015.

  
DISTRICT COURT JUDGE

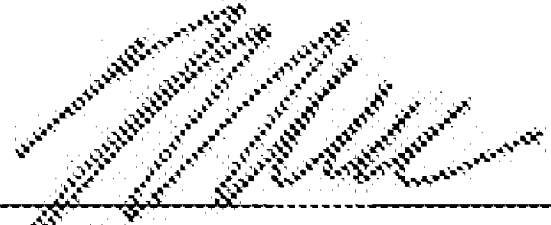
Submitted by:

WOLF, RIFKIN, SHAPIRO,  
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Nevada State Bar No. 1021  
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*Attorneys for Plaintiffs*

  
Bradley Schrager, Esq.

<sup>1</sup> If any finding herein is in truth a conclusion of law, or if any conclusion stated is in truth a finding of fact, it shall be deemed so.

1 Approved as to form and content by:

2   
3 LITTLE MENDELSON, P.C.  
4 RICK D. ROSKELLEY, ESQ.  
5 Nevada State Bar No. 3192  
6 ROGER GRANDGENNET, ESQ.  
7 Nevada State Bar No. 6323  
8 MONTGOMERY Y. PAEK, ESQ.  
9 Nevada State Bar No. 10176  
10 KATHRYN BLAKEY, ESQ.  
11 Nevada State Bar No. 12701  
12 3960 Howard Hughes Parkway, Suite 300  
13 Las Vegas, Nevada 89169  
14 *Attorneys for Defendant*  
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# Exhibit 4

# Exhibit 4

REC'D & FILED

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SUSAN HERRIWEATHER  
CLERK

BY V. Alegria  
DEPUTY

THE FIRST JUDICIAL DISTRICT COURT  
IN AND FOR CARSON CITY, NEVADA

CODY C. HANCOCK, an individual and  
resident of Nevada,

Plaintiff,

vs.

THE STATE OF NEVADA ex rel. THE  
OFFICE OF THE NEVADA LABOR  
COMMISSIONER; THE OFFICE OF THE  
NEVADA LABOR COMMISSIONER; and  
SHANNON CHAMBERS, Nevada Labor  
Commissioner, in her official capacity,

Defendants.

CASE NO.: 14 OC 00080 1B  
DEPT. NO.: II

**DECISION AND ORDER, COMPRISING FINDINGS OF FACT  
AND CONCLUSIONS OF LAW<sup>1</sup>**

On April 30, 2015, Plaintiff Cody C. Hancock ("Plaintiff"), pursuant to N.R.S. 233B.110, filed a complaint for declaratory relief against Defendants the State of Nevada *ex rel.* Office of the Nevada Labor Commissioner, the Office Of The Nevada Labor Commissioner, and Shannon Chambers, in her official capacity as the Nevada Labor Commissioner (collectively, "Defendants"), seeking to invalidate two administrative regulations—N.A.C. 608.100(1) and N.A.C. 608.104(2)—purporting to implement article XV, section 16 of the Nevada Constitution (the

<sup>1</sup> If any finding herein is in truth a conclusion of law, or if any conclusion stated is in truth a finding of fact, it shall be deemed so.

1 seeking to invalidate two administrative regulations—N.A.C. 608.100(1) and N.A.C.  
2 608.104(2)—purporting to implement article XV, section 16 of the Nevada Constitution (the  
3 “Minimum Wage Amendment” or the “Amendment”). Plaintiff also sought to enjoin the  
4 Defendants from enforcing the challenged regulations.

5 On or about June 25, 2014, Defendants filed a motion to dismiss. After a brief stay of  
6 proceedings for the parties to consider resolution through a renewed rulemaking process,  
7 Defendants’ motion to dismiss was withdrawn by stipulation of the parties, entered  
8 March 30, 2015, in which the parties also agreed to permit Plaintiff to amend the complaint, and to  
9 seek to resolve this action by respective motions for summary judgment. The parties agreed that no  
10 discovery was necessary in this case, and that the determinative issues were matters of law.

11 On or about June 11, 2015, Defendants filed their Motion for Summary Judgment on  
12 Plaintiff’s claims for declaratory relief. On or about June 12, 2015, Plaintiff filed his Motion for  
13 Summary Judgment on Plaintiff’s claims for declaratory relief. Subsequently, each party responded  
14 in opposition to the other parties’ motion, and replied in support of their own. Plaintiff had  
15 previously asked the Nevada Labor Commissioner to pass upon the validity of the challenged  
16 regulations, and the Court finds that all prerequisites under N.R.S. 233B.110 have been satisfied  
17 sufficient for the Court to enter orders resolving this matter.

18 The Court, having considered the pleadings and being fully advised, now finds and orders  
19 as follows:

20 As an initial matter, summary judgment under N.R.C.P. 56(a) is “appropriate and shall be  
21 rendered forthwith when the pleadings and other evidence on file demonstrate that no genuine issue  
22 as to any material fact [remains] and that the moving party is entitled to a judgment as a matter of  
23 law.” *Wood v. Safeway*, 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005) (internal quotations  
24 omitted). Further, in deciding a challenge to administrative regulations pursuant to N.R.S.  
25 233B.110, “[t]he court shall declare the [challenged] regulation invalid if it finds that it violates  
26 constitutional or statutory provisions or exceeds the statutory authority of the agency.” N.R.S.  
27 233B.110. The burden is upon Plaintiff to demonstrate that the challenged regulations violate the  
28 Minimum Wage Amendment.

1 The Minimum Wage Amendment was enacted by a vote of the people by ballot initiative at  
2 the 2006 General Election, and became effective on November 28, 2006. It is a remedial act, and  
3 will be liberally construed to ensure the intended benefit for the intended beneficiaries. *See, e.g.,*  
4 *Washoe Med. Ctr., Inc. v. Reliance Ins. Co.*, 112 Nev. 494, 496, 915 P.2d 288, 289 (1996); *see also*  
5 *Terry v. Sapphire Gentlemen's Club*, \_\_\_ Nev. \_\_\_, 336 P.2d 951, 954 (2014).

6 Here, in order to determine whether the challenged regulations conflict with or violate the  
7 Minimum Wage Amendment, the Court will first determine the meaning of the pertinent textual  
8 portions of the Amendment. Courts review an administrative agency's interpretation of a statute of  
9 constitutional provision *de novo*, and may do so with no deference to the agency's interpretations.  
10 *United States v. State Engineer*, 117 Nev. 585, 589, 27 P.3d 51, 53 (2001) ("An administrative  
11 agency's interpretation of a regulation or statute does not control if an alternate reading is  
12 compelled by the plain language of the provision."); *Bacher v. State Engineer*, 122 Nev. 1110,  
13 1118, 146 P.3d 793, 798 (2006) ("The district court may decide purely legal questions without  
14 deference to an agency's determination.").

15 The Minimum Wage Amendment raised the minimum hourly wage in Nevada, but also  
16 established a two-tier wage system by which an employer may pay employees, currently, \$8.25 per  
17 hour, or pay down to \$7.25 per hour if the employer provides qualifying health insurance benefits,  
18 to the employee and all of his or her dependents, at a certain capped premium cost to employee.

19 Section A of the Minimum Wage Amendment provides:

20 A. Each employer shall pay a wage to each employee of not less than the hourly  
21 rates set forth in this section. The rate shall be five dollars and fifteen cents (\$5.15)  
22 per hour worked, if the employer provides health benefits as described herein, or six  
23 dollars and fifteen cents (\$6.15) per hour if the employer does not provide such  
24 benefits. Offering health benefits within the meaning of this section shall consist of  
25 making health insurance available to the employee for the employee and the  
26 employee's dependents at a total cost to the employee for premiums of not more  
27 than 10 percent of the employee's gross taxable income from the employer. These  
28 rates of wages shall be adjusted by the amount of increases in the federal minimum  
wage over \$5.15 per hour, or, if greater, by the cumulative increase in the cost of  
living. The cost of living increase shall be measured by the percentage increase as of  
December 31 in any year over the level as of December 31, 2004 of the Consumer  
Price Index (All Urban Consumers, U.S. City Average) as published by the Bureau  
of Labor Statistics, U.S. Department of Labor or the successor index or federal  
agency. No CPI adjustment for any one-year period may be greater than 3%. The  
Governor or the State agency designated by the Governor shall publish a bulletin by  
April 1 of each year announcing the adjusted rates, which shall take effect the

1 following July 1. Such bulletin will be made available to all employers and to any  
2 other person who has filed with the Governor or the designated agency a request to  
3 receive such notice but lack of notice shall not excuse noncompliance with this  
4 section. An employer shall provide written notification of the rate adjustments to  
5 each of its employees and make the necessary payroll adjustments by July 1  
6 following the publication of the bulletin. Tips or gratuities received by employees  
7 shall not be credited as being any part of or offset against the wage rates required by  
8 this section.

9 Nev. Const. art. XV, § 16(A).

10 N.A.C. 608.104(2) states, in pertinent part:

11 2. As used in this section, “gross taxable income of the employee attributable to the  
12 employer” means the amount specified on the Form W-2 issued by the employer to  
13 the employee and includes, without limitation, tips, bonuses or other compensation  
14 as required for purposes of federal individual income tax.

15 N.A.C. 608.100(1) states, in pertinent part:

16 1. Except as otherwise provided in subsections 2 and 3, the minimum wage for an  
17 employee in the State of Nevada is the same whether the employee is a full-time,  
18 permanent, part-time, probationary or temporary employee, and:

19 (a) If an employee is offered qualified health insurance, is \$5.15 per  
20 hour; or

21 (b) If an employee is not offered qualified health insurance, is \$6.15 per  
22 hour.

23 **N.A.C. 608.104(2) Is Invalid**

24 Plaintiff contends that N.A.C. 608.104(2) unlawfully permits employers to figure in tips and  
25 gratuities furnished by customers and the general public when establishing the maximum allowable  
26 premium cost to the employee of qualifying health insurance. He argues that “10% of the  
27 employee’s gross taxable income from the employer” can only mean compensation and wages paid  
28 by the employer to the employee, and excludes tips earned by the employee.

29 Defendants argue that the term “gross taxable income” directed the Labor Commissioner to  
30 interpret the entire provision as meaning all income derived from working for the employer,  
31 whether as direct wages or as tips and gratuities, because Nevada has no state income tax and state  
32 law contains no definition of “gross taxable income.” Therefore, the State argues, resort to federal  
33 tax law is appropriate, and because tips and gratuities earned by the employee constitute, for him or  
34 her, gross taxable income upon which federal taxes must be paid. In that regard, Defendants  
35 contend that N.A.C. 608.104(2)’s definition of “income attributable to the employer” best

1 implements the language of the Amendment.

2       The Court finds the text of the Minimum Wage Amendment which N.A.C. 608.104(2)  
3 purports to implement—"10% of the employee's gross taxable income from the employer"—to be  
4 unambiguous. As the Court reads the plain language of the constitutional provision, it indicates that  
5 the term "10% of the employee's gross taxable income" is limited to such income that comes "from  
6 the employer," as opposed to gross taxable income that emanates from any other source, including  
7 from tips and gratuities provided by an employer's customers. "[T]he language of a statute should  
8 be given its plain meaning unless doing so violates the spirit of the act ... [thus] when a statute is  
9 clear on its face, a court may not go beyond the language of the statute in determining the  
10 legislature's intent." *University and Community College System of Nevada v. Nevadans for Sound*  
11 *Government*, 120 Nev. 712, 731, 100 P.3d 179, 193 (2004).

12       There are no particular difficulties in determining an employee's gross taxable income that  
13 comes *from the employer*, as this figure must be reported to the United States Internal Revenue  
14 Service as part of the employee's tax information, including on his or her annual W-2 form, along  
15 with the employee's income from tips and gratuities. The Court further presumes that employers  
16 are aware of, or can easily compute, how much they pay out of their business revenue to each  
17 employee, this being a major portion of the business's expenses for which records are surely  
18 maintained by the employer.

19       The Court does note that N.A.C. 608.104(2)'s inclusion of "bonuses or other compensation"  
20 presents no constitutional problem under the Amendment, as long as the income in question comes  
21 "from the employer."

22       The Court understands Defendants' interpretation of this portion of the Amendment, and in  
23 support of the administrative regulation purporting to implement and enforce it, to emphasize the  
24 phrase "gross taxable income" in isolation, at the expense of a full reading giving meaning to the  
25 qualifying term "from the employer." As Defendants note in their briefing, "[i]n expounding a  
26 constitutional provision, such constructions should be employed as will prevent any clause,  
27 sentence or word from being superfluous, void or insignificant." *Youngs v. Hall*, 9 Nev. 212  
28 (1874). To arrive at Defendants' preferred interpretation of the Amendment, however, the Court

1 would have to first find the provision ambiguous, and then engage in an act of interpretation in  
2 order to agree that the phrase “gross taxable income” modifies the term “from the employer,” rather  
3 than the other way around. In that formulation, “gross taxable income from the employer” is  
4 rendered as “gross taxable income earned but for employment by the employer,” or, “gross taxable  
5 income earned as a result of having worked for the employer,” and “from the employer” is rendered  
6 more or less insignificant to the provision. This is, indeed, what N.A.C. 608.104(2) attempts to  
7 indicate when it designates “gross taxable income attributable to the employer” as the measure of  
8 the Amendment’s ten-percent employee premium cost cap calculation. The Court disagrees, and  
9 instead finds the constitutional language plain on its face.

10 But even if the Court were to find the pertinent portion of the Amendment to be ambiguous,  
11 its context, reason, and public policy would still support the conclusion that tips and gratuities  
12 should not be included in the calculation of allowable employee premium costs when an employer  
13 seeks to qualify to pay below the upper-tier minimum hourly wage. The drafters of the Amendment  
14 expressly excluded tips and gratuities from the calculation of the minimum hourly wage (“Tips or  
15 gratuities received by employees shall not be credited as being any part of or offset against the  
16 wage rates required by this section.”), and gave no other indication that tips and gratuities should  
17 be allowed as a form of credit against the cost of the health insurance benefits the Minimum Wage  
18 Amendment was designed to encourage employers to provide employees in exchange for the  
19 privilege of paying a lower hourly wage rate. Further, as Plaintiff points out, the effect of  
20 permitting inclusion of tips and gratuities is to increase, in some cases precipitously, the cost of  
21 health insurance benefits to employees, a result that is not supported by the policy and function of  
22 the Amendment generally.

23 Defendants argue that permitting tips and gratuities in the premium calculations for tipped  
24 employees eliminates an advantage for those employees that non-tipped employees do not enjoy. It  
25 is not strictly within the province of the Nevada Labor Commissioner, however, to make such  
26 policy choices in place of the Legislature, or the people acting in their legislative capacity. Her  
27 charge is to enforce and implement the labor laws of this State as written. N.R.S. 607.160(1). In  
28 any event, and apart from the Amendment’s express treatment of the issue, Nevada has prohibited

1 administrative regulation. *See* N.R.S. 608.160.

2 The Court finds that N.A.C. 608.104(2), insofar as it permits employers to include tips and  
3 gratuities furnished by the customers of the employer in the calculation of income against which in  
4 measured the Minimum Wage Amendment's ten percent income cap on allowable health insurance  
5 premium costs, violates the Nevada Constitution and therefore exceeds the Nevada Labor  
6 Commissioner's authority to promulgate administrative regulations. The Court determines the  
7 regulation in question to be invalid, and will further enjoin Defendants from enforcing N.A.C.  
8 608.104(2) for the reasons stated herein.

9 **N.A.C. 608.100(1) Is Invalid**

10 Plaintiff argues that, in order to qualify for the privilege of paying less than the upper-tier  
11 hourly minimum wage, an employer must actually provide qualifying health insurance, rather than  
12 merely offer it. He contends that, read as a whole and giving all parts of the Amendment meaning  
13 and function, the basic scheme of the provision is to propose for both employers and employees a  
14 set of choices, a bargain: an employer can pay down to \$7.25 per hour, currently, but the employee  
15 must receive something in return, qualified health insurance. A mere offer of health insurance—  
16 which the employee has not played a role in selecting and may not meet the needs of an employee  
17 and his or her family for any number of reasons—permits the employer to receive the benefit of the  
18 Minimum Wage Amendment, but can leave the employee with less pay and no insurance provided  
19 by the employer.

20 In support of this interpretation, Plaintiff suggests that “provide” and “offering,” as used in  
21 the Amendment, are not synonyms, but rather that the basic command of the constitutional  
22 provision (in order to pay less than the upper-tier wage level) is to *provide* health benefits, and that  
23 the succeeding sentence that begins with the term “offering” only dictates certain requirements of  
24 the benefits that must be offered as a step in their provision to employees paid at the lower wage  
25 rate.

26 Defendants argue that “provide” and “offering” are synonymous, and that an employer need  
27 only make available qualified health insurance in order to pay below the upper-tier wage level,  
28 whether the employee accepts the benefit or not. Defendants argue that the usage, by the

1 Amendment's drafters, of "offering" and "making available" in the sentence succeeding those  
2 employing "provide" modifies and defines "provide" to mean merely "offering" of health  
3 insurance.

4 A further argument by Defendants is that the benefit of the bargain inherent in the  
5 Amendment is the offer itself, having employer-selected health insurance made available to the  
6 employee, and that interpreting the Amendment to require that employees accept the benefit in  
7 order for an employer to pay below the upper-tier minimum wage denies the value of the Minimum  
8 Wage Amendment to the employer. They deny that "provide" is the command, or mandate, of the  
9 Minimum Wage Amendment where qualification for paying the lesser wage amount is concerned.

10 The Court finds that the Minimum Wage Amendment requires that employees actually  
11 receive qualified health insurance in order for the employer to pay, currently, down to \$7.25 per  
12 hour to those employees. Otherwise, the purposes and benefits of the Amendment are thwarted, and  
13 employees (the obvious beneficiaries of the Amendment) who reject insurance plans offered by  
14 their employer would receive neither the low-cost health insurance envisioned by the Minimum  
15 Wage Amendment, nor the raise in wages its passed promised, \$7.25 per hour already being the  
16 federal minimum wage rate that every employer in Nevada must pay their employees anyway. The  
17 amendment language does not support this interpretation.

18 The Court agrees with Plaintiff's argument that "provide" and "offering" are not  
19 synonymous, and that the drafters included both terms, intentionally, to signify different concepts.  
20 "[W]here the document has used one term in one place, and a materially different term in another,  
21 the presumption is that the different term denotes a different idea." Antonin Scalia and Bryan A.  
22 Garner, *Reading Law: The Interpretation of Legal Texts*, 170 (2012). It is also instructive that the  
23 drafters used "provide," a verb, and "offering," a gerund, ostensibly to make a distinction between  
24 their functions as parts of speech within the text of the Amendment. The Amendment easily could  
25 have stated that "[t]he rate shall be X dollars per hour worked, if the employer **offers** health  
26 benefits as described herein, or X dollars per hour if the employer does not **offer** such benefits." It  
27 did not so state. Instead, it required that the employer "provide" qualified health insurance if it  
28 wished to take advantage of the lower wage rate. The Court agrees with Plaintiff, furthermore, that

1 the overall definitional weight of the verb phrase “to provide” lends credence to his interpretation  
2 that it means to furnish, or to supply, rather than merely to make available, especially when the  
3 overall context and scheme of the Minimum Wage Amendment is taken into consideration.

4 The distinction the parties here draw between “provide” and “offering” is no small matter.  
5 Allowing employers merely to offer health insurance plans rather than provide, furnish, and supply  
6 them, alters significantly the function of this remedial constitutional provision. The fundamental  
7 operation of the Minimum Wage Amendment, fairly construed, demands that employees not be left  
8 with none of the benefits of its enactment, whether they be the higher wage rate or the promised  
9 low-cost health insurance for themselves and their families.

10 Because N.A.C. 608.100(1) impermissibly allows employers only to offer health insurance  
11 benefits, but does not take into account whether the employee accepts those benefits when  
12 determining how and when the employer may pay below the upper-tier minimum wage rate, it  
13 violates the Nevada Constitution and therefore exceeds the Nevada Labor Commissioner’s  
14 authority to promulgate administrative regulations. The Court determines the regulation in question  
15 to be invalid, and will further enjoin Defendants from enforcing N.A.C. 608.104(2) for the reasons  
16 stated herein.

17 **IT IS HEREBY ORDERED**, therefore, and for good cause appearing, that Plaintiff’s  
18 Motion for Summary Judgment is **GRANTED** and the Defendant’s Motion for Summary  
19 Judgment is **DENIED**.

20 **IT IS FURTHER ORDERED** that N.A.C. 608.104(2) is declared invalid and of no effect,  
21 for the reasons stated herein;.

22 **IT IS FURTHER ORDERED** that N.A.C. 608.100(1) is declared invalid and of no effect,  
23 for the reasons stated herein;

24 ///

25 ///

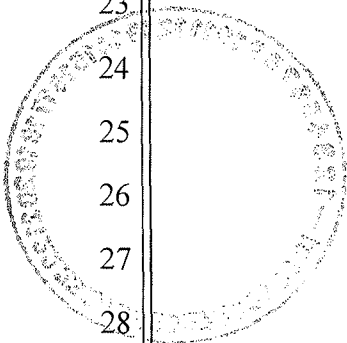
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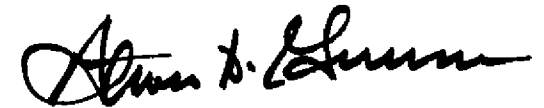
IT IS SO ORDERED this 12 day of August, 2015.

/s/ Bradley S. Schrager  
Bradley S. Schrager, Esq.



# Exhibit 3

# Exhibit 3



CLERK OF THE COURT

**MOT**  
DON SPRINGMEYER, ESQ.  
Nevada State Bar No. 1021  
BRADLEY SCHRAGER, ESQ.  
Nevada State Bar No. 10217  
DANIEL BRAVO, ESQ.  
Nevada State Bar No. 13078  
**WOLF, RIFKIN, SHAPIRO,**  
**SCHULMAN & RABKIN, LLP**  
3556 E. Russell Road, 2nd Floor  
Las Vegas, Nevada 89120-2234  
Telephone: (702) 341-5200/Fax: (702) 341-5300  
Email: dspringmeyer@wrslawyers.com  
Email: bschrager@wrslawyers.com  
Email: dbravo@wrslawyers.com  
*Attorneys for Plaintiffs*

**EIGHTH JUDICIAL DISTRICT COURT**

**IN AND FOR CLARK COUNTY, STATE OF NEVADA**

PAULETTE DIAZ, an individual;  
LAWANDA GAIL WILBANKS, an  
individual; SHANNON OLSZYNSKI, an  
individual; and CHARITY FITZLEFF, an  
individual, on behalf of themselves and all  
similarly-situated individuals,

Plaintiffs,

vs.

MDC RESTAURANTS, LLC, a Nevada  
limited liability company; LAGUNA  
RESTAURANTS, LLC, a Nevada limited  
liability company; INKA, LLC, a Nevada  
limited liability company, and DOES 1  
through 100, Inclusive,

Defendants.

Case No.: A701633

Dept. No.: XVI

**MOTION FOR APPROVAL OF CLASS  
ACTION NOTICE TO THE NON-  
ENROLLMENT CLASS, CLASS NOTICE  
PLAN, AND RELATED RELIEF**

Hearing Date:

Hearing Time:

COME NOW Plaintiffs, by and through her attorneys of record, and hereby move this Court  
for an Order: 1) approving Plaintiffs' proposed Class Action Notice to the Non-Enrollment Class  
("Notice") here attached as **Exhibit 1**; 2) approving Plaintiffs' proposed Notice plan and requiring  
Defendants to provide the requested information regarding all Class members; and 3) requiring  
Defendants to bear the costs of sending the Class Notice. This motion is based on the memorandum  
of points and authorities below, all papers and exhibits on file herein, and any oral argument this

1 Court sees fit to allow at hearing on this matter.

2 DATED this 13th day of November, 2015.

3 **WOLF, RIFKIN, SHAPIRO,**  
4 **SCHULMAN & RABKIN, LLP**

5 By: /s/ Bradley Schrager

6 DON SPRINGMEYER, ESQ.  
7 Nevada State Bar No. 1021  
8 BRADLEY SCHRAGER, ESQ.  
9 Nevada State Bar No. 10217  
10 DANIEL BRAVO, ESQ.  
11 Nevada State Bar No. 13078  
12 3556 E. Russell Road, Second Floor  
13 Las Vegas, Nevada 89120  
14 *Attorneys for Plaintiffs*

15 **NOTICE OF MOTION**

16 **TO: ALL PARTIES AND THEIR COUNSEL OF RECORD:**

17 Please take notice that the undersigned will bring this **MOTION FOR APPROVAL OF**  
18 **CLASS ACTION NOTICE TO THE NON-ENROLLMENT CLASS, CLASS NOTICE**  
19 **PLAN, AND RELATED RELIEF** on for hearing before this Court at the Eighth Judicial District  
20 Court, 200 Lewis Avenue, Las Vegas, NV 89155, on 12/15/15 at 9:00  
21 a.m./~~p.m.~~ in Dept. XVI or as soon thereafter as counsel can be heard.

22 DATED this 13th day of November, 2015.

23 **WOLF, RIFKIN, SHAPIRO,**  
24 **SCHULMAN & RABKIN, LLP**

25 By: /s/ Bradley Schrager

26 DON SPRINGMEYER, ESQ.  
27 Nevada State Bar No. 1021  
28 BRADLEY SCHRAGER, ESQ.  
Nevada State Bar No. 10217  
DANIEL BRAVO, ESQ.  
Nevada State Bar No. 13078  
3556 E. Russell Road, Second Floor  
Las Vegas, Nevada 89120  
*Attorneys for Plaintiffs*

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 On October 13, 2015, this Court certified the following Class:

4 All current and former Nevada employees of Defendants paid less than \$8.25 per  
5 hour at any time since July 1, 2010, who did not enroll in Defendants' health  
insurance plan.

6 *See* October 13, 2015 Order; October 19, 2015 Notice of Entry of Order.

7 Pursuant to Rule 23 of the Nevada Rules of Civil Procedure, the Court "shall direct to the  
8 members of the class the best notice practicable under the circumstances." N.R.C.P. 23(c)(2). Here,  
9 the proposed Notice to be sent to each member of the Class is sufficient to inform Class members  
10 about, inter alia: (i) the Class definition; (ii) the nature of the action; (iii) Class members' right to  
11 be excluded and the procedures for doing so; (iv) Class Counsel's information; and (v) how to  
12 obtain additional information. *See Exhibit 1*. The Notice provides Class members with necessary  
13 and sufficient information to make informed decisions about whether to participate in this litigation  
14 and, thus, the Notice satisfies due process. As set forth below, Plaintiffs propose the use of a third-  
15 party administrator to mail the Notice to Class members. Plaintiffs respectfully request that  
16 Defendants be ordered to provide the necessary information of all Class members to facilitate  
17 effective notice, and that the costs of mailing the Notice be assigned to Defendants.

18 **II. PLAINTIFFS' PROPOSED NOTICE COMPORTS WITH N.R.C.P. 23**

19 Class notification is a straightforward communication that is limited to the parameters of  
20 Rule 23(c)(2), which states:

21 In any class action maintained under subdivision (b)(3), the court shall direct to the  
22 members of the class the best notice practicable under the circumstances, including  
individual notice to all members who can be identified through reasonable effort.  
23 The notice shall advise each member that (A) the court will exclude the member  
from the class if the member so requests by a specified date; (B) the judgment,  
24 whether favorable or not, will include all members who do not request exclusion;  
and (C) any member who does not request exclusion may, if the member desires,  
25 enter an appearance through the member's counsel.

26 N.R.C.P. 23(c)(2).

27 The mandatory class notice provisions under Rule 23(c) relating to Rule 23(b)(3) classes  
28 are designed to ensure due process protections for an absent class whose rights will be affected by

1 litigation, even if they are only passive participants in the action. *See Eisen v. Carlisle & Jacquelin*,  
2 417 U.S. 156, 173-77, 94 S. Ct. 2140, 2150-52 (1974).

3 Here, the proposed Notice complies with N.R.C.P. 23(c)(2) requirements that the members  
4 of the Class be given the best “practicable notice[.]” *See* N.R.C.P. 23(c)(2). The Notice explains the  
5 nature of the action, defines the Class, and sets forth the description of Plaintiffs’ class allegations  
6 and claims in the case. *See Exhibit 1*. In plain language, it contains an explanation of the Class  
7 member’s rights and options, including that a Class member may enter an appearance through  
8 counsel; that the Court will exclude any class member who requests exclusion; the procedures for  
9 requesting exclusion; and the binding effect of a judgment on Class members under N.R.C.P. 23.  
10 *See Exhibit 1*.

### 11 **III. PLAINTIFFS’ PROPOSED NOTICE PLAN**

12 This Court may direct appropriate notice to the class. *See* N.R.C.P. 23(c)(2); *see also Sosna*  
13 *v. Iowa*, 419 U.S. 393, 415, 95 S. Ct. 553, 565 (1975). Plaintiffs propose the best notification to the  
14 Class would be as follows: a single mailing to each Class member. “When the names and addresses  
15 of most class members are known, notice by mail usually is preferred.” *Manual for Complex*  
16 *Litigation Class* § 21.311 (citing *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 356 n. 22  
17 (1978)). Plaintiffs propose that a third-party administrator mail the Notice to all members of the  
18 Class via direct mailing, using U.S. Mail, postage prepaid, at the addresses provided by  
19 Defendants. Plaintiffs also propose an opt-out response date of thirty (30) days from the date of  
20 mailing of the Notice.

21 Plaintiffs request that this Court order Defendants to produce a list of all Class members,  
22 identifying each person by full name, dates of employment, location of employment, and providing  
23 all address information known to Defendants.

24 Class counsel propose that the parties meet and confer to discuss the schedule for provision  
25 of the necessary information and for the sending out of the proposed Notice, as well as technical  
26 matters such as the selection of a third-party administrator. Class counsel suggests these issues also  
27 be discussed with the Court at time of hearing on this Motion, but that the Court consider dates by  
28 which it will order such information to be produced by Defendant.

1 **IV. DEFENDANTS SHOULD PAY THE COSTS OF THE CLASS NOTICE**

2 The United States Supreme Court in *Eisen* established the general rule that the plaintiffs  
3 should bear the costs relating to the sending of the notice to the class. *See Eisen*, 417 U.S. at 178-  
4 79, 94 S. Ct. at 2153. District courts do, however, have discretion to shift costs of notice to  
5 defendants in certain circumstances. *Hunt v. Imperial Merchant Servs., Inc.*, 560 F.3d 1137, 1143  
6 (9th Cir. 2009). For instance, courts may order a class action defendant to pay the cost of class  
7 notification when there has been a preliminary showing of the defendant's liability. That applies  
8 here *a fortiori* and justifies requiring the Defendants to bear the cost of sending the proposed  
9 Notice. *See Hunt*, 560 F.3d at 1143 ("interim litigation costs, including class notice costs, may be  
10 shifted to defendant after plaintiff's showing of some success on the merits, whether by preliminary  
11 injunction, partial summary judgment, or other procedure."); *Sobel v. Hertz Corp.*, 2013 WL  
12 5202027, at \*5 (D. Nev. Sept. 13, 2013) ("And, indeed, the weight of authority appears to endorse  
13 the shifting of costs to the defendant when its liability is clearly within sight."); *Sullivan v. Kelly*  
14 *Servs., Inc.*, 2011 WL 31534 (N.D. Cal. Jan. 5, 2011); *Bickel v. Whitley Cnty. Sheriff*, 2010 WL  
15 5564634, at \*3 (N.D. Ind. Dec. 27, 2010); *Fournigault v. Independence One Mortgage Corp.*, 242  
16 F.R.D. 486, 490 (N.D. Ill. 2007).

17 Here, the Court has granted partial summary judgment on liability as to Plaintiff Paulette  
18 Diaz's first claim for relief. In its July 1, 2015 minute order granting Plaintiff Paulette Diaz's  
19 motion, this Court found that, under the Minimum Wage Amendment, "[a]n employer must  
20 actually provide, supply, or furnish qualifying health insurance to an employee as a precondition to  
21 paying that employee the lower-tier hourly minimum wage" and that "[m]erely offering health  
22 insurance coverage is insufficient." *See* July 1, 2015 Minute Order; July 17, 2015 Notice of Entry  
23 of Order. On November 2, 2015, Plaintiffs Lawanda Gail Wilbanks and Shannon Olszynski filed a  
24 similar motion for summary judgment on behalf of themselves and the certified Class incorporating  
25 the arguments made in briefing and argument supporting the Court's July 17, 2015 Order. As  
26 discussed in the November 2, 2015 motion, Defendants were not eligible to pay Plaintiffs or the  
27 Class members below \$8.25 an hour at any time since July 1, 2010; thus, Defendants are liable to  
28 Plaintiffs and Class members for wages unlawfully withheld from them, as well as damages and

1 attorneys' fees. *See* November 2, 2015, Motion for Summary Judgment on file herein. Plaintiffs  
2 expect that the Court will grant the motion and, as such, will justify requiring the Defendants to  
3 bear the cost of sending the proposed Notice.

4 **V. CONCLUSION**

5 Based on the reasons set forth, Plaintiffs respectfully request that this Court issue an Order:  
6 1) approving Plaintiffs' proposed Class Action Notice to the Non-Enrollment Class; 2) approving  
7 Plaintiffs' proposed Notice plan and requiring Defendants to produce the requested information  
8 regarding all Class members; and 3) requiring Defendants to bear the costs of sending the Class  
9 Notice.

10 DATED this 13th day of November, 2015.

11 **WOLF, RIFKIN, SHAPIRO,**  
12 **SCHULMAN & RABKIN, LLP**

13 By: /s/ Bradley Schrager  
14 DON SPRINGMEYER, ESQ.  
15 Nevada State Bar No. 1021  
16 BRADLEY SCHRAGER, ESQ.  
17 Nevada State Bar No. 10217  
18 DANIEL BRAVO, ESQ.  
19 Nevada State Bar No. 13078  
20 3556 E. Russell Road, Second Floor  
21 Las Vegas, Nevada 89120  
22 *Attorneys for Plaintiffs*  
23  
24  
25  
26  
27  
28

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on this 13th day of November, 2015, a true and correct copy of this  
3 **MOTION FOR APPROVAL OF CLASS ACTION NOTICE TO THE NON-**  
4 **ENROLLMENT CLASS, CLASS NOTICE PLAN, AND RELATED RELIEF** was served by  
5 electronically filing with the Clerk of the Court using the Wiznet Electronic Service system and  
6 serving all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule  
7 9 of the N.E.F.C.R.

8  
9 By: /s/ Dannielle Fresquez  
10 Dannielle Fresquez, an Employee of  
11 WOLF, RIFKIN, SHAPIRO, SCHULMAN &  
12 RABKIN, LLP  
13  
14  
15  
16  
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28

Exhibit 1

Exhibit 1

**EIGHTH JUDICIAL DISTRICT COURT  
IN AND FOR CLARK COUNTY, STATE OF NEVADA**

PAULETTE DIAZ, LAWANDA GAIL  
WILBANKS, SHANNON OLSZYNSKI, and  
CHARITY FITZLEFF,

Plaintiffs,

vs.

MDC RESTAURANTS, LLC; LAGUNA  
RESTAURANTS, LLC; INKA, LLC; and DOES 1  
through 100, Inclusive,

Defendants.

Case No.: A-14-701633-C  
Dept. No.: XVI

**NOTICE OF CLASS ACTION**

**Please Read Carefully**

*(A court of law authorized this Notice. It is not from a lawyer. You are not being sued.)*

**TO: ALL CURRENT AND FORMER NEVADA EMPLOYEES OF DEFENDANTS PAID LESS THAN \$8.25 PER HOUR AT ANY TIME SINCE JULY 1, 2010, WHO DID NOT ENROLL IN DEFENDANTS' HEALTH INSURANCE PLAN.**

An action has been filed against MDC Restaurants, LLC, Laguna Restaurants, LLC, and Inka, LLC ("Defendants"), owners and operators of Denny's and CoCo's restaurants in Nevada. The lawsuit, entitled *Diaz, et al. v. MDC Restaurants, LLC, et al.*, Case No. A-14-701633-C, is pending in the Eighth Judicial District Court, in Clark County, Nevada. The Court has allowed this case to go forward as a class action on behalf of "All current and former Nevada employees of Defendants paid less than \$8.25 per hour at any time since July 1, 2010, who did not enroll in Defendants' health insurance plan."

Defendants have denied any liability, and the Court has not decided whether Defendants have done anything wrong. There is no money available now, and there is no guarantee that there will be. However, your legal rights are affected and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
<b>DO NOTHING</b>	<b>Stay in this lawsuit. Await the outcome. Give up certain rights.</b> By doing nothing, you preserve the possibility of obtaining money or benefits that may result from a trial or a settlement. However, you give up the right to sue Defendants separately for the same or similar legal claims that have been made in this lawsuit.
<b>ASK TO BE EXCLUDED</b>	<b>Get out of this lawsuit. Get no benefits from it. Keep your rights.</b> You may also ask to be excluded from this lawsuit. In which case, if there is a trial or settlement in favor of the plaintiffs, you will <u>not</u> receive a benefit. If you ask to be excluded and money or benefits are later awarded, you will <u>not</u> share in those. On the other hand, if you ask to be excluded, you preserve your right to sue Defendants separately for the same or similar legal claims that are made in this lawsuit.

**I. INTRODUCTION**

A class action lawsuit is currently pending against MDC Restaurants, LLC, Laguna Restaurants, LLC, and Inka, LLC ("Defendants") based on Defendant's alleged violation of Nevada's minimum wage laws. The purpose of this Notice is to inform you that the Court has permitted, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court holds a trial. The trial is to decide whether the claims being made against Defendants, on your behalf, are true. Judge Timothy

C. Williams of the Eighth Judicial District Court, Clark County, Nevada, is presiding over this class action. The lawsuit is known as *Diaz, et al. v. MDC Restaurants, LLC, et al.*, Case No. A-14-701633-C.

## **II. WHAT THE LAWSUIT IS ABOUT**

This lawsuit concerns whether the Defendant restaurant companies, who own and operate Denny's and CoCo's Restaurants in Nevada, paid their hourly employees the proper minimum wage, pursuant to article XV, section 16 of the Nevada Constitution (the "Minimum Wage Amendment"). Plaintiffs allege that Defendants failed to pay them and other hourly employees a minimum wage of \$8.25 per hour, contrary to Nevada's Minimum Wage Amendment, because Defendants did not provide Plaintiffs and other hourly employees with qualified health insurance benefits, and instead paid less per hour than was required. The Plaintiffs in this lawsuit are seeking unpaid wages, damages, interest, and attorneys' fees and costs. Defendants have denied any liability.

## **III. WHAT IS A CLASS ACTION AND WHO IS INVOLVED**

A class action lawsuit is a lawsuit where one or more persons sue on behalf of themselves and others who have similar claims. This lawsuit is a class action filed by Plaintiff Paulette Diaz and others, on behalf of employees of Defendants who were paid less than \$8.25 per hour but who were not provided qualified health insurance benefits permitting Defendants to pay less than that amount.

On October 13, 2015, the Court decided that this lawsuit may be maintained as a class action with respect to claims asserted on behalf of a Class defined as: All current and former Nevada employees of Defendants paid less than \$8.25 per hour at any time since July 1, 2010, who did not enroll in Defendants' health insurance plan.

## **IV. YOUR RIGHTS AND OPTIONS**

You do not have to do anything now if you want to keep the possibility of getting monetary recovery or benefits from this lawsuit. By doing nothing, you remain part of the Class. If you remain a Class member, and the Plaintiffs obtain money or benefits either as a result of the trial or as part of a settlement, you will be notified about how to apply for your applicable share (or how to ask to be excluded from any settlement). Keep in mind that if you do nothing now, regardless of whether the Plaintiffs win or lose at trial, you will not be able to sue, or continue to sue, Defendants as part of any other lawsuit concerning the same legal claims that are the subject of this lawsuit. This means that if you do nothing, you will be part of the present class action seeking unpaid wages, damages, and attorneys' fees and costs against Defendants. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this action. Plaintiffs and their attorneys will act as your representatives and counsel, respectively, in this lawsuit. You may also choose to enter an appearance through your own attorney if you desire.

If you exclude yourself from the Class, which means to remove yourself from or "opt out" of the Class, you will not receive any monetary recovery or benefits from this lawsuit even if the Plaintiffs obtain money or benefits as a result of the trial or from any potential or possible settlement between Defendants and Plaintiffs. However, you will retain the right to sue Defendants in your own capacity concerning the issues in this lawsuit. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action case. If you do wish to exclude yourself from the Class so you can initiate your own lawsuit against Defendants, you should talk to your own attorney soon, because your claims may be subject to an ongoing statute of limitations.

To ask to be excluded, you must complete and sign the enclosed "Request To Be Excluded From Class Action Lawsuit" that states that you want to be excluded from *Diaz, et al. v. MDC Restaurants, LLC, et al.*, Case No. A-14-701633-C, and return it in one of the following three ways **NO LATER THAN [DATE TO BE INSERTED -- 30 DAYS AFTER MAILING DATE]: [TPA ADDRESS, FAX, E-MAIL TO BE INSERTED]**. By making this election to be excluded, (a) you will not share in any recovery that might be paid to Class members as a result of trial or settlement of this lawsuit; (b) you will not be bound by any decision in this lawsuit favorable to Defendants; and (c) you may present any claims you have against Defendants by filing your own lawsuit.

If you want to remain a member of the Class, you should NOT complete and sign the "Request To Be

Excluded From Class Action Lawsuit” and are not required to do anything at this time. By remaining a Class member, any claims against Defendants for monetary relief arising from Defendants’ alleged conduct by the Plaintiffs will be determined in this case and cannot be presented in any other lawsuit.

**V. THE ATTORNEYS REPRESENTING YOU**

The Court has determined that the law firm of Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP (“Class Counsel”) shall represent the Class based on Class Counsel’s qualifications and experience. If Plaintiffs and the Class are successful in this lawsuit, Class Counsel may ask the Court for fees and expenses. You will not have to pay these fees and expenses. If the Court grants Class Counsels’ request, the fees and expenses would be either deducted from any money obtained for the Class or paid separately by Defendants. As a member of the Class, you will not be required to pay any costs in the event that the class action is unsuccessful.

**VI. OBTAINING MORE INFORMATION**

Further information about this notice and answers to questions concerning this lawsuit may be obtained by writing, telephoning, or e-mailing Class Counsel at the telephone number, address, and e-mail below.

Wolf Rifkin Shapiro Schulman & Rabkin, LLP  
3556 East Russell Road, 2nd Floor  
Las Vegas, Nevada 89120  
Phone: TBD  
Email: TBD

You may, of course, seek the advice and guidance of your own attorney if you desire.

**DO NOT CONTACT THE COURT, THE COURT’S CLERK, OR THE JUDGE.  
THEY ARE NOT PERMITTED TO ADDRESS YOUR INQUIRIES OR QUESTIONS.**

Dated: MAILING DATE TO BE INSERTED  
Enclosure: Exclusion Request

**EIGHTH JUDICIAL DISTRICT COURT  
IN AND FOR CLARK COUNTY, STATE OF NEVADA**

PAULETTE DIAZ, LAWANDA GAIL  
WILBANKS, SHANNON OLSZYNSKI, and  
CHARITY FITZLEFF,

Plaintiffs,

vs.

MDC RESTAURANTS, LLC; LAGUNA  
RESTAURANTS, LLC; INKA, LLC; and DOES 1  
through 100, Inclusive,

Defendants.

Case No.: A-14-701633-C  
Dept. No.: XVI

**REQUEST TO BE EXCLUDED FROM CLASS ACTION LAWSUIT**

The undersigned has read the Notice of Class Action, dated [MAILING DATE TO BE INSERTED], and does NOT wish to remain a member of the Class certified in the case of *Diaz, et al. v. MDC Restaurants, LLC, et al.*, Case No. A-14-701633-C, as defined therein.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Typed or printed name: \_\_\_\_\_

If you want to exclude yourself from the Class, you must complete and return this form by mail, fax, or e-mail before [DATE TO BE INSERTED – 30 DAYS AFTER MAILING DATE] to:

TPA ADDRESS, FAX, E-MAIL TO BE INSERTED.

# Exhibit 2

# Exhibit 2

CASE NO. A701633

DOCKET U

DEPT. 16

DISTRICT COURT

CLARK COUNTY, NEVADA

\* \* \* \* \*

PAULETTE DIAZ,

Plaintiff,

vs.

MDC RESTAURANTS LLC,

Defendant.

REPORTER'S TRANSCRIPT

OF

MOTIONS

BEFORE THE HONORABLE JUDGE TIMOTHY C. WILLIAMS

DISTRICT COURT JUDGE

DATED FRIDAY, SEPTEMBER 25, 2015

REPORTED BY: PEGGY ISOM, RMR, NV CCR #541

**APPEARANCES:**

**For the Plaintiff:**

WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP  
BY: BRADLEY SCHRAGER, ESQ.  
BY: DANIEL BRAVO, ESQ.  
BY: JORDAN BUTLER, ESQ.  
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**For the Defendant:**

LITTLER MENDELSON  
BY: MONTGOMERY Y. PAEK, ESQ.  
BY: KATHRYN BLAKEY, ESQ.  
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SUITE 300  
LAS VEGAS, NV 89169  
(702) 862-8800  
(702) 862-8811 (Fax)  
MPAEK@LITTLER.COM

\* \* \* \* \*

10:48:40 1 THE COURT: And, No. 2, you wouldn't be going  
2 anyway. I can tell you that because I'm pretty -- I'm  
3 pretty loaded in -- in the area after the first of the  
4 year. And I'm quite sure there's probably 20-plus  
10:48:50 5 cases in front of you.

6 MR. SCHRAGER: The notice period alone would  
7 take up until that time.

8 THE COURT: Exactly.

9 MR. SCHRAGER: And we're nowhere close to the  
10:48:56 10 five-year rule.

11 THE COURT: Yeah. You're right. So that's  
12 not -- notices.

13 MR. SCHRAGER: Yeah.

14 THE COURT: So this is really impractical.  
10:49:00 15 We'll talk about that a little bit later.

16 But the way I'm looking at it is this: And  
17 I've listened to the argument of -- as it relates to  
18 the stay.

19 Secondly, I think we should -- we might as  
10:49:16 20 well go ahead and tee up all issues, because at this  
21 point I don't know specifically what I'm going to do as  
22 it relates to the stay, as it deals specifically with  
23 the issue as to whether there was, quote, qualified  
24 health insurance or not. I don't know.

10:49:36 25 I think it's important for everyone to argue

10:49:39 1 and make their record. And I'm going to tell you this,  
2 just like, I guess, it was Judge Wilson: I can't  
3 promise you I'll issue a long 15-, 20-page written  
4 decision. Maybe I will. It's a very important issue,  
10:49:52 5 though. And so I think I want to bundle it all up and  
6 decide all issues at the same time.

7 Hypothetically, I could look at it from this  
8 perspective. I decide all issues, stay it. Or I say,  
9 no, we're going to go forward and let the Supreme Court  
10:50:04 10 decide whether there's a stay.

11 But -- so I think I have to -- I can't -- we  
12 might as well, if my decision ultimately comes down to  
13 the equivalency of a partial summary judgment motion on  
14 the issue of liability, so be it, right? But we might as  
10:50:18 15 well get it all --

16 MR. SCHRAGER: Yeah.

17 THE COURT: -- going and bundle it up and put  
18 it in a posture where the reviewing court, the Supreme  
19 Court or maybe in this case it might be the Court of  
10:50:28 20 appeals -- I doubt it, though. They probably hear this  
21 before the Nevada Supreme Court. They wouldn't push it  
22 down, you know. And probably because of Judge Tao.

23 MR. PAEK: We believe so, also, your Honor,  
24 yes.

10:50:39 25 THE COURT: So let's get it all going.

12:27:11 1 health insurance plan or not?

2 And that's the focus of the adequacy  
3 component.

4 And -- and just as important, too, I don't see  
12:27:18 5 any other issues that would clearly indicate to me that  
6 the proposed class representatives would be inadequate  
7 under the facts of this specific case. Another  
8 component that wasn't really addressed, I think, in  
9 argument, but there is an adequacy component as it  
12:27:37 10 relates to the character and nature of counsel involved  
11 in this case. And, I mean, the law firm who represents  
12 the plaintiff clearly meets those requirements. I  
13 mean, it just does. And I just wanted to make sure the  
14 record is clear on that.

12:27:52 15 Predominance, again --

16 MR. SCHRAGER: Oh, I'm sorry, your Honor. We  
17 should go back and do typicality under 23(a).

18 THE COURT: Okay. I'm sorry. Okay.

19 MR. SCHRAGER: Pardon me.

12:27:59 20 THE COURT: Well, you know, the typicality and  
21 adequacy kind of runs hand in hand in this respect. I  
22 mean, this is factually -- this is one of the -- I  
23 really think this is probably the simplest class  
24 definition I've had to deal with. You know, because in  
12:28:20 25 some of the other cases, the -- when you look at common

## REPORTER'S CERTIFICATE

STATE OF NEVADA)

:SS

COUNTY OF CLARK)

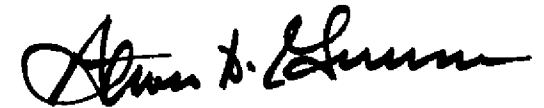
I, PEGGY ISOM, CERTIFIED SHORTHAND REPORTER DO  
HEREBY CERTIFY THAT I TOOK DOWN IN STENOGRAPHY ALL OF THE  
PROCEEDINGS HAD IN THE BEFORE-ENTITLED MATTER AT THE  
TIME AND PLACE INDICATED, AND THAT THEREAFTER SAID  
STENOGRAPHY NOTES WERE TRANSCRIBED INTO TYPEWRITING AT  
AND UNDER MY DIRECTION AND SUPERVISION AND THE  
FOREGOING TRANSCRIPT CONSTITUTES A FULL, TRUE AND  
ACCURATE RECORD TO THE BEST OF MY ABILITY OF THE  
PROCEEDINGS HAD.

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED  
MY NAME IN MY OFFICE IN THE COUNTY OF CLARK, STATE OF  
NEVADA.

\_\_\_\_\_  
PEGGY ISOM, RMR, CCR 541

# Exhibit 1

# Exhibit 1



CLERK OF THE COURT

1 **NOE**  
2 **DON SPRINGMEYER, ESQ.**  
3 Nevada State Bar No. 1021  
4 **BRADLEY SCHRAGER, ESQ.**  
5 Nevada State Bar No. 10217  
6 **DANIEL BRAVO, ESQ.**  
7 Nevada State Bar No. 13078  
8 **WOLF, RIFKIN, SHAPIRO,**  
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15 dbravo@wrslawyers.com  
16 *Attorneys for Plaintiffs*

10 **EIGHTH JUDICIAL DISTRICT COURT**

11 **IN AND FOR CLARK COUNTY, STATE OF NEVADA**

12 **PAULETTE DIAZ; LAWANDA GAIL**  
13 **WILBANKS; SHANNON OLSZYNSKI;**  
14 **and CHARITY FITZLAFF, all on behalf of**  
15 **themselves and all similarly-situated**  
16 **individuals,**

15 **Plaintiffs,**

16 **vs.**

17 **MDC RESTAURANTS, LLC; LAGUNA**  
18 **RESTAURANTS, LLC; INKA, LLC; and**  
19 **DOES 1 through 100, Inclusive,**

20 **Defendants.**

Case No.: A-14-701633-C  
Dept. No.: XVI

**NOTICE OF ENTRY OF ORDER  
GRANTING CLASS CERTIFICATION,  
DESIGNATING CLASS  
REPRESENTATIVES, AND  
DESIGNATING CLASS COUNSEL**

Hearing Date: September 25, 2015  
Hearing Time: 9:30 a.m.

21 ///

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1 PLEASE TAKE NOTICE that the attached Order Granting Class Certification, Designating  
2 Class Representatives, and Designating Class Counsel was filed on the 16<sup>th</sup> day of October, 2015.

3

4 DATED this 17th day of October, 2015.

5

**WOLF, RIFKIN, SHAPIRO,  
SCHULMAN & RABKIN, LLP**

6

By: /s/ Bradley Schrager

7

DON SPRINGMEYER, ESQ.

Nevada State Bar No. 1021

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BRADLEY SCHRAGER, ESQ.

Nevada State Bar No. 10217

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*Attorneys for Plaintiffs*

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 19th day of October, 2015, a true and correct copy of **NOTICE OF ENTRY OF ORDER GRANTING CLASS CERTIFICATION, DESIGNATING CLASS REPRESENTATIVES,, AND DESIGNATING CLASS COUNSEL** was served by electronically filing with the Clerk of the Court using the Wiznet Electronic Service system and serving all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

By: /s/ Lorraine Rillera  
Lorraine Rillera, an Employee of  
WOLF, RIFKIN, SHAPIRO, SCHULMAN &  
RABKIN, LLP

1 **ORDR**



CLERK OF THE COURT

2  
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5  
6 **DISTRICT COURT**  
7 **CLARK COUNTY, NEVADA**

8 PAULETTE DIAZ; LAWANDA GAIL  
9 WILBANKS; SHANNON  
10 OLSZYNSKI; and CHARITY  
11 FITZLAFF, all on behalf of themselves  
and all similarly-situated individuals,

12 Plaintiffs,

13 vs.

14 MDC RESTAURANTS, LLC;  
15 LAGUNA RESTAURANTS, LLC;  
16 INKA, LLC; and DOES 1 through 100,  
Inclusive,

17 Defendants.  
18

Case No.: A-14-701633-C  
Dept. No.: XVI

**ORDER GRANTING CLASS  
CERTIFICATION, DESIGNATING  
CLASS REPRESENTATIVES, AND  
DESIGNATING CLASS COUNSEL**

Hearing Date: September 25, 2015  
Hearing Time: 9:30 a.m.

19  
20 On June 8, 2015, Plaintiffs filed their Motion for Class Certification. On June 25,  
21 2015, Defendants filed their Opposition to Plaintiffs' Motion for Class Certification. On  
22 June 30, 2015, Plaintiffs filed their Reply in Support of their Motion for Class  
23 Certification. On July 9, 2015, the Court held a hearing on Plaintiffs' Motion for Class  
24 Certification, and ordered supplemental briefing regarding Plaintiffs' Motion for Class  
25 Certification.

26 On July 16, 2015, Plaintiffs filed their Supplemental Brief in Support of their  
27 Motion for Class Certification. On July 31, 2015, Defendants filed their Opposition to  
28

1 Plaintiffs' Supplemental Brief. On August 7, 2015, Plaintiffs filed their Reply in  
2 Support of their Supplemental Brief.

3 On September 25, 2015, the Court held a hearing on Plaintiffs' continued Motion  
4 for Class Certification and supplemental briefing; Defendants' continued Motion to Stay  
5 Proceedings on Application for Order Shortening Time; Plaintiffs' Motion for Partial  
6 Summary Judgment on Liability Regarding Defendants' Health Benefits Plans; and  
7 Defendants' Countermotion to Strike Undisclosed Purported Expert and for Sanctions,  
8 with Bradley S. Schrager, Esq., Jordan J. Butler, Esq., and Daniel Bravo, Esq. appearing  
9 for Plaintiffs, and Montgomery Y. Paek, Esq. and Kathryn B. Blakey, Esq. appearing  
10 for Defendants.

11 After review and consideration of the record, the points and authorities on file herein,  
12 and oral arguments of counsel at hearing, the Court finds the following facts and states the  
13 following conclusions of law.<sup>1</sup>

14 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

15 1. Plaintiffs Diaz, Wilbanks, and Olszynski have proposed the following Class,  
16 pursuant to Rule 23 of the Nevada Rules of Civil Procedure:

17 **All current and former Nevada employees of Defendants paid less than**  
18 **\$8.25 per hour at any time since July 1, 2010, who did not enroll in**  
19 **Defendants' health insurance plan.**

20 **(hereinafter the "Not Enrolled" Class).**

21 2. The Court finds that the requirements of Rule 23(a) and (b) of the Nevada Rules  
22 of Civil Procedure, as described herein, are met, and that certification of the "Not Enrolled"  
23 Class pursuant to rule is appropriate.

24 3. The Court finds that the proposed "Not Enrolled" Class consists of  
25 approximately 2,022 putative members, and that it therefore satisfies the numerosity  
26

27 <sup>1</sup> If any finding herein is in truth a conclusion of law, or if any conclusion stated is in truth a  
28 finding of fact, it shall be deemed so.

1 requirement of Rule 23(a)(1).

2 4. The Court finds that the commonality requirement of Rule 23(a)(2) is satisfied,  
3 as there are common questions of law or fact applicable to all members of the "Not Enrolled"  
4 Class, including, but not limited to: Whether a "Not Enrolled" Class member is or was an  
5 employee of the Defendant; Whether a "Not Enrolled" Class member is or was employed by  
6 Defendants at any time since July 1, 2010; Whether a "Not Enrolled" Class member was  
7 enrolled in Defendants' health insurance plan; and, Whether a "Not Enrolled" Class member  
8 was paid less than \$8.25 an hour at any time during the stated period.

9 5. The Court finds that the typicality requirement of Rule 23(a)(3) is satisfied, as  
10 the claims of Plaintiffs Diaz, Wilbanks, and Olszynski are typical of the claims of the "Not  
11 Enrolled" Class, including, but not limited to the fact that Plaintiffs allege they were paid less  
12 than \$8.25 an hour, and were not enrolled in Defendants' health insurance plan.

13 6. The Court finds that the adequacy requirement of Rule 23(a)(4) is satisfied, as  
14 Plaintiffs Diaz, Wilbanks, and Olszynski are factually within the definition of the "Not  
15 Enrolled" Class, and there are no other issues that indicate that the proposed Class  
16 representatives would be inadequate under the facts of this matter.

17 7. The Court finds that the law firm of Wolf, Rifkin, Shapiro, Schulman & Rabkin,  
18 LLP satisfies the adequacy requirement to serve as counsel for the "Not Enrolled" Class.

19 8. The Court finds that the predominance requirement of Rule 23(b)(3) is satisfied,  
20 as the common questions of law or fact identified herein predominate over any questions  
21 affecting individual members.

22 9. The Court finds that the superiority requirement of Rule 23(b)(3) is satisfied, as  
23 a class action would be far superior than having over 2,000 individual claims filed in and  
24 burdening the district court.

25 10. The Court finds that as to Defendants' Motion to Stay Proceedings on  
26 Application for Order Shortening Time, the Court denies the Motion as to the "Not Enrolled"  
27 Class.  
28

1           11.     The Court finds that as to Plaintiffs' Motion for Partial Summary Judgment on  
2     Liability Regarding Defendants' Health Benefits Plans, the Court denies the motion without  
3     prejudice, not based upon the underlying merits of the motion, but because for the Court to  
4     even consider the motion, there should have been a Nevada Rule of Civil Procedure 16.1 initial  
5     expert disclosure as it relates to Dean Matthew T. Milone.

6           12.     The Court finds that as to Defendants' Countermotion to Strike Undisclosed  
7     Purported Expert and for Sanctions, the Court denies the motion based upon the timing of the  
8     new issue of Liability Regarding Defendants' Health Benefits Plan, which was raised on  
9     August 13, 2015, where the Court itself recognized that expert input would be helpful to reach  
10    its decision. Defendants shall be given 45 days to designate their own expert on the issue of  
11    Liability Regarding Defendants' Health Benefits Plan.

12           **IT IS THEREFORE ORDERED** that Plaintiffs' Motion for Class Certification is  
13    **GRANTED**, and the Court certifies the "Not Enrolled" Class consisting of

14           All current and former Nevada employees of Defendants paid less than  
15           \$8.25 per hour at any time since July 1, 2010, who did not enroll in  
            Defendants' health insurance plan.

16           **IT IS FURTHER ORDERED** that Plaintiffs Paulette Diaz, Lawanda Gail Wilbanks,  
17    and Shannon Olszynski are designated representatives of the certified "Not Enrolled" Class;

18           **IT IS FURTHER ORDERED** that the law firm of Wolf, Rifkin, Shapiro, Schulman &  
19    Rabkin, LLP is approved as Class Counsel for the "Not Enrolled" Class certified by this Order.

20           **IT IS FURTHER ORDERED** that Defendants' Motion to Stay Proceedings on  
21    Application for Order Shortening Time is **DENIED** as to the "Not Enrolled" Class.

22           **IT IS FURTHER ORDERED** that Plaintiffs' Motion for Partial Summary Judgment  
23    on Liability Regarding Defendants' Health Benefits Plans is **DENIED without prejudice**.

24           **IT IS FURTHER ORDERED** that Defendants' Countermotion to Strike Undisclosed  
25    Purported Expert and for Sanctions is **DENIED**.

26           ...  
27  
28

1                   **IT IS FURTHER ORDERED** that Defendants shall be given 45 days to designate  
2 their own expert on the issue of Liability Regarding Defendants' Health Benefits Plan.

3                   **IT IS SO ORDERED** this 13<sup>th</sup> day of October, 2015.

4                     
5 TIMOTHY C. WILLIAMS  
6 DISTRICT COURT JUDGE

7  
8                   **CERTIFICATE OF SERVICE**

9                   I hereby certify that on the date filed, this document was electronically served to  
10 all registered parties for case number A701633 as follows:

11                  **Littler Mendelson**

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12  
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14  
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17  
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22  
23  
24                     
25 Lynn Berkheimer  
26 Judicial Executive Assistant

1                   **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2  
3 MDC RESTAURANTS, LLC, a  
4 Nevada limited liability company;  
5 LAGUNA RESTAURANTS LLC, a  
6 Nevada limited liability company; and  
7 INKA LLC, a Nevada limited liability  
8 company,

9                   Petitioners,

10                  vs.

11 THE EIGHTH JUDICIAL DISTRICT  
12 COURT OF THE STATE OF  
13 NEVADA in and for the County of  
14 Clark and THE HONORABLE  
15 TIMOTHY WILLIAMS, District Judge,

16                   Respondents,

17                  and

18 PAULETTE DIAZ, an individual;  
19 LAWANDA GAIL WILBANKS, an  
20 individual; SHANNON OLSZYNSKI,  
21 an individual; and CHARITY  
22 FITZLAFF, an individual, all on behalf  
23 of themselves and all similarly-situated  
24 individuals

25                   Real Parties in Interest.

Electronically Filed  
Dec 01 2015 09:35 a.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

**Case No.: 68523**

Eighth Judicial District Court  
Case No.: A701633

26                   **REAL PARTIES IN INTEREST'S RESPONSE TO PETITIONERS'**  
27                   **MOTION TO STAY**

28                   DON SPRINGMEYER, ESQ., Nevada Bar No. 1021  
29                   BRADLEY SCHRAGER, ESQ., Nevada Bar No. 10217  
30                   **WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP**  
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34                   *Attorneys for Real Parties in Interest*

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Dated this 30th day of November, 2015.

By: /s/ Bradley Schrager, Esq.

*Attorneys for Real Parties in Interest*

Real Parties in Interest hereby oppose Petitioners' Motion to Stay. Petitioners' motion should be denied because Petitioners fail to establish that a stay is appropriate under the standards set forth in N.R.A.P. 8, and because any stay entered at this time would actually harm the efficient progress of this action.

## **I. INTRODUCTION**

Petitioners have asked the district court to stay proceedings at least five times, and now come to this Court with the same request. The district court has been correct in denying these repeated demands, and there remains no legitimate reason to stay this action at this time. The court below's handling of the issues in this case has been procedurally careful and fair, and, as explained below, granting a stay now would actually delay and disrupt this litigation. Additionally, Petitioners do not meet the necessary elements for a stay in any event, as they continue to have the option of eventual appeal, will suffer no serious harm should the litigation continue, and they do not demonstrate a likelihood of success on the merits of their arguments.

## **II. PROCEDURAL HISTORY**

Petitioners present a highly selective and disjointed version of the procedural history and status of this matter. Real Parties in Interest can here simplify it quite clearly.

Plaintiffs below moved for the certification of two classes, each having to do with Defendants' liability for violation of article XV, section 16 of the Nevada Constitution (the "Minimum Wage Amendment" or the "Amendment"). One class is comprised of all those of Defendants' employees who did not accept Defendants' health benefits plan but were paid less than \$8.25 per hour. *See Exhibit 1*, a true and accurate copy of Notice of Entry of Order Granting Class Certification, Designating Class Representatives, and Designating Class Counsel. The district court, having already found that the Amendment required that

1 Plaintiffs and the class receive something in return for Defendants’ retaining a  
2 dollar of wages for every hour worked, certified that class on October 19, 2015,  
3 calling it among “the simplest class definition” it had ever had to deal with. *See*  
4 **Exhibit 2**, a true and accurate copy of pertinent portions of the September 25, 2015  
5 hearing transcript, at 118:23-24.

6       The second proposed class is based upon Defendants’ health benefits plan  
7 not meeting the requirements of the Minimum Wage Amendment for paying  
8 employees below, currently, \$8.25 per hour worked. In litigating that proposed  
9 class’s certification, Defendants demanded—repeatedly—that the district court  
10 first rule upon the merits of their health benefits plans, prior to a certification  
11 decision. Obliging, Plaintiffs filed a motion for partial summary judgment to settle  
12 the question, and included an expert declaration in support of their claims.  
13 Defendants objected, and the district court determined that Defendants should have  
14 time to produce and disclose a rebuttal expert report, and therefore denied the  
15 motion without prejudice to re-file, while allotting 45 days for Defendants to move  
16 forward with a rebuttal expert. That period expires on December 3, 2015, and  
17 Plaintiffs expect to re-file their motion both for partial summary judgment and for  
18 certification of the benefits plan class in a timely fashion.

19       In other words, Defendants have argued that the basic merits—the  
20 determinative questions of their liability—must be decided prior to certification of  
21 both proposed classes in this case: whether employees must accept Defendants’  
22 benefits plan in order to be paid less than \$8.25 an hour, and whether Defendants’  
23 benefits plans meet basic legal requirements to do so at all, if accepted or declined  
24 by an employee. The first of these questions has been answered by the district  
25 court: Defendants may not pay less than \$8.25 to employees that did not accept  
26 health benefits. That question is on a pending writ petition to this Court. The  
27 second question—whether Defendants’ plans qualified it to pay anyone less than

1 \$8.25—is shortly going to be determined by the district court, as well as a decision  
2 on whether a class based upon that question ought to be certified in this action.  
3 Because of this, the parties have not arrived at the point in this action where a stay  
4 is necessary, prudent, or efficient. There is no sense in disrupting this ongoing  
5 process for one proposed class while a second is pending before the district court,  
6 and upon which the same pattern of writ and stay request will surely follow.

7       So far in this case Defendants have filed two writs, and have asked for  
8 numerous stays at both jurisdictional levels. It is likely this pattern will continue.  
9 Given the objective lack of quality of Defendants’ health benefits plans, it is likely  
10 they will lose on that question and face certification of the second class as well. At  
11 that point, it is near-certain this Court will be entertaining further writ petitions and  
12 requests for stay on those questions. It is not efficient litigation conduct to call a  
13 time-out every time a defendant is unhappy with the result of motion practice at the  
14 district court level.

15       Real Parties in Interest, as well as the district court, are aware of the first-  
16 impression nature of these questions. Real Parties in Interest are not opposed, in  
17 principle, to an appropriate stay allowing this Court to determine, finally, the issues  
18 at hand. The question is one of timing. The district court itself recognized that it is  
19 better to have all issues of a similar nature addressed by this Court at once, rather  
20 than seeing serial writs, and attendant stay requests, which stretch this litigation far  
21 into the future. *See Exhibit 2* at 58:14-59:22. The best course at present is to allow  
22 the district court to manage this case appropriately, as it has done so far.

23       Real Parties in Interest will correct Petitioners on one important point. No  
24 one has moved the district court to send out class notice to the certified class.  
25 Instead, cognizant of the need for both classes to be addressed and motion practice  
26 to occur, Plaintiffs below have moved only for approval of a notice form for the  
27 certified class based upon Defendants’ failure to provide health benefits to

1 underpaid employees. There has been no demand for contact information or for the  
2 opening of the opt-out period, both of which Plaintiffs expect will be achieved  
3 once the district court is satisfied it is appropriate to do so. In Plaintiffs'  
4 understanding, it is unnecessary to waste time at the present while the parties await  
5 the district court's determination on partial summary judgment and certification of  
6 the second class when the notice for the first, certified class may be readied for  
7 distribution at the appropriate time. This actually furthers the goals of efficiency in  
8 this case, which is among the reasons class actions exist generally. Should this  
9 Court, after consideration of both class certification decisions and the merits  
10 decisions Defendants demanded, determine there was error, the district may easily  
11 adapt its procedures and no class notices will have yet been sent. There is no need,  
12 however, to extend the process by months by acceding to stay requests at every  
13 step along the development of this case.

### 14 **III. ARGUMENT**

15 In deciding whether to issue a stay, the Supreme Court will generally  
16 consider the following factors: (1) whether the object of the writ petition will be  
17 defeated if the stay is denied; (2) whether petitioner will suffer irreparable or  
18 serious injury if the stay is denied; (3) whether real party in interest will suffer  
19 irreparable or serious injury if the stay is granted; and (4) whether petitioner is  
20 likely to prevail on the merits in the writ petition. *See* N.R.A.P. 8(c); *Hansen v.*  
21 *Eighth Judicial Dist. Court ex rel. Cty. of Clark*, 116 Nev. 650, 657, 6 P.3d 982,  
22 986 (2000) (denying the request for stay). No individual factor predominates, and  
23 whether a stay is warranted rests with the court's broad discretion. *See Mikohn*  
24 *Gaming Corp. v. McCrea*, 120 Nev. 248, 251, 89 P.3d 36, 38 (2004).

25 Considering its comprehensive knowledge of the events leading up to its  
26 October 16, 2015 Order, as well as the prejudice further delay imposes upon Real  
27 Parties in Interest and the certified class, the district court rightly rejected

Petitioners’ request for continued delay in the form of a stay. Real Parties in Interest ask this Court to follow suit.

**A. The Object of the Writ Petition**

Denying the motion to stay will not defeat the object of the writ petition. Real Parties in Interest have not moved the district court below for notice to be sent out to the certified class—Real Parties in Interest merely moved for approval of a notice form, the notice plan, and other related relief. *See Exhibit 3*, a true and accurate copy of Plaintiffs’ Motion for Approval of Class Action Notice. Approval of the notice form by the district court is not a “court-sanctioned solicitation[;]” here it functions as efficient use of the parties’ time. Denying Petitioners’ motion to stay will advance the litigation along as the district court below can deal with the proposed notice and then hear arguments and rule upon the certification of the second proposed class and liability issues pertaining to whether Petitioners’ benefits plans meet basic legal requirements. All of these determinations are appealable in any event, but more importantly they will be taking place while this Court is deciding the filed writ petition, should it determine writ relief is warranted. Anyway, Plaintiffs have no plans to ask the district court to order Defendants to hand over contact information or to send out the class notice for the first certified class until resolution of the certification of the second class.

**B. Irreparable or Serious Injury**

This Court’s precedents have long recognized the prejudice inflicted by undue delays. *See Skeen v. Valley Bank of Nev.*, 89 Nev. 301, 303, 511 P.2d 1053, 1054 (1973) (“[D]iligent parties are entitled to be protected against interminable delay and uncertainty as to their legal rights.”). Moreover, plaintiffs to civil suits have “an obvious interest in proceeding expeditiously,” and “[t]his is particularly true in the context of complex litigation which must proceed in an efficient manner.” *Aspen Fin. Servs. v. Dist. Ct.*, 128 Nev. Adv. Op. 57, 289 P.3d 201, 208-

09 (2012) (citing *Microfinancial, Inc. v. Premier Holidays Intern.*, 385 F.3d 72, 78 (1st Cir. 2004); *Digital Equipment Corp. v. Currie Enterprises*, 142 F.R.D. 8, 12 (D. Mass. 1991)). The delay resulting from a stay may also “duly frustrate a plaintiff’s ability to put on an effective case” because as time elapses, “witnesses become unavailable, memories of conversations and dates fade, and documents can be lost or destroyed.” *Id.* (citing *Alcala v. Texas Webb County*, 625 F. Supp. 2d 391, 405 (S.D. Tex. 2009)).

Petitioners’ cited cases are not on point to the issues at hand in this litigation; they speak to the lower court’s jurisdiction while an *appeal* is pending—not a writ. For instance, *Elsea v. Saberi*, 4 Cal. App. 4th 625, 5 Cal. Rptr. 2d 742 (1992), pertains to the trial court’s lack of jurisdiction with vacating a default judgment in personal injury action while the appeal is pending. *Id.* at 629, 5 Cal. Rptr. 2d at 744; accord *In re Marriage of Horowitz*, 159 Cal. App. 3d 377, 381, 205 Cal. Rptr. 880 (Ct. App. 1984) (“The purpose of the rule depriving the trial court of jurisdiction pending appeal in civil actions is to protect the jurisdiction of the appellate court; the rule prevents the trial court from rendering the appeal futile by changing the judgment into something different.”); *City of Hanford v. Superior Court*, 208 Cal. App. 3d 580, 588, 256 Cal. Rptr. 274 (Ct. App. 1989) (same). Here, there are no issues regarding the district court’s jurisdiction as it retains jurisdiction while this Court decides to accept the pending writ.

As already discussed above, the harm Petitioners describe is imaginary. No class notice has been sent out, and no class notice will be sent out until the appropriate moment. More pointedly, even if there was a pending request to distribute class notice here, no Nevada court has ever agreed with Petitioners that the mere sending out of class notices is, in itself, serious harm requiring a stay. In fact, the opposite is true. In *Shuette*, this Court stated that it is better for the district

1 court to initially grant class certification, if appropriate, and “reevaluate the  
2 certification in light of any problems that appear post-discovery or later in the  
3 proceedings.” *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 857-58,  
4 124 P.3d 530, 544 (2005). In that situation—just as if a class was certified and  
5 noticed, but the plaintiff’s case was subsequently lost—class members would have  
6 received notice of the action and of their rights, but would not have garnered a  
7 recovery. The notice, in those circumstances, would have “disrupted” the  
8 defendants’ business to exactly the same extent as that which Petitioners complain  
9 of here. Surely Petitioners are not claiming that notice can only go out to a certified  
10 class once the case is already won or lost, in all instances. The right to be protected  
11 from the annoyance of a class-action notice is simply not a recognized basis for  
12 granting a stay in these circumstances.

13 Denying a stay will not cause Petitioners to suffer irreparable or serious  
14 injury, as the district court can reevaluate any certification issues later if this Court  
15 were to accept and grant the pending writ petition. However, if a stay is granted,  
16 Real Parties in Interest and the certified class suffer irreparable or serious injury as  
17 class members’ addresses are lost or grow stale, and Real Parties in Interest are  
18 unable to move forward with certification of the second proposed class and  
19 liability-related issues.

### 20 **C. Likelihood of Success on the Merits**

21 Every petitioner to this Court likes their chances of success on the merits; to  
22 state otherwise would be foolish. Two district court judges, however, have ruled  
23 contrary to Petitioners’ position. In fact, Judge James E. Wilson of the First  
24 Judicial District Court recently found, in invalidating N.A.C. 608.100(1), which  
25 Petitioners point to as a basis for their success on the merits, that “the Minimum  
26 Wage Amendment requires that employees actually receive qualified health  
27 insurance in order for the employer to pay, currently, down to \$7.25 per hour to

those employees.” See **Exhibit 4**, a true and accurate copy of Judge Wilson’s August 12, 2015 Decision and Order. Judge Wilson states that “[o]therwise, the purposes and benefits of the Amendment are thwarted, and employees (the obvious beneficiaries of the Amendment) who reject insurance plans offered by their employer would receive neither the low-cost health insurance ... nor the raise in wages[.]” *Id.* The same is true here with the district court’s ruling below. “[F]or an employer to ‘provide’ health benefits, an employee must actually enroll in health insurance that is offered by the employer.” See **Exhibit 5**, a true and accurate copy of Notice of Entry of July 15, 2015 Order. Petitioners’ contentions regarding the likelihood of their success on the merits of their writ petition is just an obstinate re-argument of their original opposition to the motion for partial summary judgment filed with the district court below. That does not establish likelihood of success on the merits. If anything, the concurrence of a second district court judge would seem to *reduce* the likelihood of Petitioners’ success.

#### **IV. CONCLUSION**

There are no grounds for this Court to stay the district court’s proceedings. Petitioners have put forth no extraordinary reasons not only why their appeal rights are not sufficient to address their concerns, but why the case ought to be stayed at this time with so many important decisions, determinations, and motions already in train. The outstanding issues—the certification of the second proposed class and a decision upon Petitioners’ health benefits plans—that the district court needs to address need to be resolved in a timely fashion, and a stay does nothing to advance the matters at hand. No one is sending out class notices to the certified class at this time, and the delay resulting from a stay will duly impede the parties from litigating important but as-yet unresolved issues.

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1 For the reasons stated herein, therefore, Real Parties in Interest respectfully  
2 request that this Court deny Petitioners' Motion to Stay.

3  
4 Dated this 30th day of November, 2015.

5  
6 **WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP**

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13 *Attorneys for Real Parties in Interest*  
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1 **CERTIFICATE OF SERVICE**

2 **STATE OF NEVADA, COUNTY OF CLARK**

3 At the time of service, I was over 18 years of age and not a party to this  
4 action. I am employed in the County of Clark, State of Nevada My business  
address is 3556 E. Russell Road, 2nd Floor, Las Vegas, Nevada 89120-2234.

5 On November 30, 2015, I served true copies of the following document(s)  
6 described as **REAL PARTIES IN INTEREST'S RESPONSE TO**  
**PETITIONERS' MOTION TO STAY** on the interested parties in this action as  
7 follows:

8 **BY CM/ECF:** Pursuant to N.E.F.R., the above-referenced document was  
electronically filed and served upon the parties listed below through the Court's  
9 Case Management and Electronic Case Filing (CM/ECF) system.

10 **BY U.S. MAIL:** I enclosed the document(s) listed above in a sealed  
envelope or package addressed to the persons at the addresses listed below and  
11 placed the envelopes for collection and mailing, following our ordinary business  
practices. I am readily familiar with Wolf, Rifkin, Shapiro, Schulman & Rabkin,  
12 LLP's practice for collecting and processing correspondence for mailing. On the  
same day that the correspondence is placed for collection and mailing, it is  
13 deposited in the ordinary course of business with the United States Postal Service,  
in a sealed envelope with postage fully prepaid.

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19 Honorable Timothy C. Williams  
20 Eighth Judicial District Court, Dept. XVI  
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21 *Respondent*

22 I declare under penalty of perjury under the laws of the State of Nevada that  
23 the foregoing is true and correct.

24 Executed on November 30, 2015, at Las Vegas, Nevada.

25 By: /s/ Dannielle Fresquez

26 Dannielle Fresquez, an Employee of  
27 WOLF, RIFKIN, SHAPIRO,  
SCHULMAN & RABKIN, LLP