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1	CEDTIEICATE OF SEDVICE
	CERTIFICATE OF SERVICE
2	Pursuant to NRCP 5(b), I certify that I am an employee of ROBISON, BELAUSTEGUI, SHARP & LOW, and that on this date I caused to be served a true copy of the <b>PEPPERMILL</b>
3	CASINOS, INC.'S MOTION FOR ORDER REOUIRING GSR TO SHOW CAUSE WHY IT
4	NOT BE HELD IN CONTEMPT. SANCTIONED AND ORDERED TO PRODUCE DOCUMENTS on all parties to this action by the method(s) indicated below:
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:
6	by using the Court's CM/ECF Electronic Notification System addressed to:
7	H. STAN JOHNSON, ESO.
8	TERRY KINNALLY, ESQ. Cohen-Johnson, LLC
9	255 E. Warm Springs Road, Suite 100 Las Vegas, NV 89119
10	Email: <u>sjohnson@cohenjohnson.com</u> / <u>tkinnally@cohenjohnson.com</u> Attorneys for Plaintiff
11	MARK WRAY, ESQ.
	608 Lander Street
12	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u>
13	Attorneys for Plaintiff
14	MARK GUNDERSON, ESQ. JOHN R. FUNK, ESQ.
15	Gunderson Law Firm 3895 Warren Way
16	Reno, NV 89509 Email: <u>mgunderson@gundersonlaw.com</u>
	jfunk@gundersonlaw.com Attorneys for Defendant Ryan Tors
17	
18	MICHAEL P. SOMPS, ESQ. DARLENE B. CARUSO, ESQ.
19	State Gaming Control Board 555 East Washington Avenue, Suite 3900
20	Las Vegas, NV 89101-1068 Email: dcaruso@ag.nv.gov/msomps@ag.nv.gov
21	Attorneys for Nevada Gaming Control Board
	by electronic email addressed to the above.
	by personal delivery/hand delivery addressed to:
23	by facsimile (fax) addressed to:
24	by Federal Express/UPS or other overnight delivery addressed to:
25	DATED: This 11 day of December, 2014.
26	and and
27	O Verne Sinen
28	V. JAYNE FERRETTO
Robison, Belaustegui, Sharp & Low	
71 Washington Street Reno, Nevada 89503 (775) 329-3161	
· • • • • •	1

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1		LIST OF EXHIBITS	
2	EXHIBIT NO.	DESCRIPTION	PAGES
3	1	Discovery Commissioner's 9/19/14 Recommendation (p. 13)	1
4	2	Court's 10/1/14 Confirming Order	2
5	3	Affidavit of David G. Schwartz, Ph.D.	3
6	4	Portions of Deposition Transcript of David G. Schwartz, Ph.D.	13
7	5	Court's 11/26/14 Order (p. 4)	1
8	6	12/4/14 letter from Kent R. Robison to counsel for GSR	2
9	7	12/10/14 letter from Terry Kinnally to Robison & Gunderson	1
10			
11			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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28 Robison, Belausteguí,			
71 Washington St. Reno, NV 89503 (775) 329-3151			

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## **EXHIBIT** 1

1	FURTHER, Plaintiff's Counter-Motion to Compel Disclosures Under NRCP 16.1 should be
2	
3	IT SHOULD, THEREFORE, BE ORDERED that Plaintiff provide to Defendants, no later than
4	
5	
6	things that it is relying upon in support of its damages claim, to the extent required by and in
7	accordance with this decision. <sup>8</sup>
8	DATED: This 19 <sup>th</sup> day of September, 2014.
9	
10	Dul
11	WESLEY(M. AYRES DISCOVERY COMMISSIONER
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25	8 If Diginifif has also do a la sur l
26	<sup>8</sup> If Plaintiff has already produced some or all of these documents, it is not required to produce them a second time; it need only identify the specific documents required to be made available for inspection under NRCP 16.1(a)(1)(C).
	13

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## EXHIBIT 2

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1 2	I ransaction # 4632035
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5 6	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7	IN AND FOR THE COUNTY OF WASHOE
8	* * *
9	MEI-GSR HOLDINGS, LLC, a Nevada
10	corporation, d/b/a GRAND SIERRA RESORT
1 <b>1</b>	Plaintiff, Case No. CV13-01704
12	vs. Dept. No. 7
13	PEPPERMILL CASINOS, INC., a Nevada
14	corporation, d/b/a PEPPERMILL, et al.,
15	Defendants.
16	
17	CONFIRMING ORDER
18	On September 19, 2014, the Discovery Commissioner served a Recommendation
19	for Order in this action. None of the parties to this action has filed an objection
20	regarding that recommendation and the period for filing any objection concerning that
21	recommendation has expired. <u>See</u> NRCP 16.1(d)(2).
22	ACCORDINGLY, the Court hereby CONFIRMS, APPROVES, and ADOPTS the Discovery Commissioner's Recommendation for Order served on September 7, 2014.
23	DATED this day of October, 2014.
24	Real Ta
25	DISTRICT JUDGE
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2	CERTIFICATE OF SERVICE
3	I certify that I am an employee of the SECOND JUDICIAL DISTRICT COURT of the STATE OF NEWADA COUNTRY OF WARMON AND A COUNTRY OF WARMON AND A
4	and of NEVADA, COUNTY OF WASHOE; that on the _/or day of OCTOBER, 2014, I
5	citetionically med the CONFIRMING ORDER with the Clerk of the Court by using the ECF
6	
7	I further certify that I transmitted a true and correct copy of the foregoing document by the method(s) noted below:
8	Electronically filed with the Clerk of the Court by using the ECE sectors with the
9	send a notice of electronic filing to the following:
10	ALISA NAVE-WORTH, ESQ., CLARK VELLIS, ESQ., and KENT ROBISON, ESQ. for
11	PEPPERMILL CASINOS, INC.;
12	H. JOHNSON, ESQ. for MEI-GSR HOLDINGS, LLC;
13	JOHN FUNK, ESQ. and MARK GUNDERSON, ESQ. for RYAN TORS; and
14	MICHAEL SOMPS, ESQ. for NEVADA GAMING COMMISSION, STATE GAMING
15	CONTROL BOARD
16	Deposited in the Washoe County mailing system for postage and mailing with the United States Postal Service in Perce New June 1
17	United States Postal Service in Reno, Nevada:
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21	Satty linio
22	Juinson Minis
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## EXHIBIT 3

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### AFFIDAVIT OF DAVID G. SCHWARTZ, PH.D.

2 STATE OF NEVADA ) ss: COUNTY OF CLARK

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I, David G. Schwartz being duly sworn on oath and under the penalty of perjury state that the following is true of my own personal knowledge and if called to testify in this matter would testify as follows

I am a the Director of the Center for Gaming Research at the University of 1 Nevada, Las Vegas.

My CV is attached hereto and incorporated herein as to my credentials.

I have been retained to offer expert testimony in the case of GSR v. Peppermill on 2. the subject of damages sustained by GSR by the misappropriation of trade secrets by the Defendant Peppermill.

3. I will testify that GSR is seeking damages based on a royalty theory based on the value of the misappropriated trade secrets to Peppermill and the economic benefit obtained by Peppermill in not incurring the costs of obtaining such information by legal means.

These damages may be shown by two separate computational methodologies. 4. The first is based on the use to which Peppermill put the misappropriated information consisting of the pars of several slot machines over time and would include the use of the information in Peppermill's marketing, advertising, promotion, or evaluating its own pars on similar slot machines.

The second and equally valid method of calculation of the damages is based upon 5. the economic benefit obtained by Peppermill by having obtained the information through misappropriation and is based on what it would have cost Peppermill to obtain the information legally.

Page 1 of 3

GSR00045

This calculation is the amount of money it would have taken a person to have 6. determined the pars of a slot machine based on play. Play would be defined as playing the maximum coin value of the machine for a period sufficient to allow such a determination plus the related costs of the salary of the persons doing the playing.

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(OHEN-JOHI )N, LLC 255 E. Werm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

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5 Based on a survey of the current academic literature, I estimate this accurately 7. determining the par through simple observation (rather than using illicit means to discover that 6 information) would entail in most penny machines a cost of \$4.00 per play for minimum of 7 20,000 hours of continuous play at 500 spins per had for an estimate cost of \$600,000 per 8 9 machine, exclusive of labor costs. One would also have to factor in a comparable wage to keep the machine staffed for 20,000 man-hours. At an assumed salary of \$9/hour, that gives an 10 additional \$180,000, exclusive of befits and other costs, bring the hypothetical costs at \$780,000. 11 In addition, the simple act of playing the machine so intensively and for such a long period 12 would trigger several flags, making it impossible to collect the information legally. For that reason, the value of gaining this information, which no other competitors would share, is likely 14 higher that its hypothetical cost.

16 I am unclear about why trade secrets disclosing GSR's methods of routine 8. operation would be relevant to determine whether the Peppermill was unjustly enriched by its 17 access to GSR's (and other casinos') par information. To my knowledge, GSR's internal 18 communications, methods for setting par values, and marketing discussions have no bearing on 19 20 the uses to which Peppermill put the par information, or Peppermill's rationale for collecting that 21 information.

22 In my opinion, to more precisely determine the full value and use of the 9. information it will necessary for me to obtain the names of all the slot machine illegally 23 accessed, the dates of that access, and the casinos where the machines were located. The specific 24 par information obtained from each machine is not necessary at this time and may be redacted; 25 however, it would be of value to know the range of possible par settings for each machine. 26

Page 2 of 3

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GSR00046

1 While GSR's methods of operation do not, in my opinion, have a bearing on 10. Peppermill's admitted collection of the misappropriated par information, I believe that 2 Peppermill's motives for collecting the information and any operational changes that he 3 Peppermill made or did not make with the benefit of the par information are crucial to accurately 4 5 determining damages.

### Affirmation Pursuant to NRS 239 B.030

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

Further your Affiant sayeth naught.

David G. Schwartz PH.D.

SUBSCRIBED and SWORN to before me this  $\underline{q^{\pm 1}}$  day of September, 2014.

NOTARY PUBLIC County and State iz and for said

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OHEN-JOHI JN, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 20119 (702) 823-3500 FAX: (702) 823-3400

COHEN-JOHI

KELLY J. MONTGOMERY Notary Public State of Nevado No. 13-11183-1 My appt. exp. Jun. 19, 201

Page 3 of 3

GSR00047

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### EXHIBIT 4

	Certified Copy
<u>∕</u> ≻≈.	· · · ·
	In the Matter Of:
	MEI-OSR vs. PEPPERMILL
	_ CV13-01704
	DAVID G. SCHWARTZ, PH.D.
-	October 21, 2014
1	
	Confidential
14. 14.	
	ESQUIRE BOO.211.DEPO (3376) EsquireSolutions.com

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL Г

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1	share?
2	A. I do not know the answer to that.
3	Q. Have you been asked to look into that?
4	A. I have not.
5	Q. Exhibit 21, sir, is a copy of your CV that was
6	attached to the affidavit. This is the CV that was
7	attached to the affidavit. Were you aware that this
8	affidavit was going to be filed in court?
9	A. Yes.
10	Q. For what purpose were you told that your
11	affidavit was necessary to be filed in court?
12	A. For the case.
13	Q. Well, I want you to assume that there's a rule
14	that says the plaintiff has to provide a computation of
15	damages early in the case, what we call a 16.1
16	disclosure. Were you asked to do that?
17	A. I was not.
18	Q. Were you ever asked to provide a computation of
19	damages prior to February?
20	A. No.
21 ·	Q. So in performing your duties after you were
22	engaged, what did you do?
23	A. I did an analysis of the academic literature to
24	try to determine how you can determine the par setting of
25	a machine without having access to that data by use a key
1	ESQUIRE BOO.211.DEPO (3376) EsquireSolutions.com

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL Г

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	1	or other means.
	2	Q. It would be pretty fair to say, would it not,
	3	sir, that that was the first time you've ever involved
	4	yourself in such an exercise?
	5	A. To an extent, yes.
	6	Q. Getting back to Exhibit 21, your CV.
	7	A. Sure.
	8	Q. You are primarily a historian?
	9	A. Correct.
	10	Q. That's the majority of your work in the gaming
	11	industry is to document the history of gaming and such
	12	matters like that; correct?
	13	A. That's a large part of it, yes.
	14	Q. And in your CV you indicate that you've had some
	15	legal consulting clients?
	16	A. Yes.
	17	Q. Do you see those, page 3?
•	18	A. Yes.
	19	Q. What do you do for Ainsworth? What have you
	20	done for Ainsworth?
	21	A. Ainsworth if it would make it easier, I can
	22	kind of break this up. Or do you want me to go through
	23	one by one?
	24	Q. Whatever pleases you.
	25	A. Sure. Ainsworth I did some prior art
	Ļ	<b>ESQUIRE</b> 800.211.DEPO (3376)
		EsquireSolutions.com

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL

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1	understanding.
2	A. Okay.
3	Q. I promised you I would give you a break any time
4	you asked for it but not while a question is pending.
5	A. Sure. I understand that.
6	Q. Do you need a break?
7	A. I think I would like one.
8	Q. Okay.
9	(Break was taken.)
10	Q. (By Mr. Robison) Mr. Schwartz, we're back on the
11	record. And do you have documents that in any way
12	support the assertions you made in your affidavit?
13	A. I do have the survey of the literature I did, so
14	I have a number of articles.
15	Q. Okay. Survey of literature?
16	A. Yes.
· 17	Q. Do you have calculations?
18	A. I do have a couple of calculations that I did
19	based on that, which are reflected in this.
20	Q. Paragraph 7.
21	A. Reflected in paragraph 7.
22	Q. Sure. What else do you have? What documents do
23	you have that in any way supports or is the basis for
24	your computations?
25	A. Right now those are it.
ļ	<b>ESQUIRE</b> <i>B00.211.DEPO (3376)</i> <i>EsquireSolutions.com</i>

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1	Q.	All right. Exhibit 24 is an ord	er from the
2	court.		
3	A.	Okay.	
4	Q.	Judge Flanagan affirmed the disc	overy ruling
5	that req	uired that GSR provide to myself	
6	Mr. Gund	erson no later than September 30th	h an updated
7		ion of damages. Is that what you	
8	A.	I have calculated the amount of t	time and amount
9	of money	it would take to try to determine	
10	Q.	Are you of whether or not the GSB	R is in
11	complian	ce with this order?	
12	A.	I'm not aware of that.	
13	Q.	Have you done exactly what this o	ourt ordered?
14	A.	I have. What I've done is what i	s in paragraph.
15	7 here.	That was the extent of my calcula	
16	Q.	Well, are you aware of the fact t	hat Judge
17	Flanagan	ordered the GSR to give myself, c	ounsel for the
18	Peppermi	ll, and Mr. Gunderson, counsel for	Mr. Tors, an
19	updated o	calculation of damages by Septembe	r 30?
20	Α.	I'm not aware of that.	
21	Q.	No one told you that?	
22	Α.	No.	
23	Q.	Is your affidavit a calculation of	f damages?
24	А.	My affidavit contains a calculation	on of the
25	amount of	money it would cost to try to de	termine this
ļ	<b>ES</b>	QUIRE	800.211.DEPO (3376) EsquireSolutions.com

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL

1 data without using a key. 2 Not to mince words too bad, but you indicated in Q. 3 paragraph 2 you've been retained --4 Α. Yes. 5 -- as an expert to offer expert testimony on the 0. subject of damages sustained by GSR. Have you done that? 6 7 What I've done is I've told them what I believe Α. it would take to try to determine this information 8 9 without using the key. 10 Since you have been retained as an expert to Q. 11 calculate the damages sustained by GSR, my simple 12 question is have you done that? Yes or no. 13 Α. I have not yet done that. 14 0. So then as far as we can tell, the GSR has not complied to Judge Flanagan's order that I be given an 15 16 updated calculation of GSR's damages. 17 MR. JOHNSON: Objection. Calls for a legal 18 conclusion. 19 THE WITNESS: Yeah. I wouldn't -- again, I wouldn't be comfortable giving an answer to that because 20 I don't know whether -- even if I'd seen the judge's 21 order, I'm not a lawyer, so I couldn't tell you whether 22 23 they're in compliance or not. 24 (By Mr. Robison) All right. Let's get some Q. 25 restraint here.

**ESQUIRE** 

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL Г

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1	A. Sure.
2	Q. And I hate to put you in this position, because
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5	Q. We have filed motion after motion insisting that
6	GSR give us a calculation of damages. Are you aware of
7	any calculation of damages that GSR now believes is
8	applicable in this case?
9	A. I can tell you that nobody shared anything with
10	me of this is the extent of the work I've done.
11	Q. Have you shared with the Court a calculation of
12	damages?
13	A. What I've shared with the Court is what is in my
14	affidavit.
15	Q. Do you believe, Mr. Schwartz, that what's in
16	your affidavit complies with this court order?
17	MR. JOHNSON: Objection. Calls for a legal
18	conclusion.
19	Q. (By Mr. Robison) Let me finish my question.
20	That by September 30th, almost a month ago, did GSR
21	provide me with an updated calculation of damages? Does
22	your affidavit serve that function?
23	MR. JOHNSON: Same objection.
24	THE WITNESS: I couldn't tell you that. I don't
25	know the answer. I'm not a lawyer, so I couldn't tell
ł	ESQUIRE 800.211.DEPO (3376) EsquireSolutions.com

	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 57
1	Q. Where did you get that information?
2	A. That, ckay, I believe it was in one of the
3	filings. I did look at a lot of papers.
4	Q. Well, what's in your file?
5	A. I recall that this had been happening since
6	2009.
7	Q. Okay. Mr. Schwartz, I want to get back to this
8	order that I put in front of you.
9	A. Sure.
10	Q. I've got to figure out whether or not you're the
11	damage guy or not, because I have to go to Judge Flanagan
12	and get this straightened out.
13	GSR has either complied with this order, albeit late
14	by your affidavit, or not. And Judge Flanagan said GSR
15	provide Robison with an updated calculation of damages by
16	September 30th. I need you to tell me so I can go to the
17	judge and get this clarified. Have you or have you not
18	done that?
19	A. What I've done is what's in this affidavit.
20	That is what I've done. I've not done any additional
21	calculations besides what's in this affidavit.
22	Q. Well, then, I'll have the judge ask GSR's
23	lawyers whether or not that's what they're intending to
24	do.
25	They also, the judge also asked GSR to identify and
{	BOO.211.DEPO (3376) EsquireSolutions.com

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### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL

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1	make available for inspection any documents,
2	electronically stored information, or tangible things
3	that GSR is relying on in support of its damages. Have
4	you made the arrangements to get me your documents?
5	A. I have forwarded a few of the articles.
6	Q. To whom?
7	A. To Mr. Johnson.
8	Q. We haven't got them. Is there anything else
9	that would constitute a document, electronically stored
10	information, or tangible thing on which you looked at or
11	used to base your final answers in your affidavit?
12	A. Not that I'm aware of.
13	Q. Just those articles?
14	A. Yes.
15	Q. So I can safely tell the judge and my experts
16	that all you have relied on in doing that affidavit is
17	the articles that you provided to Mr. Johnson?
18	A. Yes. That's what I've done to date. I've used
19	those articles.
20	Q. Exhibit 26, sir, is the document that this
21	information came off the web. What is this?
22	A. This looks like it's my biography.
23	Q. And it's put on your web site?
24	A. Yes.
25	Q. I don't see anything in here that would suggest
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#### -- and you know what your hold is. 1 Q. 2 Α. Yes. 3 Q. This is new for you, isn't it? 4 Α. No. 5 Well, what hold did you use to get 600,000; sir? 0. 6 I can't remember off the top of my head. Α. 7 Q. Well, you use 6. Go ahead, do 6. 8 Α. All right. So I used 6. All right. 9 Q. What does that come out? It doesn't come out 10 600, does it? 11 Α. No. That's because you didn't use \$4. You used \$1. 12 0. Why did you do that? This is a mathematical nightmare, 13 14 paragraph 7, isn't it? 15 Α. It looks that way now. 16 0. It's a mess; right? I would like to have some more time to refine 17 Α. 18 this. You've had six months. Six months and you come 19 0. up with paragraph 7 which you admit is a mathematical 20 21 mess. Why is that? 22 MR. JOHNSON: Objection. Assumes facts not in 23 evidence. Vague and ambiguous. 24 (By Mr. Robison) What fact is assumed that's 0. wrong, Mr. Schwartz? You've had this assignment since 25 800.211.DEPO (3376)

DAVID G. SCHWARTZ, PH.D. Confidential

**MEI-OSR vs. PEPPERMILL** 

EsquireSolutions.com

October 21, 2014

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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 201 MEI-OSR vs. PEPPERMILL
1	February of 2014; correct?
2	A. Correct.
3	Q. This paragraph 7 doesn't work at \$4 a play, does
4	it?
5	A. It doesn't.
6	Q. And it doesn't work at \$4 a play with a 6 par or
7	6 hold, does it?
8	A. No.
9	Q. And this is a mathematical mess, isn't it,
10	paragraph 7?
11	A. It's not as accurate as I'd like it to be, and
12	I'd like to have a chance
13	Q. Not as accurate? There's nothing accurate about
14	it, is there?
15	MR. JOHNSON: Objection. Harassment.
16	MR. ROBISON: Yeah, that's true. That's very
17	true. I'll back off.
18	Q. (By Mr. Robison) Why are there so many errors in
19	paragraph 7?
20	A. I couldn't tell you.
21	Q. You kind of failed your assignment, didn't you?
22	MR. JOHNSON: Objection. Harassment.
23	Q. (By Mr. Robison) Did you give GSR an accurate
24	analogy of what the cost is to obtain a par in paragraph
25	7?
	ESQUIRE EsquireSolutions.com

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DAVID G. SCHWARTZ, PH.D.	Confidential
MEI-OSR vs. PEPPERMILL	

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1	A. I believe that I did at the time.
2	Q. And as you've now walked through the math you
3	admit that you did not; correct?
- 4	A. I would like to look at my calculations and see
5	if I made a mistake and if I did, where I made that
6	mistake.
7	Q. I'm here. You look at those numbers and you
8	tell me how they work.
9	A. That's I would like, I would like a chance to
10	look at my own calculations to see if I made a mistake
11	and where I did, and then I could give you a better
12	explanation.
13	Q. Why didn't you show up with your calculations?
14	You knew I was going to depose you on your affidavit.
15	A. I couldn't tell you the answer to that.
16	. Q. As you sit here right now, can you give me any
17	explanation of why the math is so bad in paragraph 7 of
18	your affidavit?
19	A. No.
20	Q. You weren't trying to mislead the Court?
21	A. Oh, no.
22	Q. That was signed under penalty of perjury.
23	A. True.
24	Q. And it's inaccurate?
25	A. It is.
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RA 01409

#### DAVID G. SCHWARTZ, PH.D. Confidential MEI-OSR vs. PEPPERMILL

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1	REPORTER'S CERTIFICATE
2	STATE OF NEVADA )
3	COUNTY OF CLARK )
4	I, CHRISTINE M. JACOBS, a certified shorthand
5	reporter for the state of Nevada, do hereby certify:
6	That I reported the deposition of the witness, DAVID
7	G. SCHWARTZ, PH.D, commencing on October 21, 2014,
8	commencing at the hour of 9:27 a.m.
9	That prior to being examined, the witness was by me
10	duly sworn to testify to the truth, the whole truth, and
11	nothing but the truth;
12	That I thereafter transcribed my said shorthand
13	notes into typewriting and that the typewritten
14	transcription of said deposition is a complete, true and
15	accurate transcription of my said shorthand notes taken
16	down at said time. That review of the transcript was
17	requested.
18	I further certify that I am not a relative or
19	employee of an attorney or counsel involved in said
20	action.
21	IN WITNESS WHEREOF, I have hereunto set my hand
22	in my office in the County of Blark, State of Nevada,
23	this 31st day of October 2014.
24	CHRISTINE M. JACOBS, CCR 455
25	
	DECOLUDE
{	ESQUIRE EsquireSolutions.com

FILED Electronically 2014-12-17 04:18:24 PM Jacqueline Bryant Clerk of the Court Transaction # 4741434 : melwood

### EXHIBIT 5

On September 19, 2014, the Commissioner issued a Recommendation for 1 Order finding that GSR's calculation of damages as included in its initial 2 disclosures was deficient and that GSR should be compelled to provide an updated 3 calculation of damages, along with related documents, by September 30, 2014. 4 Neither party opposed the Recommendation. It was adopted by the Court on 5 October 1, 2014. Peppermill acknowledges that GSR has provided the requested 6 computation of damages in the form of an affidavit, dated September 9, 2014, from 7 Dr. David Schwartz, GSR's damages expert. Peppermill contends, however, that 8 9 the affidavit is false and misleading (see discussion below) and that GSR has refused to produce related documents. GSR has not responded to this argument. 10

Any failure by GSR to identify and make available documents related to its damages calculation is a violation of this Court's adopted Order of October 1, 2014. GSR is hereby compelled to comply with that directive by December 15, 2014, if it has not already done so by the time of this Order.

15

### b. Requests for Production of Documents

16 Peppermill alleges that GSR has willfully failed to comply with requests for production of documents in contravention of Court orders. Peppermill specifically 17 identifies the above-referenced documents pertaining to damages calculations 18 (Motion for Sanctions at 5; Supplemental Motion at 3) as well as other documents 19 related to testimony given by GSR's named witnesses at deposition (Motion for 20 Order to Show Cause at 2). It appears that all documents requested pertain in some 21 way to calculation of damages, i.e. "slot strategies, marketing policies, and hold 22 percentages." Id.; see also Recommendation for Order of October 2, 2014. As 23 described above, GSR is compelled to disclose those documents. 24

25

#### c. False and misleading testimony

Peppermill alleges that the calculations of GSR's damages expert, David Schwartz, are admitted by him to be inaccurate, and that GSR has a duty to correct the record accordingly. The Court is not in receipt of Dr. Schwartz' deposition, and

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### EXHIBIT 6



#### ROBISON, BELAUSTEGUI, SHARP & LOW

ATTORNETS:

Kent R. Rohison Thomas L. Belaustegui F. DeArmond Sharp Keegan G. Low Barry L. Breslow Mark G. Simons Michael E. Sullivan Clayton P. Bruse Stefanie T. Sharp

Frank C. Gilmore Michael A. Burke Therese M. Shanks Scon L. Hemandez

P 775-329-3851 8 775-329-7941

71 Washington Street Reno, Nevada 89503 KRR:jf

CC:

Attachment

www.cbsllaw.com

Via Email: siohnson@cohenjohnson.com tkinnally@cohenjohnson.com scohen@cohenjohnson.com H. Stan Johnson, Esq. Steven B. Cohen, Esq. Terry Kinnally, Esq. Cohen-Johnson, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119

Via Email: <u>mwray@markwray.law.com</u> Mark Wray, Esq. 608 Lander Street Reno, NV 89509

#### Re: GSR v. Peppermill/Tors

Mark Gunderson, Esq. (w/attachment)

Dear Counsel:

As you know, we have scheduled a series of NRCP 30(b)(6) depositions for December 18, 2014. The topics on which the GSR is required to produce knowledgeable witnesses about pertain to the playing activity of our expert, Stacy Friedman. To prevent the GSR from making unnecessary and inappropriate objections, I am providing herewith a properly executed and notarized Authorization for Release of Gaming Records executed by Mr. Friedman. Accordingly, there exists no ethical or procedural prohibitions preventing your NRCP 30(b)(6) witnesses from testifying completely and fully about the NRCP 30(b)(6) topics.

December 4, 2014

We still have not received responsive and complete answers to our First Set of Interrogatories. On November 26, 2014, Judge Flanagan ordered that you produce those answers "forthwith". Your delay is inexcusable. If we have not received full and complete answers to the First Set of Interrogatories on or before Wednesday, December 10, 2014, we will, once again, make a Motion for Order to Show Cause why GSR and its counsel not be sanctioned.

GSR is obligated to produce all documents responsive to our Request for Production of Documents and all documents that in any way pertain or relate to damages on or before December 15, 2014. This production must include the working file of David Schwartz, including all payments for his services, his work file, his notes, and any research to which he referred, including the article he referred to authored by Dr.

Yours very muly,

KENT R'ROBISON

J:\WPDnta\Kri\1872.006-Perpermill-GSR v1.-Johnson.Cohen.Kumally.Wray.12-03-14.dock

#### AUTHORIZATION FOR RELEASE OF GAMING RECORDS

L STACY FRIEDMAN, holder and owner of Grand Sierra Resort Player Card No. 200080747, do hereby permit, authorize and consent the Grand Sierra Resort to release my play records and information to Kent R. Robison, Esq., Robison, Belaustegui, Sharp & Low, 71 Washington Street, Reno, Nevada 89503, pursuant to and in accordance with the Notice of Taking Depositions of Plaintiff's Persons Most Knowledgeable Pursuant to NRCP 30(b)(6) dated November 24, 2014, filed in Case No. CV13-01704, in the Second Judicial District for the State of Nevada, in and for the County of Washoe.

Dated this  $25^{+h}$  day of November, 2014.

RIEDMAN

Subscribed and Swom to Before me this 221 day of November, 2014, by Stacy Friedman.

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**IOMARY PUBLIC** 

OFFICIAL SEAL JABON M HRYCIW NOTARY PUBLIC - OREGON COMMISSION NO. 456126 MY COMMISSION EXPIRES FEBRUARY 17, 2015

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### EXHIBIT 7

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#### COHEN | JOHNSON ATTORNEYS & COUNSELORS AT LAW

H. Stan Johnson, Esq. sjohnson@cohenjohnson.com cohenjohnsonlaw.com

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

### Sent Via U.S. Mail and e-mail krobison@rbsllaw.com and mgunderson@gundersonlaw.com

December 10, 2014

Robison, Belaustegui, Sharp, and Low C/o Kent Robison, Esq. 71 Washington Street Reno, Nevada 89503

Gunderson Law Firm c/o Mark H. Gunderson, Esq. 3895 Warren Way Reno Nevada 89509

#### Re: Working file Of D. Schwartz and Freidman SDT MEI-GSR Holdings, LLC vs. Peppermill Case No.: CV-13-01704 Our File No.: 130133

Dear Kent:

Apparently you have misunderstood the court's order, it did not require us to provide you with Dr. Schwartz' working file, including fees, but only documents in support of our claim for damages, which have been provided.

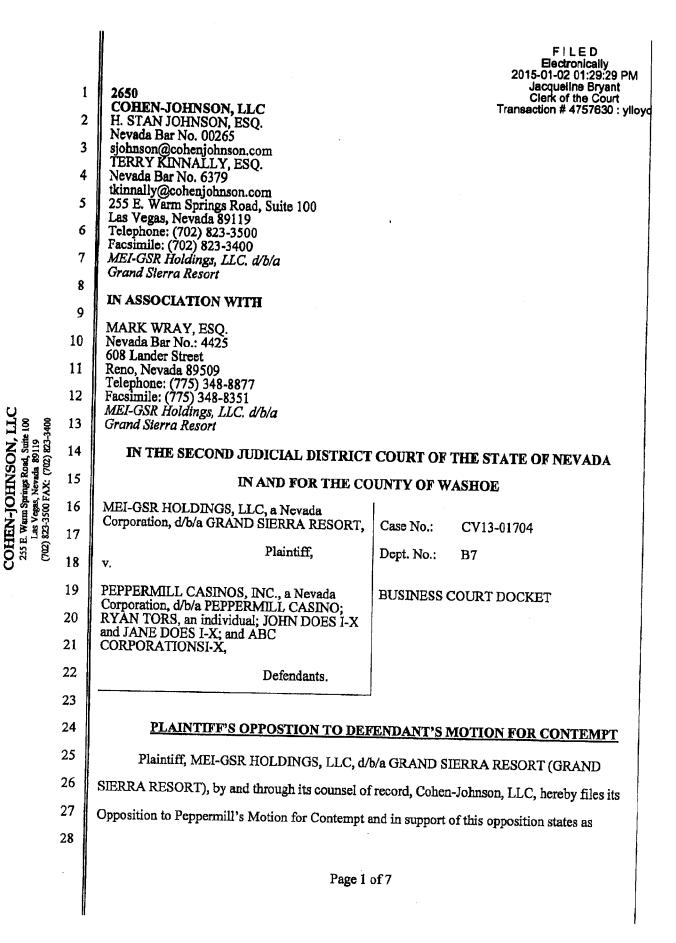
Apparently you also forgot that you withdrew the subpoena duces tecum you served. If you recall, I informed you that we were filing a motion to quash the subpoena for failure to comply with the applicable rules of civil procedure. You requested that we not file the motion and voluntarily withdrew the subpoena. If you like, I will be happy to provide you with a copy of the emails involved.

Very Truly Yours,

Terry Kinnally

Terry Kinnally, Esq.

cc. Mark Wray



\_\_\_\_\_RA 01418

follows:

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COHEN-JOHNSON, LLC 255 E. Warn Springs Road, Suite 100 Las Vegns, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 This opposition is based upon the attached Memorandum of Points and Authorities, Exhibits, attached hereto, as well as the arguments and evidence presented at any hearing convened to consider these motions.

Dated this 2<sup>nd</sup> day of January 2015.

**COHEN-JOHNSON, LLC** 

By: H. Stan Johnson, Esq. Nevada Bar No. 00265 Terry Kingaly, Esq. Nevada Bar No. 06379 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89118 Attorney for MEI-GSR Holdings, LLC. d/b/a Grand Sierra Resort

1	MEMORANDUM OF POINTS AND AUTHORITIES
2	I. GSR HAS PRODUCED ALL DOCUMENTS SUPPORTING DAMAGES IN
3	ITS POSSESSION
4	GSR was ordered to produce all documents in support of its computation of damages and
5	did so. GSR produced all documents currently in its possession which supported its computation
6	of damages; these were:
7	a) Article written by Anthony Lucas GSR 00025 – GSR 00044
8	b). Affidavit of David Schwartz GSR 00045 – GSR 00047
9	c) Curriculum Vitae of David Schwartz, Ph.D. GSR 00048 – GSR 00099
10	d). Invoices from VSR Industries, Inc. GSR 00100 – GSR102.
11	e). Notes from David Schwartz Ph.D. re: Computation of Damages GSR 103.
12	(Copies of these documents are being provided to the Court attached to Plaintiff's Fifth
13	Supplemental 16.1 Disclosure statement as Exhibit 1 1a-e)
14	Defendant however, has unilaterally decided that it is also entitled to the retainer
15	agreement between GSR and Dr. Schwartz and a record of all of Dr. Schwartz's billings.
16	Neither the retainer agreement nor Dr. Schwartz' billing set forth GSR's computation of
17	damages and therefore are not encompassed by the Court's order. (See Court's Order dated
18	November 26, 2014 attached hereto as Exhibit 2) While said documents will be produced in
19	compliance with NRCP 26 as part of GSR's expert disclosures, Defendant has no right to those
20	documents at this time. Nor does GSR have a duty to produce them prior to the March 2, 2015
21	expert disclosure date. To claim that the failure to prematurely disclose these documents
22	constitutes contempt of Court is simply harassment by the Defendant. Defendant filed this
23	motion on December 17, 2014 however, On December 10, 2014 Plaintiff's Counsel sent a letter
24	informing Peppermill's counsel that all the documents in support of the claim for damages had
25	been provided. (See correspondence dated 12/10/14 attached hereto as Exhibit 3) Despite
26	knowing that all the documents had been provided Defendant filed this Motion. Moreover,
27	Defendant deposed Dr. Schwartz who testified that his file contained a survey of literature and
28	

COHEN-JOHNSON, ILC 255 E. Warn Springs Road, Suite 100 Las Vegas, Newada 39119 (702) 823-3500 FAX: (702) 823-3400

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Page 3 of 7

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some computations. (See Portion of Deposition of David Schwartz P. 50 ll 10 -25 dated October 21, 2014 and attached hereto as Exhibit 4) The article in question authored by Defendant's expert was produced as GSR 25-44 and Dr. Schwartz's notes containing his literature survey and computations were produced at GSR 103. There are no other documents at the present time.

5 This is not to say that in the future additional documents may not be obtained. GSR has served requests for production on Peppermill, the responses were due on December 15, 2014, but б 7 as of the present date Peppermill had refused to produce any of the documents requested, even 8 though GSR has produced over 16,000 documents in response to Peppermill's discovery 9 requests. GSR anticipated that additional documents will be discovered which will support its 10 damage claim and expects further evidence in support of its claims when the depositions of 11 William Paganetti, Billy Paganetti, John Hanson and David Halibuk, Rob Irwin, Dan Smerchia, 12 Scot Bean and other witnesses identified by Mr. Tors as having knowledge of the Peppermill's 13 four year practice of keying slot machines at non-Peppermill controlled casinos.

14 GSR has fully complied with the Court's Order and produced all documents currently in 15 its possession which support its computation of damages. This motion is simply another attempt 16 by Peppermill to avoid providing discovery to the Plaintiff because Peppermill knows that the 17 documents it is refusing to produce will amply demonstrate the economic benefits and uses to 18 which Peppermill put the purloined information. GSR has no interest in not producing 19 documents which support its claims however Peppermill has a strong motive and incentive for 20 obscuring the issue to avoid complying with the discovery rules by bringing this frivolous 21 motion. Therefore Plaintiff is entitled to attorneys fees for having to respond to this baseless and 22 harassing motion under NRCP 37 (4) (B).

Page 4 of 7

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

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### II CONCLUSION

Peppermill's motion is unsupported by anything other than innuendo. GSR has produced
all the documents supporting its computation of damages, including Dr. Schwartz's notes as
ordered by the Court. Dr. Schwartz's retainer agreement and billings do not support his damage
calculations and are not subject to the Court's order. Moreover Peppermill knew at the time that
it brought this motion that the documents had already been produced, but chose to do so anyway.
Therefore GSR requests this Honorable Court to enter an Order:

1. Denying Peppermill's Motion;

2. Finding that GSR has complied with the Court's Order of November 26, 2014;

Finding that the Peppermill's Motion was not substantially justified under NRCP
 37.

3. Awarding GSR attorneys fees for having to respond to this motion pursuant to NRCP 37 (4)(B);

4. For such other and further relief as this Court deems necessary.

#### AFFIRMATION Pursuant to NRS. §239B.030

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

Dated this 2<sup>nd</sup> day of January 2015

COHEN-JOHNSON, LLC

tan Johns Nevada Bar No. 00265 Terry Kinnally, Esq. Nevada Bar No. 06379 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89118 Attorney for MEI-GSR Holdings, LLC. d/b/a Grand Sierra Resort

COHEN-JOHNSON, LLC 255 E. Warn Springs Road, Suite 100 Las Vegas, Newda 89119 (702) 823-3500 FAX: (702) 823-3400 1

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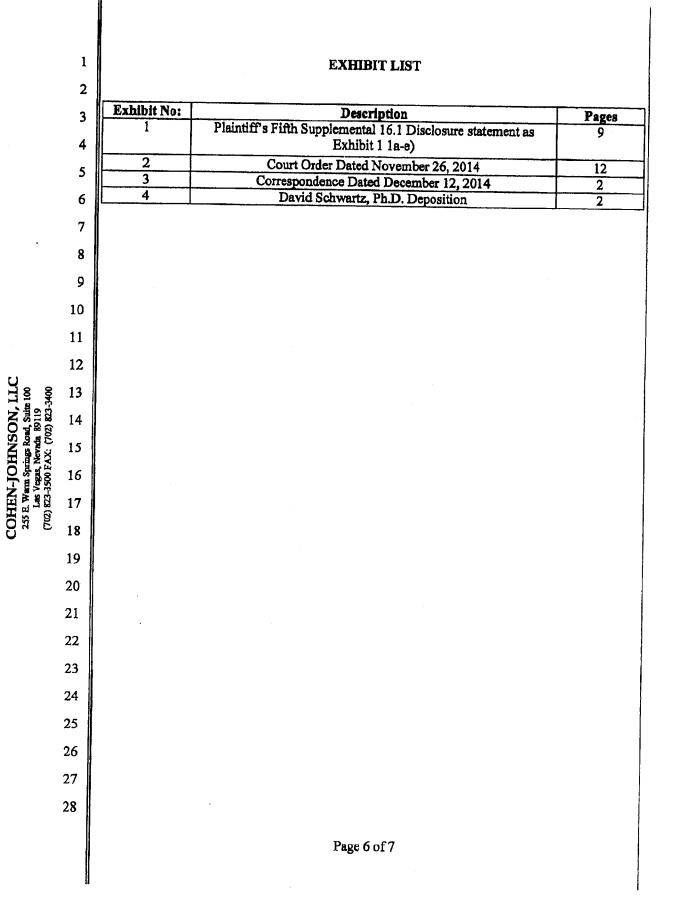
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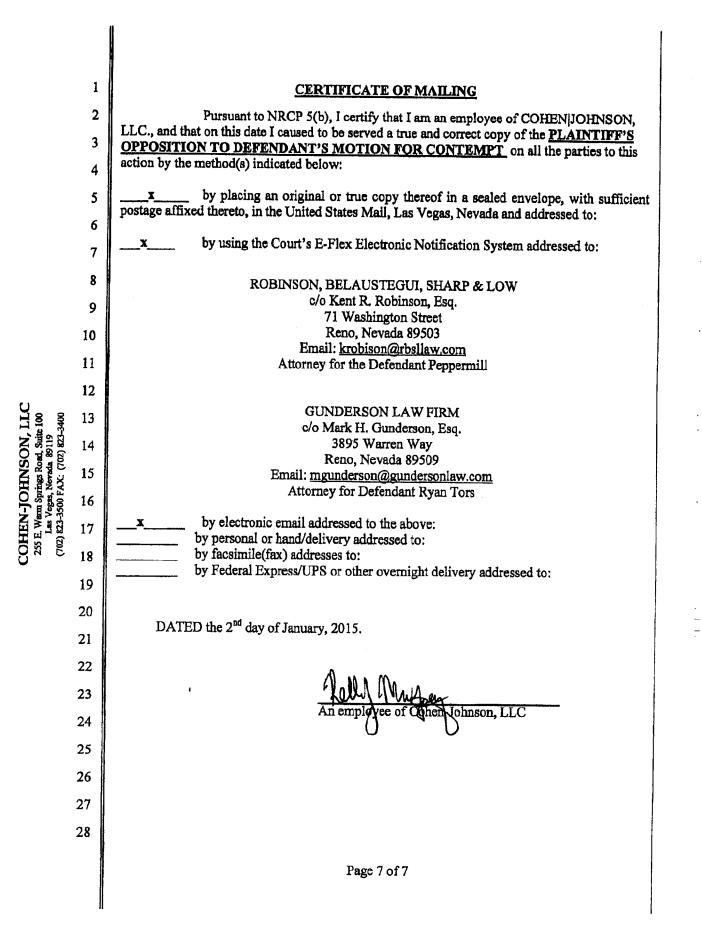
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RA 01422





RA 01424

FILED Electronically 2015-01-02 01:29:29 PM Jacqueline Bryant Clerk of the Court Transaction # 4757630 : ylloyd

## Exhibit "1"

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## Exhibit "1"

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RA 01425

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	1 2 3 4 5 6 7 8 9	16.1 COHEN-JOHNSON, LLC H. STAN JOHNSON, ESQ. Nevada Bar No. 00265 sjohnson@cohenjohnson.com TERRY KINNALLY, ESQ. Nevada Bar No. 6379 tkinnally@cohenjohnson.com 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 Telephone: (702) 823-3500 Facsimile: (702) 823-3500 Facsimile: (702) 823-3500 Facsimile: (702) 823-3400 Attorneys for MEI-GSR Holdings, LLC, d/b/a Grand Sierra Resort IN THE SECOND JUDICIAL DISTRICT	COURT OF	THE STATE OF NEVADA	
	10	IN AND FOR THE CO	UNTY OF W	ASHOE	
	11	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a GRAND SIERRA RESORT,	Case No.:	CV13-01704	
• •	12	Plaintiff, v.	Dept. No.:	B7	
. LLC * 100	13	PEPPERMILL CASINOS, INC., a Nevada			· ·
NOS 101 100 101 100 101 100 100 100 100 100	14	Corporation, d/b/a PEPPERMILL CASINO; RYAN TORS, an individual; JOHN DOES I-X	DOSINESS	COURT DOCKET	
HINS Tings Ro Nevada Nevada	15	and JANE DOES I-X; and ABC CORPORATIONS I-X.			
COHEN-JOHNSON, LL 255 E. Warn Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400	16	Defendants.			-
DHIE 55 E. W Law 702) 822	17				
ອື່	18	PLAINTIFF'S FIFTH SUPPLEMENTAL DIS	CLOSURE P	URSUANT TO NRCP 16.1	
	19	COMES NOW, the Plaintiff MEI-GSR HO			
	20	counsel of record, H. Stan Johnson, Esq., of Coher	a Johnson LLC	., hereby submits its' Third	-
	21 22	supplemental Disclosure of Witnesses and Docum	ents pursuant t	to NRCP 16.1 in this matter as	
	22	follows:			
	24	I. WITNESSES			
	25	<ol> <li>Mike Draeger</li> <li>c/o COHEN/JOHNSON, LLC</li> </ol>			
	26	255 E. Warm Springs Rd., Suite 10 Las Vegas, Nevada 891189	0		
	27				
	28				
		Page 1	of 8		

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			1
	1	Mr. Drager, is expected to testify as to his knowledge of the facts and circumstances	
	2	surrounding the claims and allegations which are the subject of this instant litigation including	
	3	his prior experiences and knowledge of Mr. Tors.	
	4	2. Janice Doreen Covington	
	5	c/o COHEN JOHNSON, LLC 255 E. Warm Springs Rd., Suite 100	
	6	Las Vegas, Nevada 891189	
	7	This witness is expected to testify as to her knowledge as to the facts and circumstances	
	8	surrounding the claims and allegations which are the subject of this instant litigation.	
	9	3. Jason Wagner	
	10	c/o COHENJOHNSON, LLC	
		255 E. Warm Springs Rd., Suite 100 Las Vegas, Nevada 891189	ł
	11		I
U	12	This witness is expected to testify as to his knowledge as to the facts and circumstances	1
100 ° 100	13	surrounding the claims and allegations which are the subject of this instant litigation.	
2) 823 2) 823 20 23	14	<ol> <li>Michael Altizer, Slot Manager</li> <li>c/o COHENJOHNSON, LLC</li> </ol>	
NS With the Source of Sour	15	255 E. Warm Springs Rd., Suite 100	
HOL Spin	16	Las Vegas, Nevada 891189	
COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Newada 89119 (702) 823-3400	17	This witness is expected to testify as to his knowledge as to the facts and circumstances	
2251 (702)	18	surrounding the claims and allegations which are the subject of this instant litigation.	
	19	5. Ernie Reilly, Casino Shift Manager	
	20	c/o COHEN JOHNSON, LLC 255 E. Warm Springs Rd., Suite 100	
	21	Las Vegas, Nevada 891189	
	22	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	23	surrounding the claims and allegations which are the subject of this instant litigation.	
	24	6. Rakesh Sidher, Slot Manager c/o COHEN JOHNSON, LLC	
	l	255 E. Warm Springs Rd., Suite 100	
	25	Las Vegas, Nevada 891189	
	26	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	27	surrounding the claims and allegations which are the subject of this instant litigation.	
	28		
		Page 2 of 8	
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	1	7. Anthony Moran, Security	
	2	c/o COHEN JOHNSON, LLC 255 E. Warm Springs Rd., Suite 100	
	3	Las Vegas, Nevada 891189	
	4	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	5	surrounding the claims and allegations which are the subject of this instant litigation.	
		8. Tim Donovan c/o COHENJOHNSON, LLC	
	6	255 E. Warm Springs Rd., Suite 100	
	7	Las Vegas, Nevada 891189	
	8	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	9	-surrounding the claims and allegations which are the subject of this instant litigation.	
	10	8. John Hanson	
	11	c/o COHEN JOHNSON, LLC	
<b>C</b> \	12	255 E. Warm Springs Rd., Suite 100 Las Vegas, Nevada 891189	
100 B	13		
2 8 8 1 <b>N</b>	14	This witness is expected to testify as to his knowledge as to the facts and circumstances	
COHEN-JOHNSON, LL 255 E. Warm Springs Road, Suite 100 Las Vegas, Newala 2019 (702) 823-3600 FAX: (702) 823-3400	15	surrounding the claims and allegations which are the subject of this instant litigation.	
JOH Sprin 200 FA	16	9. David McHugh	
EN- 1 Werr 1 Jas V.	17	c/o COHEN JOHNSON, LLC 255 E. Warm Springs Rd., Suite 100	
HOC 1825 (2017)	18	Las Vegas, Nevada 891189	
Ŭ	19	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	20	surrounding the claims and allegations which are the subject of this instant litigation.	
	21	10. Justin Woods, Agent. NGC	
	22	c/o Nevada Gaming Control Board 9790 Gateway Drive, Suite 100	
	23	Reno, Nevada 89521	
	24	This witness is expected to testify as to his knowledge as to the facts and circumstances	
	25	surrounding the claims and allegations which are the subject of this instant litigation.	
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	-27		
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		Page 3 of 8	

	1	11. Person Most Knowledgeable of Peppermill Casinos. Inc. dbs Peppermill Casino
		c/o Clark V. Vellis, Esq.
	2	50 West Liberty Street, Suite 1030 Rono, Nevada 89501
	3	
	4	This witness is expected to testify as to his/her knowledge as to the facts and
	5	circumstances surrounding the claims and allegations which are the subject of this instant
	6	litigation.
	7	12. Ryan Tors c/o William M. Omara, Esq.
	8	311 East Liberty Street Reno, Nevada 89501
<u></u>	9_	
	10	This witness is expected to testify as to his knowledge as to the facts and circumstances
	11	surrounding the claims and allegations which are the subject of this instant litigation.
	12	13. Billy Paganetti c/o Robison, Belaustegui, Sharp & Low
	<b>§</b> 13	71 Washington Street Reno, NV 89503
80 10 10 10 10 10	â 14	This witness is expected to testify as to his knowledge of the facts and circumstances
i vite S Ro	3 × 15	surrounding Mr. Tors conduct and the use to which the information was put.
JOE Sprin Nami	s 16	14. William Paganetti
COHEN-JOHNSON, LLC 235 E. Warm Springs Road, Suite 100 Las Vegas, Nervada 20119 (702) 823-3500 FAX: (702) 823-3400		c/o Robison, Belaustegui, Sharp & Low 71 Washington Street Reno, NV 89503
Ŭ <sup>°</sup> `	10	
	19	This witness is expected to testify as to his knowledge of the facts and circumstances
	20	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
	21	other casinos was put.
	22	15. Rob Erwin c/o Robison, Belaustegui, Sharp & Low
	23	71 Washington Street Reno, NV 89503
	24	This witness is expected to testify as to his knowledge of the facts and circumstances
	25	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
	26	other casinos was put.
	28	
		Page 4 of 8

	1	16. Dave Halabuk
	2	This witness is expected to testify as to his knowledge of the facts and circumstances
	3	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
	4	other casinos was put.
	5	17. Peter Batchelor
	6	c/o Robison, Belaustegui, Sharp & Low 71 Washington Street Reno, NV 89503
	7	This witness is expected to testify as to his knowledge of the facts and circumstances
	8 9	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
	10	other casinos was put.
	11	18. Aaron Robyns c/o Robison, Belaustegui, Sharp & Low
	12	71 Washington Street Reno, NV 89503
	13	This witness is expected to testify as to his knowledge of the facts and circumstances
N, I Suite 1 5119 823-34	14	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
NSC Barload	15	other casinos was put.
JOH Spring 00 FAX	16	
COHEN-JOHNSON, LLC 235 E. Warm Springs Road, Suite 100 Las Veges, Newda 20119 (702) 823-3500 FAX: (702) 823-3400	17	<ol> <li>Dan Smercina</li> <li>c/o Robison, Belaustegui, Sharp &amp; Low</li> <li>71 Washington Street</li> </ol>
9 ° °	18	Reno, NV 89503
	19	This witness is expected to testify as to his knowledge of the facts and circumstances
	20	surrounding Mr. Tors conduct and the use to which the information gathered from GSR and
	21	other casinos was put.
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## RA 01430

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	1	II. DOCUMENTS				
	2	1. Security files re Incident of July 12, 2014. Bates No. GRA0001 thru GRA00018				
	3	2. Affidavit of J. Covington Bates No, GRA00019 thru GRA00020.				
	4	3. Voluntary Statement J. Covington Bates No. GRA00021				
	5	4. Affidavit of J. Wagner Bates No. GRA00022 thru GRA00023				
	6	5. Surveillance Video of Ryan Tors GSR 00024				
	7	6. Article written by Anthony Lucas GSR 00025 – GSR 00044				
	8	7. Affidavit of David Schwartz GSR 00045 – GSR 00047				
	9	8Curriculum Vitae of David Schwartz, Ph.D. GSR 00048GSR 00099				
	10	9. Invoices from VSR Industries, Inc. GSR 00100-GSR102.				
	11	10. Notes from David Schwartz Ph.D. re: Computation of Damages GSR 103.				
	12					
	13	III. COMPUTATION OF DAMAGES				
DN, 80119 823-	14	Damages are sought pursuant to NRS 600A.050 (1) Damages will be computed based on the number of times Mr. Tors accessed machines at the GSR without permission, and the number of machines so accessed based on the benefit obtained by the Peppermill from use of the illegally				
COHEN-JOHNSON, LLC 255 E. Warn Springs Road, Suite 100 Las Vegas, Nerrada 80119 (702) 823-3500 FAX: (702) 823-3400	15					
JOH Sprin 20 FA	16					
EN- E Warn E Warn E 23-35	17	obtained trade secret information based on the cost of legally and legitimately obtaining the same				
2551 2551 (702)	18	information. Damages will also be sought based on the use of the information obtained by GSR				
•	19	after being complied, combined, or analyzed with information misappropriated from other Reno				
	20	Casinos over a 4 year period.				
	21	GSR has been forced to remove existing locks and replace 835 locks for their gaming				
	22	machines. The total cost of the locks and material \$17,479.46. The labor to replace the locks is				
	23	calculated as follows: it takes 15 minutes to remove and replace (4 per hour) and the average				
	24	wage per hour is \$20.00. Therefore, the total amount of costs associated with labor is \$4,175.00.				
	25	111				
	26	///				
		///				
	27	///				
	28					
		Page 6 of 8				

RA 01431

COHEN-JOHNSON, LLC 255 E Warm Springs Road, Suite 100 Las Veges, Novada 89119 (702) 823-3500 FAX: (702) 823-3400	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	And/ or in the alternative the measure of damages Plaintiff claims a reasonable royalty NR S 600A.050 (2) for the unlawful acquisition and disclosure and potential use of said trade secrets in an amount to be determined at trial or a royalty in an amount to be determined at trial. Said damages will be based on the testimony of GSR's experts. Plaintiff also seeks punitive damages based on the willful nature of the conduct. Plaintiff reserves the right to supplement this production, as discovery is ongoing. AFFIRMATION Pursuant to NRS §239B.030, the undersigned does hereby affirm that the preceding document does not contain the social security numbers of any person. Dated this 4 <sup>th</sup> day of December, 2014. COHENJOHNSON, LLC. By: <u>(s/H_Stan Johnson</u> H_STAN JOHNSON, ESQ. Nevada Bar No. 00265 TERY KINNALLY, ESQ. Nevada Bar No. 0379 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 8119 Attorneys for MEI-GSR Holdings, LLC, db/a Grand Sierra Resort	
	28	Page 7 of 8	

22 23 24 25 24 25 26 27 27 27 27 27 27 27 27 27 27	CERTIFICATE OF MAILING         Pursuant to NRCP 5(b), I certify that I am an employee of COHEN/JOHNSON, LLC., and that on this date I caused to be served a true and correct copy of the PLAINTIFF'S FIFTH         SUPPLEMENTAL DISCLOSURE PURSUANT TO NRCP 16.1 on all the parties to this action by the method(s) indicated below:
28	Page 8 of 8

FILED Electronically 2015-01-02 01:29:29 PM Jacqueline Bryant Clerk of the Court Transaction # 4757630 : ylloyd

# Exhibit "2"

### Exhibit "2"

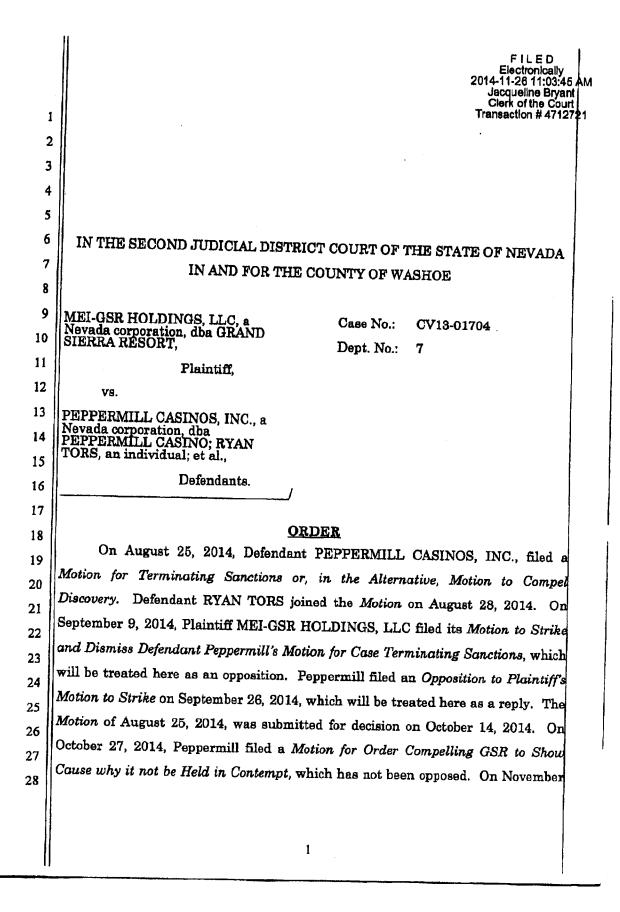
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and the second second

RA 01434

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12, 2014, Peppermill filed a Supplemental Motion for Terminating Sanctions or, in 1 the Alternative, for an Order to Show Cause why Plaintiff not be Held in Contempt 2 3 and Subjected to Severe Sanctions, renewing several of its arguments in earlier filings, on November 12, 2014. The Court will now take up all issues Peppermill 4 has raised in its motions for "terminating sanctions" from August 25, 2014, and 5 November 12, 2014, as well as in its Motion for Order Compelling GSR to Shou 6 Cause from October 27, 2014. It should be noted that GSR has not responded to the 7 Motion to Show Cause or to the Supplemental Motion. 8

9 First, the Court notes that several collateral disputes have already been resolved which are relevant to Peppermill's claims here. 10 On June 4, 2014, Peppermill filed a Motion to Dismiss Complaint alleging that GSR was refusing to 11 provide a calculation of damages. On June 18, 2014, GSR filed an Opposition to 12 Defendants' Motion to Dismiss Complaint and Counter-Motion to Compet 13 Disclosures under NRCP 16.1 claiming that it was relieved from its obligation to 14 provide a calculation of damages because Peppermill had failed to confer about the 15 matter prior to filing the motion and that Peppermill must be compelled to provide 16 17 certain documents under NRCP 16.1. The discovery issues were referred to the Discovery Commissioner, who issued an unopposed Recommendation for Order on 18 September 19, 2014. This Court adopted those recommendations on October 1, 19 2014, ordering GSR to provide to the Defendants, no later than September 30, 2014, 20 21 an updated calculation of damages under NCRP 16.1(a)(1)(C), and to identify and 22 make available for inspection any documents, electronically stored information, or 23 tangible things that it is relying upon in support of its damages claim.

A separate issue involving depositions has also been resolved. On June 4, 25 2014, Peppermill served GSR with a notice of NRCP 30(b)(6) depositions, with an amended deposition notice on June 11, 2014. GSR refused to provide deponents as demanded in the notice and, on June 19, 2014, it filed a Motion for Protective Order 28 on an Order Shortening Time and for Stay of Depositions Pending Hearing on the Matter. The issue was referred to the Commissioner who returned a
 Recommendation for Order on October 2, 2014. GSR filed an Objection on October
 10, 2014 and Peppermill filed an Opposition to the Objection on October 24, 2014.
 On November 13, 2014, the Court adopted the Commissioner's recommendation,
 ordering GSR to designate and produce one or more representatives to testify on its
 behalf pursuant to NRCP 30(b)(6) regarding the topics identified in Peppermill's
 amended notice.<sup>1</sup>

Legal Standard

Peppermill asks that GSR's complaint be dismissed with prejudice. Under
NRCP 87(b)(2)(C), a district court has discretion to issue sanctions, including caseconcluding sanctions, against a party for willful failure to comply with a discovery
order, or where the adversary process has been halted by actions of unresponsive
party. GNLV Corp. v. Service Control Corp., 111 Nev. 866, 900 P.2d 323 (1995).
Fundamental notions of fairness and due process require that discovery sanctions
be just and that sanctions relate to the specific conduct at issue. Id.

#### <u>Analysis</u>

The Court will address each of the alleged discovery violations and motions to
compel before taking up the issue of whether GSR's conduct, as a whole, is
sanctionable.

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### a. Computation of damages and related documents

Peppermill alleges that GSR failed to reasonably provide a mandatory computation of damages and related documents as required by NRCP 16.1(a)(1)(C) and by orders of this *Court*. NRCP 16.1(a)(1)(C) states that, without awaiting a discovery request, a party must provide a computation of damages, making available for inspection and copying the documents or other evidentiary matter, not privileged or protected from disclosure, on which the computation is based.

<sup>28 &</sup>lt;sup>1</sup> The recommendation excepted "Topic 26," which was determined to be overbroad and therefore subject to a protective order.

On September 19, 2014, the Commissioner issued a Recommendation for 1 Order finding that GSR's calculation of damages as included in its initial 2 disclosures was deficient and that GSR should be compelled to provide an updated 3 calculation of damages, along with related documents, by September 30, 2014 4 Neither party opposed the Recommendation. It was adopted by the Court on 5 6 October 1, 2014. Peppermill acknowledges that GSR has provided the requested computation of damages in the form of an affidavit, dated September 9, 2014, from 7 8 Dr. David Schwartz, GSR's damages expert. Peppermill contends, however, that 9 the affidavit is false and misleading (see discussion below) and that GSR has 10 refused to produce related documents. GSR has not responded to this argument.

Any failure by GSR to identify and make available documents related to its damages calculation is a violation of this Court's adopted Order of October 1, 2014. GSR is hereby compelled to comply with that directive by December 15, 2014, if it has not already done so by the time of this Order.

15

#### b. Requests for Production of Documents

Peppermill alleges that GSR has willfully failed to comply with requests for 16 production of documents in contravention of Court orders. Peppermill specifically 17 identifies the above-referenced documents pertaining to damages calculations 18 (Motion for Sanctions at 5; Supplemental Motion at 3) as well as other documents 19 20 related to testimony given by GSR's named witnesses at deposition (Motion for 21 Order to Show Cause at 2). It appears that all documents requested pertain in some 22 way to calculation of damages, i.e. "slot strategies, marketing policies, and hold 23 percentages." Id.; see also Recommendation for Order of October 2, 2014. As 24 described above, GSR is compelled to disclose those documents.

25

#### c. False and misleading testimony

Peppermill alleges that the calculations of GSR's damages expert, David
Schwartz, are admitted by him to be inaccurate, and that GSR has a duty to correct
the record accordingly. The Court is not in receipt of Dr. Schwartz' deposition, and

therefore can make no determination as to his alleged admissions concerning his
 affidavit. Moreover, any issue as to inconsistency in Dr. Schwartz' statements is an
 issue of weight and credibility, not of compliance with the rules of discovery. GSR
 has provided its expert's damages calculations as directed. The reliability of those
 calculations is an issue for trial.

d. Interrogatories

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Peppermill alleges that GSR has failed to provide meaningful answers to two separate sets of interrogatories, served June 4, 2014 and September 30, 2014, respectively. GSR argues that it did not file a response to the first set because it was understood that its *Motion for a Protective Order*, filed June 19, 2014, was to serve as a general objection to the interrogatories. The parties agree that GSR responded to the second set on November 3, 2014, although Peppermill claims that the responses are generally unsatisfactory.

The Court denied in part GSR's Motion for a Protective Order on October 1, 2014, thereby overruling GSR's general objection with respect to most if not all of the first set of interrogatories. GSR is directed to respond forthwith to the first set of interrogatories to the extent that the answers are not subject to the partial protective order.

The Court has reviewed GSR's untimely responses to the second set of interrogatories. While GSR objects to nearly every request, it properly states reasons for the objections and otherwise answers to the extent the interrogatories are not objectionable. See NRCP 33(b)(1). In response to the objections, Peppermill moves to compel disclosure under NRCP 33(b)(5). It fails, however, to identify which of GSR's objections it is challenging or to cite specific authority compelling disclosure. Absent more, an order compelling discovery is not appropriate.

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e. Depositions

On November 3 and 4, Peppermill deposed several of GSR's witnesses

pursuant to NRCP 30(b)(6).<sup>2</sup> Peppermill complains that, while GSR provided 1 witnesses for the topics identified, the witnesses generally lacked the knowledge 2 necessary to answer questions posed at deposition. 3 Peppermill claims that, pursuant to NRCP 30(b)(6), it is entitled to depose the "person most knowledgeable" 4 or "PMK" on each identified topic. Failure to provide such a witness or to 5 adequately prepare a witness for deposition, Peppermill contends, is "tantamount to 6 failure to appear" and is subject to immediate sanction. Supplemental Motion at 10 7 (citing United States v. Taylor, 166 F.R.D. 356, 363 (M.D.N.C. 1996); Wilson v. 8 9 Lakner, 228 F.R.D. 524, 530 (D. Md. 2005)).

The Discovery Commissioner addressed the issue of PMK depositions in his 10 Recommendation for Order of October 2, 2014 (see pages 8-9). Therein, the 11 Commissioner noted that an organization is not actually required to provide the 12 "person most knowledgeable" on a topic, only a witness adequately prepared to 13 speak on corporate knowledge of the subject. Id. (citing Cummings v. General 14 Motors Corp., No. Civ. 00-1562-W, 2002 WL 32713320 (W.D. Okla, Jun. 18, 2002). 15 The testimony of the Rule 30(b)(6) designee is deemed to be the testimony of the 16 corporation itself, not of the individual deponent. Great American Insurance Co. of 17 New York v. Vegas Const. Co., Inc., 251 F.R.D. 534, 538 (D. Nev. 2008). 18

Peppermill takes issue with the testimony of three of GSR's witnesses: Ralph Burdick, Toby Taylor, and Craig Robinson. They claim each was woefully underprepared to be deposed on the topics designated, thereby wasting time and money. It complains of Mr. Robinson's testimony in particular, describing it as "clearly the most egregious breach of discovery duties that has yet occurred in this case." Supplemental Motion at 8.

25

Peppermill notes that depositions had previously been scheduled for the end of August, but that
 GSR had failed to appear for those depositions without notice. GSR argues that the parties had an
 understanding that the depositions would not proceed if the Court had not yet ruled on GSR's Motion

for a Protective Order, which it had not. Regardless of the circumstances, the parties are encouraged to communicate in advance of an approaching deadline, no matter how tenuous, so as not to waste one another's time over a misunderstanding.

Mr. Robinson is GSR's Chief Financial Officer. Supplemental Motion, Ex. 3, 1 Deposition of Craig Robinson at 4. Peppermill sought to depose him on the issues of 2 (1) damages, (2) the "independent economic value" of the information obtained by 3 Ryan Tors, and (3) the allegations of Peppermill's intent to financially harm GSR 4 At the time of his deposition, he had been working for GSR for approximately seven 5 weeks. Id. at 11. He acknowledged that he had not reviewed any documents or done 6 7 any internal investigation to prepare himself for his deposition, and that he was instead relying entirely on his day-to-day familiarity with GSR's financial records in 8 9 answering the questions posed. Id. at 13-15; 40.

The text of Mr. Robinson's deposition reveals that, because of this, he was 10 unprepared to provide meaningful answers. Robinson admitted that he had no 11 specific knowledge as to damages or the independent value of appropriated 12 information until a week before the deposition. Id. at 26-27. He further conceded 13 that the lion's share of his specific knowledge had been obtained through 14 discussions with counsel, creating privilege issues and limiting his possible 15 testimony. Id. at 26-27, 67-68. Robinson had never read the Complaint. Id. at 49-16 50. Robinson had never met with GSR's damages expert or reviewed that expert's 17 affidavit. Id. at 26-27, 92-93. He was therefore unfamiliar with the exact amounts 18 of damages claimed or how they were calculated. Id. at 26-27; 53; 64, 90-91. In 19 20 general, he was unable to identify anyone else who might have knowledge as to damages. Id. at 35, 43. With respect to the appropriated information, Robinson 21 was unaware exactly what had been obtained. Id. at 86, 88. As to its value he was 22 able to opine only that confidential par settings acquired from competitors are 23 generally "invaluable." Id. at 68, 74-79. The information sought on these topics is 24 clearly within the scope of GSR's corporate knowledge, as it forms the basis for the 25 instant suit. It was clearly not within Mr. Robinson's knowledge, however, making 26 him ineffective as an NRCP 30(b)(6) witness. As the court in Great American Ins. 27 Co. indicated, the failure to produce a Rule 30(b)(6) designee who is adequately 28

educated and prepared to testify on designated topics amounts to a nonappearance
 which could warrant the imposition of sanctions. Great American Ins. Co. of New
 York, 251 F.R.D. at 542.

With respect to Mr. Burdick and Mr. Taylor, Peppermill notes that each was 4 unable to provide information related to several of the noticed topics. In contrast 5 with Mr. Robinson, however, the topics for which Mr. Burdick and Mr. Taylor had 6 no knowledge focus mainly on things that may plausibly be outside GSR's corporate 7 knowledge. Mr. Burdick and Mr. Taylor were unable to answer questions about the 8 use the Peppermill made of the information obtained by Mr. Tors, the specific and 9 10 precise accounting information and disgnostics obtained by Mr. Tors. Mr. Burdick was unable to answer questions about whether Peppermill "will likely continue to 11 12 misappropriate trade secrets of the GSR." Supplemental Motion at 7. These topics 13 involve information which GSR was no doubt hoping to obtain through its own 14 The deponents' failure to have that information is therefore not discovery. necessarily indicative of a failure to prepare. Without a copy of either deposition, 15 the Court is unable to verify what steps they did, in fact, take in preparation to 16 17 testify. Without more, it is not clear that Mr. Burdick and Mr. Taylor were ineffective as an NRCP 30(b)(6) witnesses. 18

19

### f. Sanctionable Conduct and Sanctions

20 Two items of GSR's conduct are of particular concern: (1) its failure to 21 adequately prepare Craig Robinson to testify as an NRCP (30)(b)(6) witness; and (2) 22 its failure to produce documents related to its calculation of damages, in violation of 23 this Court's Order. As stated, NRCP 37(b)(2)(C), provides courts with discretion to 24 issue sanctions, including case-concluding sanctions, against a party for willful 25 failure to comply with a discovery rule or order, or where the adversary process has 26 been halted by actions of unresponsive party. GNLV Corp. v. Service Control Corp. 27 111 Nev. 866, 900 P.2d 323 (1995). However, rules of fairness and of due process 28 require that the sanctions be fair and be tailored to the specific conduct at issue. Id.

1 None of the issues here are so severe or so related to the case's foundations that case-terminating sanctions are warranted. This is not to say, that GSR's 2 misconduct has been harmless. The effects of its failure to prepare Mr. Robinson to 3 be deposed are easily measured: Peppermill was forced to incur the costs of 4 preparing to depose and deposing a witness who had admittedly done no 5 preparation to speak on corporate knowledge of the topics identified. Peppermill 6 was then forced to file its Supplemental Motion for Sanctions raising this issue 7 GSR is hereby sanctioned and ordered to pay Peppermill's reasonable costs and fees 8 incurred in deposing Mr. Robinson and in filing its Supplemental Motion. It is 9 further compelled to provide and adequately prepare, in accordance with the 10 strictures of NRCP 30(b)(6), an alternate deponent for the topics identified for Mr. 11 12 Robinson.

The effects of GSR's failure to provide documents related to its computation 13 of damages are more difficult to quantify. Its action fits with what appears to be a 14 pattern of resistance throughout the discovery process in this case. The suit is now 15 over a year old. As time passes and as both sides experience changes in personnel, 16 17 it will only become more difficult for meaningful evidence to be uncovered. GSR failed to identify its precise claim for damages until ordered to do so and the 18 resulting hardship is compounded by its failure to also produce the documentary 19 support for its calculations. As a result of GSR's foot-dragging, Peppermill has been 20 forced to incur expenses seeking redress from this Court. GSR is hereby sanctioned 21 and ordered to pay Peppermill's reasonable costs and fees incurred in filing its 22 23 Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery 24 and in responding to objections thereto. As noted above, GSR is further compelled 25 to provide the documents at issue by December 15, 2014, or risk the imposition of 26 meaningful economic sanctions.

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#### **CONCLUSION**

Based on the foregoing, Defendant's Motion for Terminating Sanctions or, in 2 the Alternative, Motion to Compel Discovery, as well as its Supplemental Motion for 3 Terminating Sanctions or, in the Alternative, for an Order to Show Cause Why 4 Plaintiff Not be Held in Contempt and Subjected to Severe Sanctions are 5 GRANTED in part and DENIED in part in accordance with this Order. 6 Defendant's Motion for Order Compelling GSR to Show Cause why it not be Held in 7 Contempt is DENIED. Plaintiff is hereby compelled to provide discovery as 8 9 described herein.

Further, Plaintiff is hereby sanctioned and ordered to pay to Defendant 10 Peppermill the reasonable costs and attorney's fees incurred in filing its Motion for 11 Terminating Sanctions and its Supplemental Motion for Terminating Sanctions, as 12 well as the responses thereto, as well as the reasonable costs and attorney's fees 13 incurred in preparing to depose and deposing Craig Robinson on November 4, 2014. 14 Defendant is ordered to submit memoranda of the above costs within ten (10) days 15 Plaintiff will have ten (10) days to serve and file written responses thereto. 16 17 Defendant may then serve and file a reply within five (5) days.

#### IT IS HEREBY ORDERED.

1

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DATED this \_2/o\_ day of November, 2014.

1	CERTIFICATE OF SERVICE
2	Pursuant to NRCP 5(b), I hereby certify that I am an employee of the Second
3	Judicial District Court of the State of Nevada, County of Washoe; that on this
4	day of November, 2014, I electronically filed the following with the Clerk of
5	the Court by using the ECF system which will send a notice of electronic filing to
6	the following:
7	Alisa Nave-Worth, Esq., for Peppermill Casinos, Inc.;
8	H. Johnson, Esq., for MEI-GSR Holdings, LLC;
9	John Funk, Esq., for Ryan Tors;
10	Michael Somps, Esq., for Nevada Gaming Commission, State Gaming Control
11	Board;
12	I deposited in the Washoe County mailing system for postage and mailing
13	with the United States Postal Service in Reno, Nevada, a true copy of the attached
14	document addressed to:
15 16	Jatom lines Junicial Ageistant
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### Exhibit "3"

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## Exhibit "3"

RA 01446

### COHEN | JOHNSON ATTORNEYS & COUNSELORS AT LAW

H. Stan Johnson, Esq. sjohnson@cohenjohnson.com cohenjohnsonlaw.com

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

Sent Via U.S. Mail and e-mail krobison@rbsllaw.com and mgunderson@gundersonlaw.com

December 10, 2014

Robison, Belaustegui, Sharp, and Low C/o Kent Robison, Esq. 71 Washington Street Reno, Nevada 89503

Gunderson Law Firm c/o Mark H. Gunderson, Esq. 3895 Warren Way Reno Nevada 89509

> Re: Working file Of D. Schwartz and Freidman SDT MEI-GSR Holdings, LLC vs. Peppermill Case No.: CV-13-01704 Our File No.: 130133

Dear Kent:

Apparently you have misunderstood the court's order, it did not require us to provide you with Dr. Schwartz' working file, including fees, but only documents in support of our claim for damages, which have been provided.

Apparently you also forgot that you withdrew the subpoena duces tecum you served. If you recall, I informed you that we were filing a motion to quash the subpoena for failure to comply with the applicable rules of civil procedure. You requested that we not file the motion and voluntarily withdrew the subpoena. If you like, I will be happy to provide you with a copy of the emails involved.

Very Truly Yours,

Terry Kinnally

Terry Kinnally, Esq.

cc. Mark Wray

FILED Electronically 2015-01-02 01:29:29 PM Jacqueline Bryant Clerk of the Court Transaction #4757630 : ylloyd

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### Exhibit "4"

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# Exhibit "4"

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RA 01448

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	DAVID G. SO MEI-OSR vs	CHWARTZ, PH.D. Confidential October 21, 2014 . PEPPERMILL 50
1	understa	nding.
2	A.	Okay.
3	Q.	I promised you I would give you a break any time
4	you aske	d for it but not while a question is pending.
5	A.	Sure. I understand that.
6	Q.	Do you need a break?
7	A.	I think I would like one.
8	Q.	Okay.
9		(Break was taken.)
10	Q.	(By Mr. Robison) Mr. Schwartz, we're back on the
11	record.	And do you have documents that in any way
12	support	the assertions you made in your affidavit?
13	A.	I do have the survey of the literature I did, so
14	I have a	number of articles.
15	Q.	Okay. Survey of literature?
16	A.	Yes.
17	Q.	Do you have calculations?
18	Α.	I do have a couple of calculations that I did
19	based on	that, which are reflected in this.
20	Q.	Paragraph 7.
21	A.	Reflected in paragraph 7.
22	Q.	Sure. What else do you have? What documents do
23	you have	that in any way supports or is the basis for
24	your com	putations?
2-5	A.	Right now those are it.
	SE2	QUIRE 800.211.DEPO (3376) EsquireSolutions.com

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#### Jayne Ferretto

From:	eflex@washoecourts.us
Sent:	Friday, January 02, 2015 1:34 PM
To:	Kent Robison
Cc:	Jayne Ferretto
Subject:	NEF: MEI-GSR HOLDINGS VS PEPPERMILL CASINOS; ETAL (B7): Opposition to: CV13-01704

### \*\*\*\*\* IMPORTANT NOTICE - READ THIS INFORMATION \*\*\*\*\* PROOF OF SERVICE OF ELECTRONIC FILING

A filing has been submitted to the court RE: CV13-01704 Judge: HONORABLE PATRICK FLANAGAN

Official File Stamp:	01-02-2015:13:29:29
Clerk Accepted:	01-02-2015:13:33:04
Court:	Second Judicial District Court - State of Nevada
	Civil
Case Title:	MEI-GSR HOLDINGS VS PEPPERMILL CASIN0S; ETAL (B7)
Document(s) Submitted:	Opposition to
	- **Continuation
Filed By:	H. Stan Johnson

You may review this filing by clicking on the following link to take you to your cases.

This notice was automatically generated by the courts auto-notification system.

If service is not required for this document (e.g., Minutes), please disregard the below language. The following people were served electronically:

> ALISA NAVE-WORTH, ESQ. for PEPPERMILL CASINOS, INC. MARK DOUGLAS WRAY, ESQ. for MEI-GSR HOLDINGS, LLC H. STAN JOHNSON, ESQ. for MEI-GSR HOLDINGS, LLC THERESE M. SHANKS, ESQ. for PEPPERMILL CASINOS, INC. KEEGAN GRAHAM LOW, ESQ. for PEPPERMILL CASINOS, INC. KENT RICHARD ROBISON, ESQ. for PEPPERMILL CASINOS, INC. JOHN R. FUNK, ESQ for RYAN TORS MICHAEL SOMPS, ESQ. for NEVADA GAMING COMMISSION, STATE GAMING CONTROL BOARD MARK HARLAN GUNDERSON, ESQ. for RYAN TORS

The following people have not been served electronically and must be served by traditional means (see Nevada Electronic Filing Rules.):

2

DARLENE B CARUSO, ESQ for NEVADA GAMING COMMISSION, STATE GAMING CONTROL BOARD

.\_

	FILED Electronically 2015-01-06 12:19:15 PM Jacqueline Bryant
1	3790         Clerk of the Court           KENT R. ROBISON, ESQ NSB #1167         Transaction # 4761047 : mpurdy
2	krobison@rbsllaw.com KEEGAN G. LOW, ESQ. – NSB #307
3	klow@rbsllaw.com THERESE M. SHANKS, ESQ. – NSB # 12890
4	tshanks@rbsllaw.com
5	Robison, Belaustegui, Sharp & Low A Professional Corporation
6	71 Washington Street Reno, Nevada 89503
7	Telephone:         (775) 329-3151           Facsimile:         (775) 329-7169
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino
9	IN THE SECOND JUDICIAL DISTRICT FOR THE STATE OF NEVADA
10	IN AND FOR THE COUNTY OF WASHOE
11	
12	MEI-GSR HOLDINGS, LLC, a Nevada CASE NO.: CV13-01704 Corporation, d/b/a/ GRAND SIERRA RESORT,
13	DEPT. NO.: B7
14	vs. BUSINESS COURT DOCKET
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;
16	RYAN TORS, an individual; JOHN DOES I-X and JANE DOES I-X and CORPORATIONS I-X,
17	and JAINE DOES I'-A and CORFORATIONS I-A,
18	Defendant(s).
19	
20	PEPPERMILL CASINOS, INC.'S REPLY TO PLAINTIFF'S OPPOSITION TO DEFENDANT'S MEMORANDUM OF FEES AND COSTS
21	Peppermill Casinos, Inc. ("Peppermill") submits the following as and for its reply to the
22	Plaintiff's Opposition to Defendant's Memorandum of Fees and Costs.
23	I.
24	OVERVIEW
25	The Plaintiff ("GSR") admits that an award of at least \$13,430 should be made in favor of
26	the Peppermill because of GSR's blatant refusal to participate in good faith in discovery
27	procedures. However, that is not an appropriate amount to reimburse Peppermill for the costs and
28 Pohime Belanterri	fees Peppermill has incurred as a result of GSR's refusals to participate in discovery.
Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NY 89503 (775) 329-3151	1

On November 26, 2014, this Court entered its Order in which it addressed GSR's refusal to 1 2 participate in discovery. Although the Court ruled that none of GSR's violations were so severe as 3 to justify case-terminating sanctions, the Court did acknowledge that GSR's conduct has not been 4 harmless. The Court recognized that GSR's failure to prepare Craig Robinson for his deposition forced Peppermill to incur costs of "preparing to depose" a witness who had done no preparation 5 whatsoever concerning the topics he was identified to testify about. The Court also found that 6 7 GSR's misconduct forced Peppermill to file a Motion for Terminating Sanctions or, in the 8 Alternative, Motion to Compel Discovery and its Supplemental Motion for Sanctions. The Court 9 sanctioned GSR and ordered GSR to pay Peppermill's reasonable costs and fees incurred in 10 deposing Mr. Robinson and in filing these motions.

Mr. Robinson was named as a crucial witness. He was identified as GSR's person most 11 12 knowledgeable about crucial aspects of this case. Mr. Robinson was identified as a person most knowledgeable about "financial loss and/or damages" incurred by GSR. GSR and this Honorable 13 14 Court know how difficult it has been for GSR to identify any financial loss or damage caused by the activities described in GSR's Complaint. Mr. Robinson was also described as GSR's most 15 16 knowledgeable witness about the "financial hardship and/or damages caused to the GSR" by the 17 activities described in GSR's Complaint that were separate and distinct from Defendant Tors' 18 conduct. Mr. Robinson was also identified as GSR's most knowledgeable witness concerning the 19 "independent economic value" of the information obtained by Defendant Tors. Finally, Mr. 20 Robinson was identified as the witness most knowledgeable concerning its allegation that the 21 Peppermill "intended" to financially harm the GSR.

The importance of Mr. Robinson's anticipated testimony cannot be understated. He was identified as the witness most knowledgeable about GSR's damages. He was identified as the person most knowledgeable about damages after the Peppermill had exhausted tremendous resources, costs and fees in trying to determine whether GSR had **any** damages whatsoever. GSR knew that the Peppermill's focus on the damage issue was one of extreme importance and the Peppermill has made it clear time and time again that there is no evidence that GSR has sustained any damages whatsoever. Even though GSR knew of the Peppermill's adamance on this issue,

Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151

1	GSR agreed to produce Mr. Robinson as the witness most knowledgeable about damages.
2	Needless to say, the Peppermill took Mr. Robinson's deposition as a serious development in the
3	case and prepared accordingly.
4	The primary argument in GSR's Opposition to Peppermill's Memorandum of Fees and
5	Costs pertains to time expended associated with Peppermill's Supplemental Motion and time
6	expended to prepare for Mr. Robinson's deposition. Both must be put in context.
7	п.
8	PEPPERMILL'S SUPPLEMENTAL MOTION
9	On August 25, 2014, Peppermill filed its Motion for Terminating Sanctions or, in the
10	Alternative, Motion to Compel Discovery. The motion involved several issues. It complained
11	about GSR's failure to comply with mandatory pretrial discovery requirements mandated by
12	NRCP 16.1. It complained about GSR's failure to provide discoverable documents required by
13	NRCP 16.1(a)(1)(B). It complained that GSR had ignored and failed to respond to interrogatories.
14	This motion further addressed GSR's refusal to produce documents pursuant to Peppermill's
15	Request for Production of Documents. Also, this motion addressed GSR's failure and refusal to
16	appear for properly noticed NRCP 30(b)(6) depositions. In the Court's Order, GSR was
17	sanctioned and ordered to pay Peppermill's reasonable costs and fees incurred in filing its Motion
18	for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery.
19	On their face, the motions were clear. Peppermill was asking for terminating sanctions
20	because of GSR's repeated failure and refusal to provide discovery. Complications arose because
21	of GSR's bizarre responses. Rather than filing an opposition, GSR took a novel approach to
22	motion practice. It filed a Motion to Strike and Dismiss Peppermill's Motion for Terminating
23	Sanctions. This motion to dismiss motion exacerbated the problem. Peppermill was now
24	confronted with having to file an opposition to a motion to strike and an opposition to a motion to
25	dismiss motion rather than simply file a reply to what should have been an opposition to the
26	Peppermill's motion.
27	As a result, Peppermill submitted its Motion for Terminating Sanctions on September 26,
28 ustegui,	2014. Peppermill also filed an Opposition to GSR's Motion to Strike and Dismiss Motion. GSR,
ı St.	3

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again, responded with a procedurally inappropriate filing. It filed an "Objection to Request for 1 Submission and Request That GSR's Opposition be Submitted Prior to Hearing or Ruling". 2 3 Clearly, GSR's counsel is not familiar with the Second Judicial District Court Rules. GSR seems to predicate all of its filings on some unscheduled "hearing". While that may be the practice in the 4 5 Eighth Judicial District, it is not the practice in the Second Judicial District and GSR's counsel should know better. The Peppermill was then required to file a Second Request for Submission of 6 7 Motion for Terminating Sanctions. Then, on October 15, 2014, Peppermill was required to file a 8 Response to GSR's Objection to Request for Submission and Request That GSR's Opposition be 9 Submitted Prior to Hearing or Ruling.

10 11

If it were not for the bizarre machinations pursued by GSR, the requested fees and costs would not be as substantial.

12 Even more egregious was GSR's complete failure to communicate. GSR refused to engage 13 in meaningful meet and confer procedures. If GSR had been willing to discuss these discovery 14 issues with requisite civility and professionalism, the fees would not have been incurred. Further, 15 had GSR had the decency to inform Peppermill's counsel that Mr. Robinson had no knowledge 16 about the topics he was presented to be most knowledgeable about, the costs and fees to the 17 Peppermill could have been avoided. Instead, GSR forced Peppermill to be involved in bizarre 18 motion practice and confront a witness allegedly most knowledgeable about the vital issues in this 19 case who had no knowledge. Not even a telephone call was made by GSR'S counsel to alert 20 Peppermill to the fact that it should not spend hours preparing for a deposition that was a 21 meaningless exercise and completely futile with respect to the damage issues that underscore this 22 entire case.

In an effort to conceal the now obvious fact that GSR has no damages and has not 24 sustained financial harm, GSR forced Peppermill to prepare for and confront witnesses with no knowledge and pursue motions that could have easily been avoided had GSR been candid and truthful.

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1	m.
2	DISPUTED FEES AND COSTS
3	A. August 25, 2014 Time For Deposition Preparation.
4	This Court has sanctioned GSR and ordered it to pay Peppermill's reasonable costs and
5	fees incurred in filing its Motion for Terminating Sanctions or, in the Alternative, Motion to
6	Compel Discovery. Part of that motion addressed GSR's failure to produce witnesses that were
7	properly noticed pursuant to NRCP 30(b)(6). Those depositions were scheduled to occur on
8	August 25, 2014. Time and effort were expended to prepare for those depositions. Without word,
9	communication or warning, GSR did not produce those witnesses. GSR did not even appear.
10	While preparing for those depositions is not specifically or expressly addressed by the
11	Court's November 26, 2014 Order, the aborted deposition process is addressed in Peppermill's
12	Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery. GSR's
13	response is that the dates set for the NRCP 30(b)(6) depositions were "tentative". That is simply
14	not true. All agreed that the depositions would proceed the week of August 25, 2014. There was
15	no protective order issued and the depositions should have proceeded as scheduled. GSR did not
16	notify the Peppermill that witnesses were not going to appear at the scheduled depositions.
17	Accordingly, time was spent not only preparing for those depositions but participating in the
18	certification process that GSR failed to produce witnesses, failed to contact counsel that they
19	would not produce witnesses and failed to participate in good faith discovery. GSR wants its
20	silence about its intent to not appear to be its ally. However, this Court should construe its silence
21	as its enemy and allow the time expended by Peppermill counsel for preparing for the August 25,
22	2014 depositions to be recoverable.
23	B. James Stewart's Time For September 22 and 23, 2014.
24	GSR complains that the request for compensation for Mr. Stewart's fees charged to the
25	Peppermill for September 22 and September 23, 2014, should not be permitted. The total time
26	claimed is 5.0 hours for these two dates. Peppermill concedes that this time should not be charged
27	for purposes of awarding sanctions against GSR. The amount claimed, therefore, should be
28 gui,	reduced by \$550.
	5

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#### С. Keegan Low's Time For September 26, 2014.

GSR objects to the time expended by Keegan Low on September 26, 2014, for his review of the Discovery Commissioner's Recommendation. This time was charged to the Peppermill for Mr. Low's activities on September 26, 2014. This time should not be deducted. Mr. Low's involvement in assisting with the strategy and process to be followed concerning the Master's Recommendation that GSR comply with discovery demands ultimately led to the Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery.

8

#### D. October 5, 2014 Time Should Be October 15, 2014 Time.

9 The Peppermill's Memorandum of Costs and Attorneys' Fees and supporting Affidavit indicates that 6.2 hours of work was charged to the Peppermill because the Peppermill was 10 11 required to respond to GSR's Objection to Peppermill's Request for Submission of Peppermill's 12 Motion for Terminating Sanctions. That work was clearly contemplated as work and charges for which GSR should be responsible in the Court's Order awarding sanctions against GSR. In its 13 November 26, 2014 Order, this Court specifically ruled that GSR be sanctioned and ordered to pay 14 Peppermill's reasonable costs and fees incurred in filing its Motion for Terminating Sanctions or, 15 in the Alternative, Motion to Compel Discovery, in addition to fees and costs incurred "in 16 17 responding to objections thereto." (See Order, p. 9, Ins. 22-24.)

18 The request mistakenly identifies that time as having been expended on October 5, 2014. 19 Review of the attachments to the Peppermill's Memorandum, however, reflects that time was actually charged on October 15, 2014. Indeed, Peppermill's Memorandum of Costs and Fees 20 correctly states on page 3 in subsection C that that time was actually charged for October 15, 2014, 21 and should be awarded accordingly. 22

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#### E. Time Charged By Scott Hernandez.

24 Scott Hernandez is an attorney employed by Robison, Belaustegui, Sharp and Low and has been assigned to work on this case. Mr. Hernandez charged 12.6 hours from October 17, 2014, through and including October 24, 2014. This time was charged for work on responding to GSR's Objection to the Discovery Commissioner's Recommendation for Order. The Court's November 26, 2014 Order did not specifically address the work done to respond to GSR's Objection to the

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1	Discovery Commissioner's Recommendation. However, GSR's Objection to the Discovery
2	Commissioner's Recommendation was filed in this matter on October 10, 2014. Mr. Hernandez
3	briefed Peppermill's Opposition to GSR's Objection. On November 13, 2014, the Court adopted
4	the Discovery Commissioner's Recommendation, ordering GSR to designate and produce one or
5	more representatives to testify on behalf of GSR pursuant to NRCP 30(b)(6). Peppermill should
6	be compensated by GSR for Mr. Hernandez's work. It was GSR's refusal, in part, to produce
7	witnesses and GSR's improper Objection to the Discovery Commissioner's Recommendation that
8	resulted in the Peppermill having to file its Motion for Terminating Sanctions and Supplemental
9	Motion for Terminating Sanctions. Accordingly, the Peppermill should be reimbursed for the time
10	Mr. Hernandez spent on trying to obtain judicial relief for GSR's failure to abide by the
11	Commissioner's appropriate Recommendation.
12	F. <u>October 24, 2014 Time.</u>
13	GSR objects to the time spent on October 24, 2014, for work relating to Peppermill's
14	Supplemental Motion for Terminating Sanctions. This work was clearly associated with the
15	Peppermill's need to file a Supplemental Motion for Terminating Sanctions. As the Court may
16	recall, it entered an Order which addressed the wrong Recommendation by the Discovery
17	Commissioner and that confusion had to be promptly clarified. This work was necessitated by
18	GSR's failure to participate in good faith with discovery. The Affidavit regarding the Motion for
19	an Order to Show Cause was intertwined with the work performed by Peppermill's counsel to
20	oppose GSR's Objection to the Discovery Commissioner's Recommendation. Accordingly, all 2.3
21	hours should be allowed, since it is GSR's blatant failure to participate in good faith in discovery
22	that required attorney time, fees and costs, which should not be borne by the Peppermill.
23	G. <u>Time To Prepare For Craig Robinson Deposition</u> .
24	As explained herein, the contemplated deposition of Craig Robinson was considered to be
25	a crucial part of this entire case. Since the filing of the Complaint, GSR has been completely
26	incapable of showing damages of any kind. It has not shown that the Peppermill was unjustly
27	enriched. It has never disclosed a reasonable royalty theory of damages. It continues to chastise
28 egui,	the Peppermill for inappropriate conduct, but ignores and defies demands that it show any
<b>-</b>	7
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damages that in any way relate to the activities of Defendant Ryan Tors.

The NRCP 30(b)(6) process was implemented to find a witness that might have credible knowledge about GSR's damages. The time invested in preparing for such a crucial witness cannot be disputed. GSR seeks to punish the Peppermill for its arduous preparation to depose a witness who was designated as being most knowledgeable about GSR's damages. Instead, GSR claims that the five hours expended by James Stewart to prepare for the Robinson deposition and the seven hours expended by the undersigned to prepare for one of the most crucial witnesses to this case is inappropriate and overstated. That is untrue.

9 As a paralegal, Mr. Stewart is responsible for scrutinizing documents produced in 10 discovery to determine whether the documents can be used to impeach Mr. Robinson. Likewise, extensive time and effort was necessary to review applicable authority concerning damage 11 12 theories. The time expended was necessary to develop strategies to counter the testimony of Mr. 13 Robinson should he have revealed information about damages, reasonable royalty theories, or 14 unjust enrichment theories. Indeed, the time spent to prepare for Mr. Robinson would have been 15 time well spent had Mr. Robinson had any knowledge whatsoever of damages. The time charged 16 was appropriate and reasonable, since it was time expended to prepare for one of the most 17 important witnesses involved in this case. It is not the Peppermill's fault that the most important 18 witness in the case had no knowledge about the most important issue in this case. This time 19 should be allowed,

20

H. Moran Deposition.

21 GSR attempts to use the time Peppermill's counsel expended to prepare for the Moran 22 deposition as evidence that the time spent to prepare for the Robinson deposition was 23 inappropriate. The most important witness in the case (that person most knowledgeable about GSR's damages) is much different than the security officer who briefly detained Defendant Ryan 24 25 Tors. The detention of Mr. Tors is documented by GSR's Incident Report. The time to prepare 26 for the Moran deposition was nearly meaningless and irrelevant compared to the time that 27 Peppermill counsel had to expend to prepare for GSR's most important witness, Craig Robinson, 28 who is most knowledgeable about GSR's damages, whether those damages be in the form of a

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1	reasonable royalty, unjust enrichment or financial harm by way of lost revenue.
2	IV.
3	CONCLUSION
4	Based on the foregoing, Peppermill should be awarded fees and costs in the sum of
5	\$26,015. All requested time should be awarded, except for the five hours of Mr. Stewart's time
6	for September 22 and September 23, 2014 (charged at \$110 per hour).
7	The work that GSR has required of Peppermill's counsel is substantial. GSR has required
8	Peppermill's counsel to use every motion available under the Nevada Rules of Civil Procedure to
9	get "evidence" about GSR's claims. It has defied Court Orders. It has defied Recommendations
10	issued by the Discovery Commissioner. It has failed to produce witnesses at depositions. It has
11	failed and refused to respond to Interrogatories and Requests for Production of Documents. All of
12	the additional work that Peppermill's counsel has been required to do has to be duplicated when
13	and if GSR ever produces the discovery that Peppermill has repeatedly requested. Accordingly,
14	Peppermill respectfully requests that this Honorable Court enter an award of sanctions against
15	GSR in the amount of \$29,015.
16	<u>AFFIRMATION</u> Pursuant to NRS 239B.030
17	The undersigned does hereby affirm that this document does not contain the social security
18	number of any person.
19 20	DATED this $\underline{6}^{\text{th}}$ day of January, 2015.
20	ROBISON, BELAUSTEGUI, SHARP & LOW
22	A Professional Corporation 71 Washington Street Reno, Nevada 89503
23	
24	Les 11
25	KENT/R. ROBISON KEEGAN G. LOW
26	THERESE M. SHANKS Attorneys for Defendant
27	Peppermill Casinos, Inc., d/b/a Peppermill Casino
28	·
Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	9

1	CERTIFICATE OF SERVICE		
2	Pursuant to NRCP 5(b), I certify that I am an employee of ROBISON, BELAUSTEGUI,		
3	CASINOS. INC.'S REPLY TO PLAINTIFF'S OPPOSITION TO DEFENDANT'S MEMORANDUM OF FEES AND COSTS on all parties to this action by the method(c) indicated		
4			
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:		
6	by using the Court's CM/ECF Electronic Notification System addressed to:		
7	H. STAN JOHNSON, ESQ. TERRY KINNALLY, ESQ.		
8	Cohen-Johnson, LLC 255 E. Warm Springs Road, Suite 100		
9	Las Vegas, NV 89119 Email: sichnson@cohenjohnson.com / tkinnally@cohenjohnson.com		
10	Attorneys for Plaintiff		
11	MARK WRAY, ESQ. 608 Lander Street Barra NN 80500		
12	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u> Attorneys for Plaintiff		
13	MARK GUNDERSON, ESO.		
14	JOHN R. FUNK, ESQ. Gunderson Law Firm		
15	Reno, NV 89509		
16	Email: <u>mgunderson@gundersonlaw.com</u> <u>ifunk@gundersonlaw.com</u> Attorneys for Defendant Ryan Tors		
17	MICHAEL P. SOMPS, ESQ.		
18	DARLENE B. CARUSO, ESQ. State Gaming Control Board		
19	555 East Washington Avenue, Suite 3900 Las Vegas, NV 89101-1068		
20 21	Email: dcaruso@ag.nv.gov/ <u>msomps@ag.nv.gov</u> Attorneys for Nevada Gaming Control Board		
21	by electronic email addressed to the above.		
22	by personal delivery/hand delivery addressed to:		
23	by facsimile (fax) addressed to:		
25	by Federal Express/UPS or other overnight delivery addressed to:		
26	DATED: This and day of January, 2015.		
20	Dani tout		
28	V. JAYNE FERRETTO		
Robison, Belaustegui, Sharo & Low 71 Washington Street Reno, Nevada 89503 (775) 329-3151			

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		FILED Electronically
		2015-01-06 12:20:41 PM Jacqueline Bryant
1	3860	Clerk of the Court Transaction # 4761049 : mcholica
2	KENT R. ROBISON, ESQ NSB #1167 krobison@rbsllaw.com	
3	KEEGAÑ G. LOW, ESQ. – NSB #307 klow@rbsllaw.com	
	THERESE M. SHANKS, ESO. – NSB # 12890	
4	tshanks@rbsllaw.com Robison, Belaustegui, Sharp & Low	
5	A Professional Corporation 71 Washington Street	
6	Reno, Nevada 89503	
7	Telephone: (775) 329-3151 Facsimile: (775) 329-7169	
8	Attorneys for Defendant Peppermill Casinos,	
9	Inc., d/b/a Peppermill Casino	
10	IN THE SECOND JUDICIAL DISTRI	CT FOR THE STATE OF NEVADA
	IN AND FOR THE CO	UNTY OF WASHOE
11		
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704
13	Plaintiff,	DEPT. NO.: B7
14	vs.	BUSINESS COURT DOCKET
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;	
16	RYAN TORS, an individual: JOHN DOES I-X	
17	and JANE DOES I-X and CORPORATIONS I-X,	
18	Defendant(s).	
19	/	
20	REQUEST FOR S	SUBMISSION
20		Casinos, Inc.'s Memorandum of Costs and
22	Attorneys' Fees in Response to Court's Order of Nov	
23	2014, in the above-entitled matter, be submitted for d	
24	copy of this Request has been served on all counsel	of record.
25		TIAN
26	<u>AFFIRMA</u> Pursuant to NR	
27	The undersigned does been by officer 41-441-1	dommout does not excite the set
28		s document does not contain the social security
Robison, Belaustegui, Sharp & Low	number of any person.	
71 Washington St. Reno, NV 89503 (775) 329-3151	1	

1	DATED this day of January, 2015.
2	ROBISON, BELAUSTEGUI, SHARP & LOW
3	ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation 71 Washington Street Reno, Nevada 89503
4	Reno, Nevada 89503
5	a and .
6	KENT R. ROBISON
7	KEEGAN G. LOW THERESE M. SHANKS
8	THERESE M. SHANKS Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino
9	
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28 Robison, Belanstegui, Sharp & Low 71 Washington SL Reno, NV 89503 (775) 329-3151	2

1	CERTIFICATE OF SERVICE		
2			
3	SHARP & LOW, and that on this date I caused to be served a true copy of the <u>REOUEST FOR</u> <u>SUBMISSION</u> on all parties to this action by the method(s) indicated below:		
4	by placing an original or true copy thereof in a scaled envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:		
5	by using the Court's CM/ECF Electronic Notification System addressed to:		
6	H. STAN JOHNSON, ESQ. TERRY KINNALLY, ESQ.		
7	Cohen-Johnson, LLC 255 E. Warm Springs Road, Suite 100		
9	Las Vegas, NV 89119 Email: <u>sjohnson@cohenjohnson.com</u> / <u>tkinnally@cohenjohnson.com</u> Attorneys for Plaintiff		
10	MARK WRAY, ESO.		
11	608 Lander Street Reno, NV 89509		
12	Email: <u>mwray@markwray.law.com</u> Attorneys for Plaintiff		
13	MARK GUNDERSON, ESQ. JOHN R. FUNK, ESQ.		
14	Gunderson Law Firm 3895 Warren Way Rema NIV 80500		
15	Reno, NV 89509 Email: <u>mgunderson@gundersonlaw.com</u> <u>ifunk@gundersonlaw.com</u>		
16	Attorneys for Defendant Ryan Tors		
17	MICHAEL P. SOMPS, ESQ. DARLENE B. CARUSO, ESQ. State Gaming Control Board		
18	555 East Washington Avenue, Suite 3900 Las Vegas, NV 89101-1068		
19	Email: dcaruso@ag.nv.gov / <u>msomps@ag.nv.gov</u> Attorneys for Nevada Gaming Control Board		
20 21	by electronic email addressed to the above.		
21	by personal delivery/hand delivery addressed to:		
23	by facsimile (fax) addressed to:		
24	by Federal Express/UPS or other overnight delivery addressed to: DATED: This ( the day of January, 2015.		
25	vay or samuary, 2015.		
26	Do sume tirets		
27	V. JAINE PHREETU		
28 Robison, Belaustegui, Sharp & Low			
Sharp & Low 71 Washington Street Reno, Nevada 89503 (775) 329-3151			

		FILED
		Electronically 2015-01-08 10:21:49 AM
1	3790	Jacqueline Bryant Clerk of the Court
	KENT R. ROBISON, ESQ NSB #1167	Transaction # 4764789 : mcholico
2	krobison@rbsllaw.com	
3	KEEGAN G. LOW, ESQ. – NSB #307 klow@rbsllaw.com	
-	THERESE M. SHANKS, ESO NSB # 12890	
4	tshanks@rbsllaw.com Robison, Belaustegui, Sharp & Low	
5	A Professional Corporation	
6	71 Washington Street Reno, Nevada 89503	
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7	Facsimile: (775) 329-7169	
8	Attorneys for Defendant Peppermill Casinos,	
9	Inc., d/b/a Peppermill Casino	
•	IN THE SECOND JUDICIAL DISTRI	CT FOR THE STATE OF NEVADA
10	IN AND FOR THE CO	
11	IN AND FOR THE CO	UNIT OF WASHOE
12	MEI-GSR HOLDINGS, LLC, a Nevada	CASE NO.: CV13-01704
	Corporation, d/b/a/ GRAND SIERRA RESORT,	
13	Plaintiff,	DEPT. NO.: B7
14	vs.	BUSINESS COURT DOCKET
15	PEPPERMILL CASINOS, INC., a Nevada	
16	Corporation, d/b/a/ PEPPERMILL CASINO; RYAN TORS, an individual; JOHN DOES I-X	
	and JANE DOES I-X and CORPORATIONS I-X,	
17		
18	Defendant(s).	
19		
	PEPPERMILL CASINOS, INC.'S REPI	LY TO PLAINTIFF'S OPPOSITION
20	TO DEFENDANT'S MOT	ION FOR CONTEMPT
21	The Plaintiff ("GSR") either suffers from in	excusable confusion or GSR has attempted to
22	mislead the Court and the Defendants. The pertinent	nt chronology is as follows:
- 23	1. On November 26, 2014, this Honora	ble Court entered its Order by which it
24	sanctioned GSR for its failure to participate in good	faith in the discovery process. See Exhibit 1.
25	Among other things, this Court ordered GSR to pro-	duce all documents relevant to damages on or
26	before December 15, 2014. Exhibit 1, p. 9, Ins. 24-	-26.
27	2. On December 4, 2014, Peppermill's	counsel reminded GSR that it was obligated to
28	produce all documents "that in any way pertain or re-	elate to damages on or before December 15,
Robison, Belanstegni, Sharp & Low 21 Washington St		
71 Washington St. Reno, NV 89503 (775) 329-3151	1	
1.12.26-262	1	

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2014." Peppermill reminded GSR that this production would include the working file of GSR's 1 damage expert David Schwartz, including payments made for his services, "his work file, his 2 notes, and any research to which he referred, including the article he referred to authored 3 by Dr. Anthony Lucas." See Exhibit 2, emphasis added. 4 5 3. GSR responded on December 10, 2014. GSR accused Peppermill of 6 misunderstanding this Court's Order. GSR refused to produce Dr. Schwartz's working file. GSR 7 further noted that because the Peppermill had withdrawn a Subpoena Duces Tecum, GSR would not be required to produce Dr. Schwartz's working file concerning his damage calculations. See 8 9 Exhibit 3. 10 4. Because GSR took this unreasonable position, the Peppermill filed its Motion 11 asking this Court to find that GSR was in contempt for its refusal to produce Dr. Schwartz's file concerning his damage calculations and other research he performed. That Motion was filed on 12 13 December 17, 2014. 5. 14 On January 2, 2015, GSR filed its Opposition to the Peppermill's Motion asking 15 that GSR be held in contempt for its failure and refusal to produce and provide the damage calculations and related documents performed by and possessed by GSR's damage expert, David 16 17 Schwartz. 18 6. GSR falsely claims that on December 4, 2014, it provided the Defendants with its 19 Fifth Supplemental Disclosure Pursuant to NRCP 16.1. That Fifth Supplemental Disclosure was 20 not served on the Defendants. Exhibit 4 is a letter authored by counsel for Defendant Ryan Tors 21 in which Mr. Funk confirms that GSR's Fifth Supplemental Disclosure Pursuant to NRCP 16.1 22 was NOT served on the Defendant Tors. 23 7. Attached hereto as Exhibit 5 is the Affidavit of Peppermill's counsel attesting to 24 the fact that the Plaintiff's Fifth Supplemental Disclosure Pursuant to NRCP 16.1 was not served 25 on the Peppermill. 26 8. Ironically, the Plaintiff's Fifth Supplemental Disclosure claims that documents 27 were produced relative to the notes from David Schwartz, Ph.D. "re: Computation of Damages GSR 103." (See Opposition, Ex. 1, p. 6 of 8.) The computation notes of David Schwartz, Ph.D., 28

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1	have not and were not produced. See Exhibit 6. Counsel for the Peppermill has reviewed all of	
2	the productions by GSR and GSR has failed and refused to produce document GSR 103, which is	
3	allegedly the notes from David Schwartz, Ph.D. re: Computation of Damages. See Exhibit 5 and	
4	Exhibit 6.	
5	9. It is shocking that on December 10, 2014, GSR claimed that it was not required to	
6	provide Dr. Schwartz's working file when it now claims that six days prior to taking that position,	
7	it did produce Dr. Schwartz's working file. This contradiction is highly suspicious.	
8	10. First, GSR refuses to produce Dr. Schwartz's working file. See Exhibit 3. It's	
9	refusal to produce Dr. Schwartz's working file, however, was dated Dccember 10, 2014. Now,	
10	however, GSR claims that it produced that which it refused to produce six days earlier in a Fifth	
11	Supplemental Disclosure that none of the Defendants received until it was attached as Exhibit 1 to	
12	GSR's Opposition to Defendant's Motion for Contempt.	
13	11. Three problems with GSR's credibility are inescapable:	
14	(1) GSR has not produced the notes from David Schwartz's file regarding his	
15	computation of damages;	
16	(2) The Fifth Supplemental Disclosure Pursuant to NRCP 16.1 (Exhibit 1 to	
17	GSR's Opposition) appears to have been backdated; and	
18	(3) GSR is claiming that it produced on December 4, 2014, documents to which	
19	it objected producing on December 10, 2014.	
20	At the risk of being redundant, GSR is playing fast and loose with the Rules of Civil	
21	Procedure. It was ordered to produce all documents concerning its damages on or before	
22	September 30, 2014. It refused to do so. The Court ordered that it do so on November 26, 2014.	
23	The Court ordered that the documents be provided by December 15, 2014. Yet, on December 10,	
24	2014, GSR simply refused to produce Dr. Schwartz's working file. Now that GSR is facing	
25	additional contempt charges, a mysterious document appears as Exhibit 1 to GSR's Opposition	
26	that has not been served on Defendant Tors or Defendant Peppermill.	
27	This curious alignment of conflicting, contradictory and inconsistent representations made	
28 	by the Plaintiff warrants additional sanctions. Worse, one of the critical documents, GSR 103, has	

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1	still not been produced. Sanctions are indeed warranted and they should be substantial. This
2	Court's Order of November 26, 2014, has obviously failed to get GSR's attention. GSR continues
3	to either fabricate documents or involve itself in discovery with an obstinate and contemptuous
4	attitude toward both the Court and the Defendants.
5	
6	AFFIRMATION Pursuant to NRS 239B.030
7	r ursuant to NKS 239D.050
8	The undersigned does hereby affirm that this document does not contain the social security
9	number of any person.
10	Respectfully submitted this 8 <sup>th</sup> day of January, 2015.
11	ROBISON, BELAUSTEGUI, SHARP & LOW
12	A Professional Corporation 71 Washington Street
13	Reno, Nevada 89503
14	NOD
15	KENTR. ROBISON KEEGAN G. LOW
16	THERESE M. SHANKS Attorneys for Defendant
17	Peppermill Casinos, Inc., d/b/a Peppermill Casino
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Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	4

	8	
1	CERTIFICATE OF SERVICE	
2	Pursuant to NRCP 5(b), I certify that I am an employee of ROBISON, BELAUSTEGUI,	
3	CASINOS, INC.'S REPLY TO PLAINTIFF'S OPPOSITION TO DEFENDANT'S MOTION	
4	FOR CONTEMPT on all parties to this action by the method(s) indicated below:	
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:	
6	by using the Court's CM/ECF Electronic Notification System addressed to:	
7	H. STAN JOHNSON, ESQ. TERRY KINNALLY, ESQ.	
8	Cohen-Johnson, LLC 255 E. Warm Springs Road, Suite 100	
9	Las Vegas, NV 89119 Email: <u>sjohnson@cohenjohnson.com</u> / <u>tkinnally@cohenjohnson.com</u>	
10	Attorneys for Plaintiff	
11	MARK WRAY, ESQ. 608 Lander Street	
12	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u>	
13	Attorneys for Plaintiff	
13	MARK GUNDERSON, ESQ. JOHN R. FUNK, ESQ.	
	Gunderson Law Firm 3895 Warren Way	
15	Reno, NV 89509 Email: <u>mgunderson@gundersonlaw.com</u>	
16	jfunk@gundersonlaw.com Attorneys for Defendant Ryan Tors	
17		
18	by electronic email addressed to the above.	
19	by personal delivery/hand delivery addressed to:	
20	by facsimile (fax) addressed to: by Federal Express/UPS or other overnight delivery addressed to:	
21	DATED: This 8th day of January, 2015.	
22		
23	2 Anne for	
24	V. JAYNE FERRET TO	
25		
26		
27		
28		
Robison, Belaustegul, Sharp & Low 71 Washington Street Reno, Nevada 89503 (775) 329-3151		

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1	EXHIBIT LIST		
2	<u>Exhibit No.</u>	Description	Pages
3	1	Order entered November 26, 2014	11
4	2	12/4/14 letter from Kent R. Robison to GSR Counsel	2
5	3	12/10/14 letter from Terry Kinnally to Kent Robison and Mark Gunderson	2
7	4	1/5/15 letter from John R. Funk to Stan Johnson and Terry Kinnally	1
9	5	Affidavit of Kent R. Robison	1
10	6	Affidavit of James Stewart	2
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28 Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151			

FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Clerk of the Court Transaction # 4764789 : mcholico

## **EXHIBIT** 1

## **EXHIBIT** 1

RA 01471

I 2	FILED Electronically 2014-11-26 11:03:45 AM Jacqueline Bryant Clerk of the Court Transaction # 4712721	
3		
4		
5		
6	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA	
7	IN AND FOR THE COUNTY OF WASHOE	
8		
9 10	MEI-GSR HOLDINGS, LLC, aCase No.:CV13-01704Nevada corporation, dba GRAND SIERRA RESORT,Dept. No.:7	
11	Plaintiff,	
12	<b>vs</b> .	
13	PEPPERMILL CASINOS, INC., a	
14	Nevada corporation, dba PEPPERMILL CASINO; RYAN TORS, an individual; et al.,	
15	Defendants.	
16	/	
17	ORDER	
18 19	On August 25, 2014, Defendant PEPPERMILL CASINOS, INC., filed a	
20	Motion for Terminating Sanctions or, in the Alternative, Motion to Compet	
21	Discovery. Defendant RYAN TORS joined the Motion on August 28, 2014. On	
22	September 9, 2014, Plaintiff MEI-GSR HOLDINGS, LLC filed its Motion to Strike	
23	and Dismiss Defendant Peppermill's Motion for Case Terminating Sanctions, which	
24	will be treated here as an opposition. Peppermill filed an Opposition to Plaintiff's	
25	Motion to Strike on September 26, 2014, which will be treated here as a reply. The	
26	Motion of August 25, 2014, was submitted for decision on October 14, 2014. On	
27	October 27, 2014, Peppermill filed a Motion for Order Compelling GSR to Show	
28	Cause why it not be Held in Contempt, which has not been opposed. On November	
	1	

12, 2014, Peppermill filed a Supplemental Motion for Terminating Sanctions or, in 1 the Alternative, for an Order to Show Cause why Plaintiff not be Held in Contempt 2 and Subjected to Severe Sanctions, renewing several of its arguments in earlier 3 filings, on November 12, 2014. The Court will now take up all issues Peppermill 4 has raised in its motions for "terminating sanctions" from August 25, 2014, and 5 November 12, 2014, as well as in its Motion for Order Compelling GSR to Show 6 Cause from October 27, 2014. It should be noted that GSR has not responded to the 7 Motion to Show Cause or to the Supplemental Motion. 8

9 First, the Court notes that several collateral disputes have already been 10 resolved which are relevant to Peppermill's claims here. On June 4, 2014, Peppermill filed a Motion to Dismiss Complaint alleging that GSR was refusing to 11 provide a calculation of damages. On June 18, 2014, GSR filed an Opposition to 12 Defendants' Motion to Dismiss Complaint and Counter-Motion to Compet 13 Disclosures under NRCP 16.1 claiming that it was relieved from its obligation to 14 provide a calculation of damages because Peppermill had failed to confer about the 15 matter prior to filing the motion and that Peppermill must be compelled to provide 16 certain documents under NRCP 16.1. The discovery issues were referred to the 17 Discovery Commissioner, who issued an unopposed Recommendation for Order on 18 September 19, 2014. This Court adopted those recommendations on October 1 19 2014, ordering GSR to provide to the Defendants, no later than September 30, 2014, 20 an updated calculation of damages under NCRP 16.1(a)(1)(C), and to identify and 21 make available for inspection any documents, electronically stored information, or 22 tangible things that it is relying upon in support of its damages claim. 23

A separate issue involving depositions has also been resolved. On June 4, 25 2014, Peppermill served GSR with a notice of NRCP 30(b)(6) depositions, with an 26 amended deposition notice on June 11, 2014. GSR refused to provide deponents as 27 demanded in the notice and, on June 19, 2014, it filed a Motion for Protective Order 28 on an Order Shortening Time and for Stay of Depositions Pending Hearing on the Matter. The issue was referred to the Commissioner who returned a
 Recommendation for Order on October 2, 2014. GSR filed an Objection on October
 10, 2014 and Peppermill filed an Opposition to the Objection on October 24, 2014.
 On November 13, 2014, the Court adopted the Commissioner's recommendation,
 ordering GSR to designate and produce one or more representatives to testify on its
 behalf pursuant to NRCP 30(b)(6) regarding the topics identified in Peppermill's
 amended notice.<sup>1</sup>

8

### Legal Standard

Peppermill asks that GSR's complaint be dismissed with prejudice. Under
NRCP 37(b)(2)(C), a district court has discretion to issue sanctions, including caseconcluding sanctions, against a party for willful failure to comply with a discovery
order, or where the adversary process has been halted by actions of unresponsive
party. GNLV Corp. v. Service Control Corp., 111 Nev. 866, 900 P.2d 323 (1995).
Fundamental notions of fairness and due process require that discovery sanctions
be just and that sanctions relate to the specific conduct at issue. Id.

#### <u>Analysis</u>

The Court will address each of the alleged discovery violations and motions to
compel before taking up the issue of whether GSR's conduct, as a whole, is
sanctionable.

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#### a. Computation of damages and related documents

Peppermill alleges that GSR failed to reasonably provide a mandatory computation of damages and related documents as required by NRCP 16.1(a)(1)(C) and by orders of this *Court*. NRCP 16.1(a)(1)(C) states that, without awaiting a discovery request, a party must provide a computation of damages, making available for inspection and copying the documents or other evidentiary matter, not privileged or protected from disclosure, on which the computation is based.

<sup>28 &</sup>lt;sup>1</sup> The recommendation excepted "Topic 26," which was determined to be overbroad and therefore subject to a protective order.

1 On September 19, 2014, the Commissioner issued a Recommendation for Order finding that GSR's calculation of damages as included in its initial 2 disclosures was deficient and that GSR should be compelled to provide an updated 3 calculation of damages, along with related documents, by September 30, 2014. 4 Neither party opposed the Recommendation. It was adopted by the Court on 5 October 1, 2014. Peppermill acknowledges that GSR has provided the requested б computation of damages in the form of an affidavit, dated September 9, 2014, from 7 Dr. David Schwartz, GSR's damages expert. Peppermill contends, however, that 8 the affidavit is false and misleading (see discussion below) and that GSR has 9 refused to produce related documents. GSR has not responded to this argument. 10

Any failure by GSR to identify and make available documents related to its damages calculation is a violation of this Court's adopted Order of October 1, 2014. GSR is hereby compelled to comply with that directive by December 15, 2014, if it has not already done so by the time of this Order.

15

### b. Requests for Production of Documents

Peppermill alleges that GSR has willfully failed to comply with requests for 16 production of documents in contravention of Court orders. Peppermill specifically 17 identifies the above-referenced documents pertaining to damages calculations 18 (Motion for Sanctions at 5; Supplemental Motion at 3) as well as other documents 19 related to testimony given by GSR's named witnesses at deposition (Motion for 20 21 Order to Show Cause at 2). It appears that all documents requested pertain in some 22 way to calculation of damages, i.e. "slot strategies, marketing policies, and hold 23 percentages." Id.; see also Recommendation for Order of October 2, 2014. As 24 described above, GSR is compelled to disclose those documents.

25

### c. False and misleading testimony

Peppermill alleges that the calculations of GSR's damages expert, David
Schwartz, are admitted by him to be inaccurate, and that GSR has a duty to correct
the record accordingly. The Court is not in receipt of Dr. Schwartz' deposition, and

therefore can make no determination as to his alleged admissions concerning his
 affidavit. Moreover, any issue as to inconsistency in Dr. Schwartz' statements is an
 issue of weight and credibility, not of compliance with the rules of discovery. GSR
 has provided its expert's damages calculations as directed. The reliability of those
 calculations is an issue for trial.

6

#### d. Interrogatories

Peppermill alleges that GSR has failed to provide meaningful answers to two
separate sets of interrogatories, served June 4, 2014 and September 30, 2014,
respectively. GSR argues that it did not file a response to the first set because it
was understood that its *Motion for a Protective Order*, filed June 19, 2014, was to
serve as a general objection to the interrogatories. The parties agree that GSR
responded to the second set on November 3, 2014, although Peppermill claims that
the responses are generally unsatisfactory.

The Court denied in part GSR's Motion for a Protective Order on October 1, 2014, thereby overruling GSR's general objection with respect to most if not all of the first set of interrogatories. GSR is directed to respond forthwith to the first set of interrogatories to the extent that the answers are not subject to the partial protective order.

The Court has reviewed GSR's untimely responses to the second set of interrogatories. While GSR objects to nearly every request, it properly states reasons for the objections and otherwise answers to the extent the interrogatories are not objectionable. See NRCP 33(b)(1). In response to the objections, Peppermill moves to compel disclosure under NRCP 33(b)(5). It fails, however, to identify which of GSR's objections it is challenging or to cite specific authority compelling disclosure. Absent more, an order compelling discovery is not appropriate.

e. Depositions

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On November 3 and 4, Peppermill deposed several of GSR's witnesses

pursuant to NRCP 30(b)(6).<sup>2</sup> Peppermill complains that, while GSR provided 1 witnesses for the topics identified, the witnesses generally lacked the knowledge 2 necessary to answer questions posed at deposition. 3 Peppermill claims that, pursuant to NRCP 30(b)(6), it is entitled to depose the "person most knowledgeable" 4 or "PMK" on each identified topic. Failure to provide such a witness or to 5 adequately prepare a witness for deposition, Peppermill contends, is "tantamount to 6 failure to appear" and is subject to immediate sanction. Supplemental Motion at 10 7 (citing United States v. Taylor, 166 F.R.D. 356, 363 (M.D.N.C. 1996); Wilson v. 8 Lakner, 228 F.R.D. 524, 530 (D. Md. 2005)). 9

10 The Discovery Commissioner addressed the issue of PMK depositions in his Recommendation for Order of October 2, 2014 (see pages 8-9). Therein, the 11 Commissioner noted that an organization is not actually required to provide the 12 "person most knowledgeable" on a topic, only a witness adequately prepared to 13 speak on corporate knowledge of the subject. Id. (citing Cummings v. General 14 Motors Corp., No. Civ. 00-1562-W, 2002 WL 32713320 (W.D. Okla. Jun. 18, 2002). 15 The testimony of the Rule 30(b)(6) designee is deemed to be the testimony of the 16 corporation itself, not of the individual deponent. Great American Insurance Co. of 17 New York v. Vegas Const. Co., Inc., 251 F.R.D. 534, 538 (D. Nev. 2008). 18

Peppermill takes issue with the testimony of three of GSR's witnesses: Ralph
Burdick, Toby Taylor, and Craig Robinson. They claim each was woefully
underprepared to be deposed on the topics designated, thereby wasting time and
money. It complains of Mr. Robinson's testimony in particular, describing it as
"clearly the most egregious breach of discovery duties that has yet occurred in this
case." Supplemental Motion at 8.

25

<sup>26</sup> Peppermill notes that depositions had previously been scheduled for the end of August, but that GSR had failed to appear for those depositions without notice. GSR argues that the parties had an understanding that the depositions would not proceed if the Court had not yet ruled on GSR's Motion for a Protective Order, which it had not. Regardless of the circumstances, the parties are encouraged to communicate in advance of an approaching deadline, no matter how tenuous, so as not to waste one another's time over a misunderstanding.

Mr. Robinson is GSR's Chief Financial Officer. Supplemental Motion, Ex. 3, 1 Deposition of Craig Robinson at 4. Peppermill sought to depose him on the issues of 2 (1) damages, (2) the "independent economic value" of the information obtained by 3 Ryan Tors, and (3) the allegations of Peppermill's intent to financially harm GSR. 4 5 At the time of his deposition, he had been working for GSR for approximately seven weeks. Id. at 11. He acknowledged that he had not reviewed any documents or done 6 any internal investigation to prepare himself for his deposition, and that he was 7 instead relying entirely on his day-to-day familiarity with GSR's financial records in 8 9 answering the questions posed. Id. at 13-15; 40.

The text of Mr. Robinson's deposition reveals that, because of this, he was 10 unprepared to provide meaningful answers. Robinson admitted that he had no 11 specific knowledge as to damages or the independent value of appropriated 12 information until a week before the deposition. Id. at 26-27. He further conceded 13 that the lion's share of his specific knowledge had been obtained through 14 15 discussions with counsel, creating privilege issues and limiting his possible testimony. Id. at 26-27, 67-68. Robinson had never read the Complaint. Id. at 49-16 50. Robinson had never met with GSR's damages expert or reviewed that expert's 17 affidavit. Id. at 26-27, 92-93. He was therefore unfamiliar with the exact amounts 18 19 of damages claimed or how they were calculated. Id. at 26-27; 53; 64, 90-91. In general, he was unable to identify anyone else who might have knowledge as to 20 21 damages. Id. at 35, 43. With respect to the appropriated information, Robinson 22 was unaware exactly what had been obtained. Id. at 86, 88. As to its value he was 23 able to opine only that confidential par settings acquired from competitors are generally "invaluable." Id. at 68, 74-79. The information sought on these topics is 24 25 clearly within the scope of GSR's corporate knowledge, as it forms the basis for the 26 instant suit. It was clearly not within Mr. Robinson's knowledge, however, making him ineffective as an NRCP 30(b)(6) witness. As the court in Great American Ins. 27 28 Co. indicated, the failure to produce a Rule 30(b)(6) designee who is adequately

educated and prepared to testify on designated topics amounts to a nonappearance
 which could warrant the imposition of sanctions. Great American Ins. Co. of New
 York, 251 F.R.D. at 542.

With respect to Mr. Burdick and Mr. Taylor, Peppermill notes that each was 4 unable to provide information related to several of the noticed topics. In contrast 5 with Mr. Robinson, however, the topics for which Mr. Burdick and Mr. Taylor had б no knowledge focus mainly on things that may plausibly be outside GSR's corporate 7 8 knowledge. Mr. Burdick and Mr. Taylor were unable to answer questions about the use the Peppermill made of the information obtained by Mr. Tors, the specific and 9 10 precise accounting information and disgnostics obtained by Mr. Tors. Mr. Burdick was unable to answer questions about whether Peppermill "will likely continue to 11 misappropriate trade secrets of the GSR." Supplemental Motion at 7. These topics 12 involve information which GSR was no doubt hoping to obtain through its own 13 14 discovery. The deponents' failure to have that information is therefore not necessarily indicative of a failure to prepare. Without a copy of either deposition, 15 the Court is unable to verify what steps they did, in fact, take in preparation to 16 17 testify. Without more, it is not clear that Mr. Burdick and Mr. Taylor were 18 ineffective as an NRCP 30(b)(6) witnesses.

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### f. Sanctionable Conduct and Sanctions

20 Two items of GSR's conduct are of particular concern: (1) its failure to adequately prepare Craig Robinson to testify as an NRCP (30)(b)(6) witness; and (2) 21 22 its failure to produce documents related to its calculation of damages, in violation of 23 this Court's Order. As stated, NRCP 37(b)(2)(C), provides courts with discretion to 24 issue sanctions, including case-concluding sanctions, against a party for willful 25 failure to comply with a discovery rule or order, or where the adversary process has been halted by actions of unresponsive party. GNLV Corp. v. Service Control Corp. 26 27 111 Nev. 866, 900 P.2d 323 (1995). However, rules of fairness and of due process 28 require that the sanctions be fair and be tailored to the specific conduct at issue. Id.

1 None of the issues here are so severe or so related to the case's foundations that case-terminating sanctions are warranted. This is not to say, that GSR's 2 misconduct has been harmless. The effects of its failure to prepare Mr. Robinson to 3 be deposed are easily measured: Peppermill was forced to incur the costs of 4 preparing to depose and deposing a witness who had admittedly done no 5 preparation to speak on corporate knowledge of the topics identified. Peppermill 6 7 was then forced to file its Supplemental Motion for Sanctions raising this issue. GSR is hereby sanctioned and ordered to pay Peppermill's reasonable costs and fees 8 incurred in deposing Mr. Robinson and in filing its Supplemental Motion. It is 9 further compelled to provide and adequately prepare, in accordance with the 10 strictures of NRCP 30(b)(6), an alternate deponent for the topics identified for Mr. 11 12 Robinson.

The effects of GSR's failure to provide documents related to its computation 13 of damages are more difficult to quantify. Its action fits with what appears to be a 14 pattern of resistance throughout the discovery process in this case. The suit is now 15 over a year old. As time passes and as both sides experience changes in personnel, 16 17 it will only become more difficult for meaningful evidence to be uncovered. GSR failed to identify its precise claim for damages until ordered to do so and the 18 resulting hardship is compounded by its failure to also produce the documentary 19 20 support for its calculations. As a result of GSR's foot-dragging, Peppermill has been 21 forced to incur expenses seeking redress from this Court. GSR is hereby sanctioned 22 and ordered to pay Peppermill's reasonable costs and fees incurred in filing its Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery 23 24 and in responding to objections thereto. As noted above, GSR is further compelled to provide the documents at issue by December 15, 2014, or risk the imposition of 25 26 meaningful economic sanctions.

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#### **CONCLUSION**

2 Based on the foregoing, Defendant's Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery, as well as its Supplemental Motion for 3 Terminating Sanctions or, in the Alternative, for an Order to Show Cause Why 4 Plaintiff Not be Held in Contempt and Subjected to Severe Sanctions are 5 GRANTED in part and DENIED in part in accordance with this Order. 6 Defendant's Motion for Order Compelling GSR to Show Cause why it not be Held in 7 Contempt is DENIED. Plaintiff is hereby compelled to provide discovery as 8 9 described herein.

Further, Plaintiff is hereby sanctioned and ordered to pay to Defendant 10 11 Peppermill the reasonable costs and attorney's fees incurred in filing its Motion for 12 Terminating Sanctions and its Supplemental Motion for Terminating Sanctions, as well as the responses thereto, as well as the reasonable costs and attorney's fees 13 incurred in preparing to depose and deposing Craig Robinson on November 4, 2014. 14 Defendant is ordered to submit memoranda of the above costs within ten (10) days. 15 Plaintiff will have ten (10) days to serve and file written responses thereto. 16 17 Defendant may then serve and file a reply within five (5) days.

### IT IS HEREBY ORDERED.

1

18

19 20 21

DATED this \_\_\_\_\_ day of November, 2014.

**District** Judge

1	CERTIFICATE OF SERVICE
2	Pursuant to NRCP 5(b), I hereby certify that I am an employee of the Second
3	Judicial District Court of the State of Nevada, County of Washoe; that on this
4	day of November, 2014, I electronically filed the following with the Clerk of
5	the Court by using the ECF system which will send a notice of electronic filing to
6	the following:
7	Alisa Nave-Worth, Esq., for Peppermill Casinos, Inc.;
8	H. Johnson, Esq., for MEI-GSR Holdings, LLC;
9	John Funk, Esq., for Ryan Tors;
10	Michael Somps, Esq., for Nevada Gaming Commission, State Gaming Control
11	Board;
12	I deposited in the Washoe County mailing system for postage and mailing
13	with the United States Postal Service in Reno, Nevada, a true copy of the attached
14	document addressed to:
15	
16	Judicial Agaistant
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FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Cierk of the Court Transaction # 4764789 : mcholico

# EXHIBIT 2

## **EXHIBIT 2**

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RA 01483



#### ROBISON, BELAUSTEGUI, SHARP & LOW

December 4, 2014

AS FORNEYS.

Kenr R. Robeon Thomas L. Belsuscepti E. DeArmond Sharp Keegar G. Low Bury L. Breslow Mark G. Simmis Michael E. Sullivan Chyson P. Brus-Stefang, T. Sharp

Frank C. Gilmore Michael A. Burke Therese M. Shanks Score L. Hernandez

P 775-529-3151 F 775-329-7941

7) Washington Street Reno. Nevada 89503

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#### Via Email: <u>sichnson@cohenichnson.com</u> <u>tkinnally@cohenichnson.com</u> <u>scohen@cohenichnson.com</u> H. Stan Johnson, Esq.

Steven B. Cohen, Esq. Terry Kinnally, Esq. Cohen-Johnson, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119

Via Email: <u>mwray@markwray.law.com</u> Mark Wray, Esq. 608 Lander Street Reno, NV 89509

#### Re: GSR v. Peppermill/Tors

Dear Counsel:

As you know, we have scheduled a series of NRCP 30(b)(6) depositions for December 18, 2014. The topics on which the GSR is required to produce knowledgeable witnesses about pertain to the playing activity of our expert, Stacy Friedman. To prevent the GSR from making unnecessary and inappropriate objections, I am providing herewith a properly executed and notarized Authorization for Release of Gaming Records executed by Mr. Friedman. Accordingly, there exists no ethical or procedural prohibitions preventing your NRCP 30(b)(6) witnesses from testifying completely and fully about the NRCP 30(b)(6) topics.

We still have not received responsive and complete answers to our First Set of Interrogatories. On November 26, 2014, Judge Flanagan ordered that you produce those answers "forthwith". Your delay is inexcusable. If we have not received full and complete answers to the First Set of Interrogatories on or before Wednesday, December 10, 2014, we will, once again, make a Motion for Order to Show Cause why GSR and its counsel not be sanctioned.

GSR is obligated to produce all documents responsive to our Request for Production of Documents and all documents that in any way pertain or relate to damages on or before December 15, 2014. This production must include the working file of David Schwartz, including all payments for his services, his work file, his notes, and any research to which he referred, including the article he referred to authored by Dr. Anthony Lucas.

Yours ver KENT R. ROBISON

KRR:jf Attachment cc: Mark Gunderson, Esq. (w/attachment)

J/WPDataKm1872.005-Peppermill-OSR vil-Johnson.Cohen Kinnally, Wray.12-03-14.docx

#### AUTHORIZATION FOR RELEASE OF GAMING RECORDS

I, STACY FRIEDMAN, holder and owner of Grand Sierra Resort Player Card No. 200080747, do hereby permit, authorize and consent the Grand Sierra Resort to release my play records and information to Kent R. Robison, Esq., Robison, Belaustegui, Sharp & Low, 71 Washington Street, Reno, Nevada \$9503, pursuant to and in accordance with the Notice of Taking Depositions of Plaintiff's Persons Most Knowledgeable Pursuant to NRCP 30(b)(6) dated November 24, 2014, filed in Case No. CV13-01704, in the Second Judicial District for the State of Nevada, in and for the County of Washoe.

Dated this  $25^{+n}$  day of November, 2014.

ARIDINAN

Subscribed and Sworn to Before me this 25<sup>th</sup> day of November, 2014, by Stacy Friedman.

NOMARYPUBLIC

CFFICIAL SEAL LABON M HRYGIW NOTARY PUBLIC - OREGON COMMISSION NO. 488128 NY COMMISSION DUPINES FEINMARY 17, 2015

### **Jayne Ferretto**

From:	Jayne Ferretto
Sent:	Thursday, December 04, 2014 5:53 PM
То:	'sjohnson@cohenjohnson.com'; tkinnally@cohenjohnson.com; scohen@cohenjohnson.com
Cc:	'Mark Gunderson'; Kent Robison; Scott Hernandez
Subject:	GSR v. Peppermill / Tors
Attachments:	L-Robison to Counsel.12-04-14.pdf

1

Dear Counsel:

Attached hereto is Mr. Robison's letter to counsel of this date.

Thank you.

Jayne Ferretto Assistant to Kent Robison

FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Clerk of the Court Transaction # 4764789 : mcholico

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## EXHIBIT 3

## EXHIBIT 3

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RA 01487

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### COHEN I JOHNSON ATTORNEYS & COUNSELORS AT LAW

II. Stan Johnson, Esq. sjohnson@cohenjohnson.com cohenjohnsonlaw.com

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

### Sent Via U.S. Mail and e-mail krobison@rbsllaw.com and mgunderson@gundersonlaw.com

December 10, 2014

Robison, Belaustegui, Sharp, and Low C/o Kent Robison, Esq. 71 Washington Street Reno, Nevada 89503

Gunderson Law Firm c/o Mark H. Gunderson, Esq. 3895 Warren Way Reno Nevada 89509

> Re: Working file Of D. Schwartz and Freidman SDT MEI-GSR Holdings, LLC vs. Peppermill Case No.: CV-13-01704 Our File No.: 130133

Dear Kent:

Apparently you have misunderstood the court's order, it did not require us to provide you with Dr. Schwartz' working file, including fees, but only documents in support of our claim for damages, which have been provided.

Apparently you also forgot that you withdrew the subpoena duces tecum you served. If you recall, I informed you that we were filing a motion to quash the subpoena for failure to comply with the applicable rules of civil procedure. You requested that we not file the motion and voluntarily withdrew the subpoena. If you like, I will be happy to provide you with a copy of the emails involved.

Very Truly Yours,

Terry Kinnally

Terry Kinnally, Esq.

cc. Mark Wray

### Kent Robison

From:Terry Kinnally <tkinnally@cohenjohnson.com>Sent:Wednesday, December 10, 2014 1:02 PMTo:Kent Robison; mgunderson@gundersonlaw.comSubject:GSR v. PeppermillAttachments:Ltr to Robison sdt.doc

Attached please find my letter this date regarding your letter of December 4, 2014.

FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Clerk of the Court Transaction # 4764789 : mcholico

## **EXHIBIT 4**

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### **EXHIBIT 4**

RA 01490



From the Deak of: John R. Funk, Esq. jfunk@gundersoniaw.com

January 5, 2015

Via Electronic Mail-sjohnson@cohenjohnson.com; tkinnally@cohenjohnson.com and U.S. Mail:

H. Stan Johnson, Esq. Terry Kinnally, Esq. Cohen-Johnson, LLC 255 East Warm Springs Road, Suite 100 Las Vegas, NV 89119

> Re: MEI-GSR Holdings, et al v. Peppermill Casinos, et al. Our client: Ryan Tors Case no: CV13-01704

Dear Mr. Johnson:

In reviewing the *Plaintiff's Opposition to Defendant's Motion for Contempt* filed on January 2, 2015, we noted that you attached as Exhibit "1" the Plaintiff's Fifth Supplemental Disclosure Pursuant to NRCP 16.1. The certificate of service for the Fifth Supplemental Disclosure inaccurately indicates that it was mailed to our office on December 4, 2014.

After a thorough review of our paper file, electronic file, and all appropriate logs, we have determined that we never received and were never served with the Plaintiff's Fifth Supplemental Disclosures. Please tender a copy of your client's Fifth Supplemental Disclosure to our office immediately with an accurate and updated certificate of service.

Should you have any questions, do not hesitate to contact us.

Very truly yours, GUNDERSON LAW FIRM John R. Funk, Esg.

JRF/cs

3895 Warren Way | Reno, Nevada 89509 | P. 775.829.1222 | F. 775.829.1226 | gundersonlaw.com

FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Clerk of the Court Transaction # 4764789 : mcholico

## EXHIBIT 5

## **EXHIBIT 5**

RA 01492

1 2	AFFIDAVIT OF KENT R. ROBISON IN SUPPORT OF DEFENDANT PEPPERMILL CASINOS, INC.'S MOTION FOR ORDER REQUIRING GSR TO SHOW CAUSE WHY IT NOT BE HELD IN CONTEMPT, SANCTIONED
3	AND ORDERED TO PRODUCE DOCUMENTS
4	STATE OF NEVADA )
5	COUNTY OF WASHOE
6	Kent R. Robison, being first duly sworn on oath, deposes and says under penalty of perjury
7	that the following assertions are true and correct.
8	1. I counsel for the Defendant Peppermill Casinos, Inc. in this action.
9	2. Attached hereto as <b>Exhibit 1</b> is a true and correct copy of the Court's November
9 10	26, 2014 Order.
10	3. Attached hereto as <b>Exhibit 2</b> is a true and correct copy of my December 4, 2014,
11	letter to Plaintiffs' counsel.
12	4. Attached hereto as <b>Exhibit 3</b> is a true and correct copy of Ms. Kinnally's letter
	dated December 10, 2014.
14	5. Attached hereto as <b>Exhibit 4</b> is a true and correct copy of Mr. Funk's January 5,
15	2015, letter to Plaintiff's counsel.
16	6. I have searched my firm's records, files, logs and electronic files and can confirm
17	that my firm did not receive Plaintiff's Fifth Supplemental Disclosure.
18	7. I did not see Plaintiff's Fifth Supplemental Disclosure until I saw it (part of it)
19	attached to Plaintiff's Opposition to Defendant's Motion for Contempt as Exhibit 1 thereto.
20	8. I have never seen GSR 103. It has not been provided to us by Plaintiff's counsel.
21	DATED: This 8 <sup>th</sup> day of January, 2015.
22	NIDA
23	KENTR. ROBISON
24	Subscribed and Sworn to Before
25	me this 8 <sup>th</sup> day of January, 2015, by Kent R. Robison.
26	Appointment Recorded in Weakes County No: 88-0567-2 - Expires Fabruary 24, 2010
27	NOTARY PUBLIC
28 Robison, Belanstegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	J:\WPData\Krr\1872.006-Peppermill-GSR v\P-Affd. KRR ISO Memo Costs.Fees.01-08-15.doc

RA 01493

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FILED Electronically 2015-01-08 10:21:49 AM Jacqueline Bryant Clerk of the Court Transaction # 4764789 : mcholico

# EXHIBIT 6

## EXHIBIT 6

RA 01494

1	AFFIDAVIT OF JAMES STEWART IN SUPPORT OF DEFENDANT PEPPERMILL
2	CAUSE WHY IT NOT BE HELD IN CONTEMPT, SANCTIONED
3	AND ORDERED TO PRODUCE DOCUMENTS
4	STATE OF NEVADA )
5	COUNTY OF WASHOE ) ss.
6	James Stewart, being first duly sworn on oath, deposes and says under penalty of perjury
7	that the following assertions are true and correct.
8	1. I am a paralegal employed by Robison, Belaustegui, Sharp & Low.
9	2. I have assisted Kent Robison in working on various discovery matters in this case.
10	3. One of my job functions involves the control and monitoring of document
11	productions from all parties.
12	4. I have reviewed and assembled all documents produced by GSR in my normal job
13	functions.
14	5. On November 10, 2014, we received the Plaintiff's Fourth Supplemental
15	Disclosure Pursuant to NRCP 16.1. The disclosure is dated November 6, 2014.
16	6. Plaintiff's Fourth Supplemental Disclosure Pursuant to NRCP 16.1 contained
17	documents bate stamped GSR00100-GSR00102.
18	7. On January 2, 2015, we received the Plaintiff's Response to Defendant Peppermill
19	Casino, Inc. d/b/a Peppermill Casino's Request for Production of Documents to Plaintiff.
20	8. The GSR Response to Defendant Peppermill Casino, Inc. d/b/a Peppermill Casino's
21	Request for Production of Documents to Plaintiff contained four disks of documents.
22	9. These disks of documents contained documents with a bate stamp range of
23	GSR0104-GSR16246.
24	
25	
26	
27	
28 Robison, Belaustegui,	
Notion Densitien. Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	

10. Neither of the aforementioned document productions contained a document bate stamped GSR 103. DATED: This 8th day of January, 2015. Zenon & STE' Subscribed and Sworn to Before me this 8th day of January, 2015, by James Stewart. NOTAR **V. JAYNE FERRETTO** Notary Public - State of Neveda Appointment Recorded in Washoe County No: 85-0597-2 - Expires February 24, 2016 J:\WPData\Krt\1872.006-Peppermill-GSR v\P-Affd. JS ISO Motion 1-8-15.doc Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151 

#### **Jayne Ferretto**

 From:
 eflex@washoecourts.us

 Sent:
 Thursday, January 08, 2015 11:24 AM

 To:
 Kent Robison

 Cc:
 Jayne Ferretto

 Subject:
 NEF: MEI-GSR HOLDINGS VS PEPPERMILL CASINOS; ETAL (B7): Reply to/in Opposition:

 CV13-01704

#### \*\*\*\*\* IMPORTANT NOTICE - READ THIS INFORMATION \*\*\*\*\* PROOF OF SERVICE OF ELECTRONIC FILING

A filing has been submitted to the court RE: CV13-01704 Judge: HONORABLE PATRICK FLANAGAN

<b>Official File Stamp:</b>	01-08-2015:10:21:49		
Clerk Accepted:	01-08-2015:11:22:48		
Court:	Second Judicial District Court - State of Nevada		
	Civil		
Case Title:	MEI-GSR HOLDINGS VS PEPPERMILL CASINOS; ETAL (B7)		
Document(s) Submitted:	Reply to/in Opposition		
	- **Continuation		
Filed By:	Kent R. Robison		

You may review this filing by clicking on the following link to take you to your cases.

This notice was automatically generated by the courts auto-notification system.

If service is not required for this document (e.g., Minutes), please disregard the below language. The following people were served electronically:

ALISA NAVE-WORTH, ESQ. for PEPPERMILL CASINOS, INC. MARK DOUGLAS WRAY, ESQ. for MEI-GSR HOLDINGS, LLC H. STAN JOHNSON, ESQ. for MEI-GSR HOLDINGS, LLC THERESE M. SHANKS, ESQ. for PEPPERMILL CASINOS, INC. KEEGAN GRAHAM LOW, ESQ. for PEPPERMILL CASINOS, INC. KENT RICHARD ROBISON, ESQ. for PEPPERMILL CASINOS, INC. JOHN R. FUNK, ESQ for RYAN TORS MARK HARLAN GUNDERSON, ESQ. for RYAN TORS The following people have not been served electronically and must be served by traditional means (see Nevada Electronic Filing Rules.):

DARLENE B CARUSO, ESQ for NEVADA GAMING COMMISSION, STATE GAMING CONTROL BOARD

	1	FILED Electronically
		2015-01-08 10:23:10 AM Jacqueline Bryant
1	3860	Clerk of the Court Transaction # 4764796 : mcholico
2	KENT R. ROBISON, ESQ NSB #1167 krobison@rbsllaw.com	
3	KEEGAN G. LOW, ESQ. – NSB #307 klow@rbsllaw.com	
4	THERESE M. SHANKS, ESQ. – NSB # 12890 tshanks@rbsllaw.com	
	Robison, Belaustegui, Sharp & Low	
5	A Professional Corporation 71 Washington Street	
6	Reno, Nevada 89503 Telephone: (775) 329-3151	
7	Facsimile: (775) 329-7169	
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino	
<b>9</b> ·	IN THE SECOND JUDICIAL DISTRI	CT FOR THE STATE OF NEVADA
10	IN AND FOR THE CO	
11		
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704
13	Plaintiff,	DEPT. NO.: B7
14	vs.	BUSINESS COURT DOCKET
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;	
16	RYAN TORS, an individual; JOHN DOES I-X	
17	and JANE DOES I-X and CORPORATIONS I-X,	
18	Defendant(s).	
19	//	
20	REQUEST FOR	SUBMISSION
21	It is requested that Defendant Peppermill Ca	sinos, Inc.'s Motion for Order Requiring GSR to
22	Show Why It Not Be Held In Contempt, Sanctioned	and Ordered to Produce Documents, which was
23	filed on December 17, 2014, in the above-entitled ma	atter be submitted for decision. The undersigned
24	attorney certifies that a copy of this Request has been	en served on all counsel of record.
25		
26	<u>AFFIRMA</u> Pursuant to NR	ATION IS 239B.030
27	The undersigned does hereby offirm that this	s document does not contain the social security
28		s document does not contain the social security
Robison, Belaustegui, Sharp & Low	number of any person.	
71 Washington St. Reno, NV 89503 (775) 329-3151	1	

•	
1	DATED this 8th day of January, 2015.
2	ROBISON, BELAUSTEGUI, SHARP & LOW
3	ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation 71 Washington Street Reno, Nevada 89503
4	Keno, Nevada 89503
5	200-
6	KENT R. ROBISON KEEGAN G. LOW
7	THERESE M. SHANKS
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino
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Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	2

1	CERTIFICATE OF SERVICE
2	
3	I certify that I am an employee of Robison, Belaustegui, Sharp & Low, and
4	pursuant to NRAP 5(b)(2)(D) and N.E.F.C.R. 7, I caused the <b>RESPONDENT</b>
5	PEPPERMILL CASINOS, INC.'S ANSWERING BRIEF - APPENDIX
6	<b>VOLUME 6</b> to be filed electronically with the Clerk of the Nevada Supreme
7	Court. Pursuant to N.E.F.C.R. 9, notice of an electronically filed document by the
8	Court "shall be considered as valid and effective service of the document" on the
9	below listed persons who are registered users.
10	
11	H. STAN JOHNSON, ESQ. CHRIS DAVIS, ESQ.
12	Cohen Johnson Parker Edwards, LLC
13	255 E. Warm Springs Road, Suite 100 Las Vegas, NV 89119
14	Email: <u>sjohnson@cohenjohnson.com</u> cdavis@cohenjohnson.com
15	Attorneys for Appellant
16	
17	DATED: This 8th day of May, 2017.
18	
19	(D) person Jensos
20	V. JAYNE FERRETTO Employee of Robison, Belaustegui, Sharp & Low
21	
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24	
25	
26	
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28 Bakisan Balaustaani	
Robison, Belaustegui, Sharp & Low 71 Washington Street Reno, Nevada 89503 (775) 329-3151	

1	IN THE SUPREME COURT OF	F THE STATE OF NEVADA
2		
3		
4	MEI-GSR HOLDINGS, LLC, a Nevada	Electronically Filed
5	MEI-GSR HOLDINGS, LLC, a Nevada limited liability company, d/b/a GRAND SIERRA RESORT,	May 15 2017 03:17 p.m. Elizabeth A. Brown Supreme Courter of Supreme Court
6	Appellant,	Supreme Coucherk of Supreme Court
7	VS.	District Ct. Case No. CV13-01704
8	PEPPERMILL CASINOS, INC., a Nevada corporation, d/b/a/ PEPPERMILL CASINO;	
9	Respondent.	
10	/	
11		
12	RESPONDENT PEPPERN ANSWERIN	· · · · · · · · · · · · · · · · · · ·
13		G DRILF
14	APPENDIX V	VOLUME 6
15		
16	ROBISON	BELAUSTEGUI, SHARP & LOW
17		DELAOSTEGOI, SILINA & LOW
18	KENT R. R Nevada Bar	OBISON, ESQ. No. 1167
19	krobison@r	bsllaw.com
20	SCOTT L. J Nevada Bar	HERNANDEZ, ESQ. No. 13147
21	shernandez	@rbsllaw.com
22	THERESE Neveda Bar	M. SHANKS, ESQ. No. 12890
23	tshanks@rb	sllaw.com
24	71 Washing	ton Street
25	Telephone:	da 89503 (775) 329-3151 (775) 329-7169
26		
27	Peppermill	or Respondent Casinos, Inc., d/b/a Peppermill Casino
28		
Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151		Docket 70319 Document 2017-16223

### **RESPONDENT PEPPERMILL CASINOS, INC.'S ANSWERING BRIEF**

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Mimno)			

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1	A.	Nobody that I can think of.	
2	Q.	How long would it take the Peppermi	11 to recoup
3	that \$3	million it spent to get that hold pe	
4	Α.	I don't know exactly how much they	make, but I
5	imagine	it would take some time.	
6	Q.	It's right in the reports.	
7	A.	Well, I don't know how much the Pep	permill's
8	revenue	s are broken out in the reports that	I can see.
9	Q.	Well, that's true, but let's	
10	Α.	You said they were 18 percent market	t share, so
11	if we sa	ay 18 percent of that.	
12	Q.	Well, let's assume that the average	in the
13	report,	which is \$1.63 per day per machine.	That's what
14		ort said. Okay?	
15	A.	That seems a little bit low.	
16	Q.	163?	
17	А.	One dollar	
18	Q.	163.	
19	А.	Oh, 100. Okay. That seems a little	better.
20	Q.	Then you'd multiple that by 365; rig	ht?
21	А.	Right.	
22	Q.	And you get 59,840.	
23	A.	Okay.	
24	Q.	Per year that that one machine would	make. And
25	if you d	ivided that into the \$3,132,000, it's	
(	<b>e</b> es(	QUIRE 800. Esq	211.DEPO (3376) ulireSolutions.com

DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILI 95 take 52 years to recoup your investment. 1 Do you 2 understand that? 3 Α. I do. 4 Q. That's preposterous, isn't it? 5 Α. It is. Okay. In fact, you didn't use 7.83, the par 6 Q. reflected in the gaming reports, in this math, did you? 7 8 Α. I didn't. 9 Nor did you use a \$4 bet, did you? Q. I'd have to look at my calculations to see. 10 Α. 11 Well, we can do it right here. You've got a Q. 12 calculator. 13 Α. Sure. \$4 a bet, 500 bets an hour for 20,000 hours, 14 0. 15 that's \$40 million? 16 Α. Yes. What do you do with that? You factor in the 17 0. hold, don't you? 18 19 Α. Yes. 20 Q. What hold? You don't know, do you? 21 Right now I don't. I'd want to see my Α. 22 calculations again. 23 Q. You use 6. It's easy to figure out. You divide 24 600,000 --25 Α. Sure. 800.211.DEPO (3376) EsquireSolutions.com

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1	Q.	and you know what your hold is.	
2	A.	Yes.	
3	Q.	This is new for you, isn't it?	
4	A.	No.	
5	Q.	Well, what hold did you use to get 6	00,000; sir?
6	A.	I can't remember off the top of my h	ead.
7	Q.	Well, you use 6. Go ahead, do 6.	
8	A.	All right. So I used 6. All right.	
9	Q.	What does that come out? It doesn't	come out
10	600, doe	s it?	
11	А.	No.	
12	Q.	That's because you didn't use \$4. Yo	ou used \$1.
13	Why did	you do that? This is a mathematical a	nightmare,
14		h 7, isn't it?	
15	A.	It looks that way now.	
16	Q.	It's a mess; right?	
17	А.	I would like to have some more time t	o refine
18	this.		
19	Q.	You've had six months. Six months an	nd you come
20	up with p	paragraph 7 which you admit is a mathe	matical
21	mess. Wh	ny is that?	
22		MR. JOHNSON: Objection. Assumes fac	ts not in
23	evidence.	Vague and ambiguous.	
24	Q.	(By Mr. Robison) What fact is assumed	that's
25	wrong, Mr	. Schwartz? You've had this assignme	
(	<b>E</b> S(	QUIRE 800 Esq	.211.DEPO (3376) juireSolutions.com

	DAVID G. SO MEI-OSR vs	CHWARTZ, PH.D. Confidential . PEPPERMILL	October 21, 2014 97
1	February	of 2014; correct?	
2	A.	Correct.	
3	Q.	This paragraph 7 doesn't work at :	\$4 a play, does
4	it?		
5	A.	It doesn't.	
6	Q.	And it doesn't work at \$4 a play w	with a 6 par or
7	6 hold, d	does it?	
8	A.	No.	
9	Q.	And this is a mathematical mess, i	.sn't it,
10	paragraph	1 7?	
11	A.	It's not as accurate as I'd like i	t to be, and
12	I'd like	to have a chance	
13	Q.	Not as accurate? There's nothing	accurate about
14	it, is th	ere?	
15		MR. JOHNSON: Objection. Harassme	nt.
16		MR. ROBISON: Yeah, that's true.	That's very
17	true. I'	ll back off.	
18	Q.	(By Mr. Robison) Why are there so	many errors in
19	paragraph	7?	
20	Α.	I couldn't tell you.	
21	Q.	You kind of failed your assignment	, didn't you?
22	· · · · · · · · · · · · · · · · · · ·	MR. JOHNSON: Objection. Harassme	nt.
23		(By Mr. Robison) Did you give GSR	
24	analogy o	f what the cost is to obtain a par	in paragraph
25	7?		
ť	<b>Ø</b> ES(	UIRE	800.211.DEPO (3376) EsquireSolutions.com

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	DAVID G. S MEI-OSR v	CHWARTZ, PH.D. Confidential	October 21, 201
1	A.	I believe that I did at the time.	·····
2	Q.	And as you've now walked through the	math you
3	admit th	nat you did not; correct?	-
4	A.	I would like to look at my calculati	ons and see
5	if I mad	le a mistake and if I did, where I mad	
б	mistake.		
7	Q.	I'm here. You look at those numbers	and you
8	tell me	how they work.	
9	A.	That's I would like, I would like	a chance to
10	look at	my own calculations to see if I made a	
11		e I did, and then I could give you a b	
12	explanat	ion.	
13	Q.	Why didn't you show up with your cale	culations?
14	You knew	I was going to depose you on your aff	idavit.
15	A.	I couldn't tell you the answer to that	ıt.
16	Q.	As you sit here right now, can you gi	.ve me any
17	explanat	ion of why the math is so bad in parag	raph 7 of
18	your aff	idavit?	
19	A.	No.	
20	Q.	You weren't trying to mislead the Cou	rt?
21	А.	Oh, no.	
22	Q.	That was signed under penalty of perj	ury.
23	A.	True.	
24	Q.	And it's inaccurate?	
25	Α.	It is.	
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1	Q. You don't expect the jury to rely on that, do
2	
3	MR. JOHNSON: Objection. Speculation.
4	THE WITNESS: Yeah.
5	Q. (By Mr. Robison) Do you expect the judge to rely
6	on that?
7	MR. JOHNSON: Same objection.
8	Q. (By Mr. Robison) You know that was attached to a
9	document that was submitted to Judge Flanagan.
10	A. Yes.
11	Q. Do you expect Judge Flanagan now to rely on
12	that, that math?
13	A. I don't know.
14	Q. Well, is there any way you can look at it now
15	and resurrect it?
16	A. I would like to have the chance to be able to do
17	that to
18	Q. Mr. Schwartz
19	A correct it.
20	Q. I'm sorry to interrupt you, and I apologize to
21	the court reporter.
22	You're the expert. Tell me how to do it. Because
23	that paragraph 7 doesn't tell me anything but it's a
24	bunch of mistakes. Tell me how to do it.
25	A. I would like to look at my original calculations
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 100
1	to see where the mistake is.
2	Q. I understand that, but you're an expert so walk
3	me through how you determine this cost.
. 4	A. What I did was figure the time of play times the
.5	total number of spins and
6	Q. Why did you use \$4?
, 7	A. Because I believed that these machines were
8	going to be the machines that took \$4 for the total coin
9	in.
10	Q. Well, the machines are different. Different
11	machines take different coin in.
12	A. This is why I wanted to know what are the exact
13	machines. This was just a
14	Q. You didn't say
15	A hypothetical case.
16	Q. You didn't say that in your affidavit. You
17	said, Judge Flanagan, it's going to cost the Peppermill
18	\$780,000 per machine over a period of 2.24 years to
19	figure out what the hold setting is.
20	A. I said that I estimate. I didn't say that's
21	what it would cost. I say I estimate. And as we were
22	talking about before as you made such a
23	Q. A stink about?
24	A big show of, that it would be impossible.
25	Q. Well, I know you don't want to go back to
(	<b>2</b> ESQUIRE EsquireSolutions.com

	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 201 MEI-OSR vs. PEPPERMILL 10
1	impossible, but you have to.
2	A. Well, I'm glad we can agree on at least one
3	
4	Q. We do know that math is impossible to implement,
5	don't we?
6	A. Yes.
7	Q. And we do know that your model is impossible to
8	implement.
9	A. Can you clarify what you mean by the model?
10	Q. Well, the model of playing the machine for 2.24
11	years at \$40 million. That's a model that's not only
12	impractical, it's impossible.
13	A. I believe it is.
14	Q. Why \$4?
15	A. Because that was, that would be the max. I was
16	just saying for these kinds of machines, penny machines,
17	that would be max coin in for a lot of them.
18	Q. But that's not true for all of them, is it?
19	A. Not all. That's why this is only an estimate.
20	Q. Why 20,000 hours?
21	A. 20,000 hours came from one of the articles that
22	I found in my literature review.
23	Q. Do you know which ones, sir?
24	A. Yes.
25	Q. Would you give me the name of that?
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l	A.	It was by Lucas and Singh, S-i-n-g-h.
2	Q.	Anthony Lucas, Ph.D.?
3	A.	Yes.
4	Q.	One of our experts?
5	A.	Yes.
б	Q.	He's looked at this?
7	A.	Okay.
8	Q.	You didn't use his model at all, did you?
9	Α.	Well, I got from that article, I got that to
10	determi	ne this for these to converge, you would need to
11	do 10 m	illion, I believe it was 10 million spins.
12	Q.	Of course it's 10 million spins, but you don't
13.	have 10	million spins in your analysis.
14	A.	Okay.
15	Q.	Do you?
16	А.	I thought I did.
17	Q.	Where did you get 10 million from?
18	Α.	I thought that was the 200,000 times 500 is 10
19	million.	
20	Q.	Well, \$4; right?
21	Α.	Yeah.
22	Q.	Times 500?
23	A.	Yes.
24	Q.	Is \$2,000.
25	Α.	Yes.
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	DAVID G. S MEI-OSR v	SCHWARTZ, PH.D. Confidential October 21, 2014 s. PEPPERMILL 103
1	Q.	Times 20,000
2	A.	Yes.
3	Q.	hours.
4	А.	Hours.
5	Q.	Is \$40 million.
6	A.	Correct.
7	Q.	And that's 10 million spins.
8	А.	Correct.
9	Q.	Well, you got that off a par sheet, didn't you?
10	A.	No.
11	Q.	Do you know what a par sheet is?
12	A.	I do know what a par sheet is.
13	Q.	Do you look at par sheets?
14	A.	I've looked at them before.
15	Q.	Can you read them?
16	A.	I think I could.
17	Q.	Have you ever written one?
18	А.	Written one?
19	Q.	Have you ever done the math for a par sheet?
20	А.	No, I've never written one.
21	Q.	Okay. All right. So now we got 10 million
22	spins.	
23	А.	Correct.
24	Q.	Which according to the par sheets reduces the
25	variabil	ity down to a tolerable amount; correct?
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 20 MEI-OSR vs. PEPPERMILL 11		
1	A. Correct.		
2	Q. What's the variation of 10 million spins?		
3	A. I don't know the answer to that.		
4	Q. Well, it's not exact. There is a variation.		
5	A. There is.		
6	Q. Which produces an element of unreliability.		
7	A. Correct.		
8	Q. So even at 10 million spins there's some element		
9	of unreliability because of the variation; right?		
10	A. Correct.		
11	Q. So you're telling Judge Flanagan and anyone in		
12	this affidavit that there is inherent unreliability in		
13	these calculations at 10 million spins?		
14	A. I did say this was an estimate.		
15	Q. Okay. Well, I mean is this what the GSR is		
16	going to ask the jury for in damages, sir? Do you know?		
17	MR. JOHNSON: Objection. Calls for a legal		
18	conclusion and speculation.		
19	Q. (By Mr. Robison) Do you know whether or not		
20	they're going to utilize your model to ask the jury in		
21	this case that the Peppermill pay \$780,000 per machine		
22	accessed by Mr. Tors?		
23	A. I do not know.		
24	Q. Is that your recommended model of unjust		
25	enrichment?		
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 105	
1	A. I would like to have more time to get more	
2	information to give a more refined estimate.	
3	Q. Because if we use the actual pars according to	
4	Exhibit 29, it's not 780, it's 3,123,000 plus 180,000 per	
5	machine. Is that the damage model you seek to put in	
б	this case?	
7	A. I would like to have more time to refine my	
8	model.	
9	Q. Because you now know that paragraph 7 is	
10	mathematically incorrect; correct?	
11	MR. JOHNSON: Asked and answered.	
12	Q. (By Mr. Robison) Correct?	
13	A. Correct. Also, I would remind you that I did	
14	want more information about exactly which machines were	
15	used, how many times, which would also help me. So this	
16	was a very preliminary model.	
17	Q. This preliminary model was submitted to Judge	
18	Flanagan for a very specific reason. It was to convince	
19	Judge Flanagan to make a decision as to the Peppermill.	
20	Are you aware of that?	
21	A. I'm aware that I was asked for an affidavit.	
22	Q. That you knew was going to be submitted to	
23	court?	
24	A. Correct.	
25	Q. And therefore, a judge would probably look at it	
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 106
1	and, perhaps, rely on it. You knew that?
2	A. Correct.
3	Q. And what precautions did you make to make sure
4	that this judge did not get false information?
5	A. I did check the math, but I must have
6	Q. You used \$1 and you used 6 par. That's the only
7	way it works.
8	A. Okay.
9	Q. Correct me if I'm wrong.
10	A. Okay. That sounds accurate.
11	Q. One dollar, 500 spins an hour
12	A. Yes.
13	Q \$500 times 20,000
14	A. Yes.
15	Q is?
16	A. 600,000?
17	Q. No. Not even close.
18	A. Ten million.
19	Q. There you go. And then you use the par. You
20	assume the par of 6.
21	A. Yes.
22	Q. Why 6?
23	A. Because there were a number of different
24	machines, I figured 6 was a conservative number. I
25	didn't want to have too high a number. I was shooting
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 20 MEI-OSR vs. PEPPERMILL 1
1	for a conservative number.
2	Q. What relationship did 6 have to the average
3	floor par at the GSR in December of 2011?
4	A. I don't know.
5	Q. What relationship or correlation does 6
6	percentage, does 6 par have to the floor par average at
7	the GSR on June 14, 2012?
8	A. I don't know, but can I have a minute take a
9	look at this?
10	Q. Sure. I've got '11 and '12 if you'd like to see
11	them.
12	A. Oh, you can give them to me.
13	Q. Yeah, they've been earmarked. Exhibit 27
14	hold on, sir.
15	A. Sure.
16	Q. Exhibit 27 is the 2011 gaming revenue report for
17	December. And Exhibit 28 is the gaming revenue report
18	for June of 2012, and the most vital information you'll
19	find probably on pages 33 to 37.
20	A. Sure. If you look at the Reno, Washoe County
21	Reno area, pars range from the average par for the
22	area is 5.29.
23	Q. Which year?
24	A. This is for July 2013.
25	Q. Why are you using Reno, Sparks?
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	DAVID G. S MEI-OSR v	CHWARTZ, PH.D. Confidential October 21, 201 s. PEPPERMILL 10
1	А.	It looks like it's Washoe County, Reno area.
2	Q.	Right. Why would you use that instead of the
3	Reno big	
4	A.	Because I don't have the Reno big six.
5	Q.	It's in there.
6	A.	There's a page here that says Reno big six?
7	Q.	Well, do you know what I mean by the big six?
8 36 million and above?		
9	А.	Yeah. All right. I'll go to that page. So
10	that par	for that month is 5.15.
11	Q.	Why did you use 6?
12	A.	6 was just the best estimate I had for the state
13	as a who	
14	Q.	Well, Mr. Schwartz, you have access to these.
15	Α.	Yes.
16	Q.	You can get on line, look at the gaming revenue
17	report f	or any month of any year to determine the par
18		should have used; correct?
19	Α.	Correct.
20	Q.	But you didn't do that, did you?
21	Α.	No.
22	Q.	You just made up 6?
23	A.	6 was an early estimate.
24	Q.	And you have no idea how that actually relates
25	to GSR's	
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 109	
1	A. No.	
2	Q. It could be a point off. It could be two points	
3	off.	
4	A. It could be.	
5	Q. In fact, you're using the same par for 2011 as	
6	you are 2012; right?	
7	A. Yes.	
8	Q. But you just told me they changed the pars	
9	frequently. How do you justify that?	
10	A. As I said before, I would like to have more time	
11	to refine this, and I did say that I needed more	
12	information to refine it.	
13	Q. Sure.	
14	A. When I have that time, I have that information,	
15	I will be able to deliver something that takes that into	
16	account.	
17	Q. Are you saying to the judge and to potentially	
18	the jury, it's going to take 20,000 hours of play to	
19	ascertain hold?	
20	A. I'm saying that according to what I found, that	
21	it would take 20,000 hours of play, 10 million spins for	
22	this theoretical and the actual hold to converge, that's	
23.	what it would take.	
24	Q. Are you aware of do you believe it can be	
25	done in five hours?	
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 110
1	A. I don't believe it could be.
2	Q. If it could be then, if it can be done in five
3	hours, the math would be 1/4,000th of 600,000; correct?
4	A. 1 so if it's done in five hours instead of
5	20,000?
б	Q. Yes. So you take 1 over 4,000, times 600,000 to
7	establish the cost.
8	A. Yes.
9	Q. So if you assume it can be done in five hours,
10	you could then ascertain the cost of that for me?
11	A. Yes, if you assume it could be done in five
12	hours.
13	Q. And you would yield that if we proved to you
14	that it could be done?
15	A. If I found proof, and I did do a search of the
16	literature, so I would want to know if there's more stuff
17	in the literature, but if I could find proof that would
18	rebut what I found in my search of the literature, I'd
19	definitely want to take that into account.
20	Q. Has the literature addressed how to determine
21	pars by play with calculations of theo and points and
22	comp?
23	A. I couldn't find anything that specifically did.
24	I found nothing that said this is how you can reverse
25	engineer par.
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 111
1	Q. You're aware of Wizard of Odds?
2	A. Yes.
3	Q. He deconstructs and establishes par all the time
4	right on his videos, doesn't he?
5	A. I've not watched his videos.
6	Q. You haven't watched Shackleford's videos?
7	A. I haven't.
8	Q. Why? He's a pretty savvy individual in the
9	industry, isn't it?
10	A. Yeah, I think he is.
11	Q. A well respected authority.
12	A. I think he is.
13	Q. But in any event, all these numbers lack
14	accuracy according to your admission in the last
15	paragraph of your affidavit; correct?
16	A. Yes.
17	Q. So you did tell the judge that these numbers are
18	inaccurate?
19	MR. JOHNSON: Objection. Assumes facts not in
20	evidence.
21	Q. (By Mr. Robison) Number 10 is in evidence, and
22	I'll read it into the record so that there's no
23	accusation that I'm saying something that you didn't
24	say.
25	"While GSR's methods of operation do not, in my
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1	opinion, have a bearing on Peppermill's admitted
2	collection of misappropriated par information, I believe
3	that Peppermill's motives for collecting the information
4	and any operational changes that the Peppermill made or
5	did not make with the benefit of the par information are
6	crucial to accuracy."
7	A. Correct.
8	Q. And you don't have either of those?
9	A. Correct.
10	Q. So your information is inherently inaccurate?
11	A. At this stage, yes.
12	Q. Okay. Why did you give it to the judge?
13	A. Why what?
14	Q. Why then would it why did they ask you for
15	this information to give to the judge?
16	A. I couldn't answer that. You can ask Mr. Johnson
17	for why. I don't know.
18	Q. Well, you can explain it to the judge. This
19	really should be stricken from the record, shouldn't it,
20	because it's so inaccurate?
21	MR. JOHNSON: Objection.
22	THE WITNESS: You're asking me for a legal
23	conclusion there.
24	Q. (By Mr. Robison) Well, this is your tattoo. You
25	have to wear it. Do you want this to be the position of
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1	Dr. David Schwartz in court? Yes or no.	
2	A. At the time, this accurately reflects what my	
3	knowledge of it based on the information I had then, as I	
4	said. As you brought to our attention in paragraph 10	
5	there, I do want more information to be able to	
6	definitively have an opinion and have a report, which	
7	I haven't done yet.	
8	Q. That wasn't my question. My question is: Is	
9	this the testimony, sworn testimony under penalty of	
10	perjury, that you want to stand behind in this case?	
11	A. Again, I'll say that at the time I believed this	
12	was accurate.	
13	Q. Right now is this the testimony that you want to	
14	stand behind in this case? Yes or no.	
15	A. No.	
16	Q. Thank you. Please excuse me if I've already	
17	asked this, but do you know how the tier points relate to	
18	the theo at the GSR?	
19	A. No, I don't.	
20	Q. Did I ask that before?	
21	A. I don't remember if you did or didn't. It's	
22	been a long morning for me. He knows.	
23	MR. GUNDERSON: I do.	
24	Q. (By Mr. Robison) So if you use that 7.83 par and	
25	the cost under that assumption is \$3,132,000, and if you	
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1	assume that the evidence in this case shows that 15
2	machines were accessed, nine on December 29th, 2011, and
3	six on June 14th, 2012, that's 15. Then the proposition
4	is you take those 15 machines times the 3,132,000 for
5	damages; correct?
6	A. I wouldn't know the par settings in each of
7	those machines, but you're telling me that was the par
8	settings for each of those machines are
9	Q. I think that's a very good point. You got to
10	ask your client that. What were the actual par settings
11	at those times on those machines?
12	A. What I would like to know is I'd like to know
13	the range of pars to be able to tell how long it would
14	take. If there's only two and they're very extreme, it
15	might take less time. But if they're spread out, it
16	would take more.
17	Q. You can see the range of the pars on the par
18	sheets. Why didn't you get the par sheets? GSR has
19	them.
20	A. I have not been given them yet.
21	Q. Well, ask for them; right? That's what experts
22	do.
23	A. I have requested information that I've not
24	gotten yet.
25	Q. What have you asked for?
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DAVID G. SCHWARTZ, PH.D.	Confidential
MEI-OSR vs. PEPPERMILL	

1	A. I asked for information about how many machines,
2	how often they were accessed, and what the par settings
3	of those machines are.
4	Q. Now, given the fact we've seen this one sheet
5	from Mr. Tors where we have two different pars on the
6	same number of machine 440 and 440, remember that?
7	A. Let me flip to it.
8	Q. I think it was 7.
9	A. Yeah, 7.
10	Q. And I think there's another pretty flagrant
11	mistake. That's on machine No. 21016.
12	A. Correct.
13	Q. It says that's a Buffalo?
14	A. Correct.
15	Q. And then he says it's a Cleopatra; right?
16	A. Correct.
17	Q. Can't be; right?
18	A. Correct.
19	Q. So you ask your client what the actual pars were
20	on this date on these machines, then you will know, one,
21	whether Ryan Tors got accurate information or whether he
22	made it up; right?
23	A. I suppose so.
24	Q. That's highly relevant to your opinion, isn't
25	it?
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	DAVID G. S MEI-OSR \	SCHWARTZ, PH.D. Confidential October 21, 2014 /s. PEPPERMILL 116
1	A.	Before you brought it to my attention, I wasn't
2	aware t	hat Ryan Tors had allegedly made up any of the
3	informa	
4	Q.	Did I hear you say you got his deposition?
5	A.	I don't think I got his deposition.
6	Q.	Oh, I'm sorry.
7	A.	I got some kind of statement. I don't recall
8	reading his deposition.	
9	Q.	As an expert, then, what are you going to do
10	that To:	rs made some of these up?
11	А.	I'd have to think about that.
12	Q.	Really kind of makes it a little messier,
13	doesn't	it?
14	A.	I think it does.
15	Q.	I mean you don't want to give the jury a damage
16	calculation on these cost figures of 3,123,000 if it's	
17	false information, do you?	
18	А.	I'd like it to be as accurate as possible yes.
19	Q.	How are you going to know which ones were keyed
20	and whic	h ones he made up? Because he can't tell us.
21	A.	He can't. That would be a problem.
22	Q.	It's very problematic to damages, isn't it?
23	А.	It could be.
24	Q.	Renders it speculative, does it not?
25	Α.	I wouldn't go that far, but it does make it more
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difficult. 1 Well, what he said at his deposition, he can't 2 0. tell us which ones he did and which ones he made up. 3 Now, I don't know what to do with that, do you? 4 Right now I don't. But again, I'd like some 5 Α. more time to look into that. 6 7 If he's right, he's got an average par of 6.4, Q. 8 which renders your 6 inapplicable, if true. 9 Α. If the average par is 6.4? Yeah. But that's not the average par, is it? 10 0. 11 Α. I don't know what the average par is. 12 Q. I mean that's seven machines out of 303 13 machines. That's not reliable, is it? 14 Α. I would want a bigger sample. Yeah, you'd want probably close to 40 percent to 15 Ο. be reliable according to the statistics of this kind of 16 17 analysis; correct? 18 Α. Possibly, yes. So if you used 2 percent of the number of 19 Q. machines on the floor, you're doing so at a high degree 20 of risks. Fair enough? 21 22 Α. Sure. And you wouldn't recommend that anybody relied 23 Q. on a sample of 3 percent, would you, as an expert? 24 25 It all depends on what they're using it for. Α. ESQUIR 800.211.DEPO (3376)

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1	Are they just, do they want to know this is what are
2	they looking for. Are they looking for this is the
3	average par or payback for the GSR, or are they trying to
4	say how these individual machines relate to whatever our
5	strategies are. I'd want to know why they're doing it.
6	Q. Fair enough. But if you want to be competitive
7	in the industry, isn't the most relevant factor what the
8	community par is on average to be competitive in the
9	community?
10	A. I think it could be based on a number of
11	things. I think the overall par might be. But I think
12	also you've got things that appeal more to habitual
13	gamblers who you want them to be lower and better payback
14	for the players than the ones that appeal to less
15	frequent gamblers since they're not going to be regular
16	customers that one wouldn't impact it quite as much.
17	Q. But that might differ from casino to casino;
18	right?
19	A. It may.
20	Q. In fact, one of the most important facts that
21	the scholarlily literature addresses is location of the
22	machine; doesn't it?
23	A. Location of the machine within the casino?
24	Q. Yes.
25	A. That is a topic that's in the literature.
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 119
1	Q. And that influences play, revenue for particular
2	machines, and popularity; correct?
3	A. It can.
4	Q. So you would want to know, would you not, before
5	you made any conclusions where these machines were
6	located compared to other locations as to whether or not
7	they were more or less played?
8	A. Can you clarify something for me?
9	Q. Give it my best shot.
10	A. Sure. Are you asking I'm not sure which hat
11	you want me to wear here. Are you asking me that
12	question for the purposes of computing damages or asking
13	me that question assuming the hypothetical that I am
14	Mr. Tors and I'm trying to get some information for the
15	benefit of my employer?
16	Q. They're intertwined and indistinguishable.
17	A. Again, I think it goes back to why he's doing
18	it, which is what I want to know, what is he trying to
19	determine.
20	Q. Well, he said he was trying to see whether or
21	not GSR was falsely advertising its pars. That's what he
22	told Gaming Control Board.
23	A. Yes.
24	Q. You've seen that video?
25	A. I've seen that. Well, I haven't seen the video
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 2014 MEI-OSR vs. PEPPERMILL 120
1	but I'm aware he said that.
2	Q. Did you see the transcript of the video?
3	A. I've not seen the transcript. I'm aware that
4	that was his testimony.
5	Q. So you know that Tors told the Gaming Control
6	Board that he was doing this to determine whether or not
7	GSR was falsely advertising.
8	A. I'm aware that he said that, but it still raises
9	a question in my mind why he would be doing it at these
10	other properties unless he suspects that all these other
11	properties are falsely advertising.
12	Q. And that wasn't the same time.
13	A. Well, I don't understand why he would be doing
14	it at these other properties at that time.
15	Q. Well, if you believe Mr. Tors was trying to
16	determine on these incidents at the GSR whether or not
17	they are falsely advertising their statement that they
18	had reduced pars by 40 percent, then this information has
19	no value to anyone other than the Gaming Control Board;
20	right?
21	A. I don't quite follow you.
22	Q. Well, the Gaming Control Board doesn't really
23	appreciate false advertising, does it? Or do you know?
24	A. I would expect that they don't.
25	Q. Have you followed the Gaming Control Board's
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	DAVID G. SCHWARTZ, PH.D. Confidential October 21, 20 MEI-OSR vs. PEPPERMILL	14 21
1	scrutiny of advertising loosest machines? Have you been	
2	following that for the last couple of years?	
3	A. I've not.	
4	Q. And they've issued regulations about that kind	
5	of advertising?	
6	A. I'm not familiar with those regulations.	
7	Q. You say it's important for you to know why, the	
8	motive Tors had to access these machines, and yet you	
9	know he said it was to determine whether there was false	
10	advertising. Now that you at least know that he said	
11	that, doesn't that answer part of the question that you	
12	put in paragraph 2 of your affidavit?	j
13	A. It was my understanding that this was part of	
14	this bigger project where this data was being collected	
15	systematically, and his statement didn't answer, in my	
16	mind didn't answer that question.	
17	Q. Is that because you simply didn't like it for	
18	your damage model?	
19	A. No. It's that I legitimately wanted to know why	
20	is this such I could understand if Mr. Tors just sees	
21	a billboard and says, wait, that doesn't look right, and	
22	then goes and checks. But it seems to me this was over a	
23	long period of time. So unless Mr. Tors is constantly	
24	seeing billboards that he doesn't like I want to know,	
25	well, is this part of the	

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1	Q.	Forget the billboards. You've seen the
2	mailing	
3	Α.	Or mailings. Billboards or mailings.
4	Q.	Now, isn't mailings an important component of
5	the ent	ire marketing for a machine or machines?
6	A.	Direct mailing is an important component for
7	casino	marketing.
8	Q.	And substantial value to the machine; correct?
9	A.	It can.
10	Q.	Look, you're a shopper and you know, do you not,
11	sir, th	at the revenue of a casino property is predicated
12	on a mu	ltitude of factors?
13	A.	Correct.
14	Q.	And if you take one of those factors which we'll
15	call per	mny slots, even the revenue from penny slots is
16	depender	nt upon a multitude of factors; correct?
17	Α.	I'd go along with that.
18	Q.	Ambience, restaurants, etc. Almost an endless
19	list of	factors will influence play on a penny machine.
20	А.	Correct.
21	Q.	And a very small part of those influences is the
22	hold. T	'hat's in the literature; right?
23		MR. JOHNSON: Objection. It's vague and
24	ambiguou	S.
25		THE WITNESS: I'm aware that there's a
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1	disagreement. And I know one of the articles that I
2	found, and I don't recall the exact title of the article,
3	but they said that they had before they did the study
4	they believed it was important, but after they did the
5	study, they found that it wasn't important.
6	Q. That's Dr. Lucas' study in Harrah's in Atlantic
7	City.
8	A. No. There's another study that I think was out
9	of Ontario.
10	Q. They differ then?
11	A. Yes. So yeah, I'm aware that there is a
12	disagreement.
13	Q. I think you misunderstood my question.
14	A. Sure.
15	Q. Whether pars mean anything or not is one topic.
16	A. Yes.
17	Q. That's not what I'm asking. What I'm asking is
18	of all the marketing, advertising, operational influences
19	on revenue at a casino, a par setting on a particular
20	penny machine is a very, very small component of all
21	those considerations, isn't it?
22	MR. JOHNSON: Objection, Assumes facts not in
23	evidence. Vague and ambiguous.
24	THE WITNESS: I'm aware that it's a component.
25	I couldn't tell you now how big or how small the
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component is. But I'm aware it's one component out of 1 2 many. (By Mr. Robison) For example, your shopping. 3 Ο. When you go shop at the Peppermill without telling them 4 you're shopping, you're getting information about what 5 they do to make their machines more profitable, aren't 6 7 you? 8 I would say that I'm getting information about Α. what they do to appeal to customers, which would make the 9 machines more profitable if they do it well. 10 Sounds like the answer was yes. You're finding 11 Q. information from the Peppermill about how they make their 12 13 machines more profitable; correct? You can say it. 14 If they do it -- I wouldn't say it's necessarily Α. a straight line because it may be that having all these 15 restaurants does or doesn't. But I believe they're 16 trying to make their machines more profitable. So what 17 are they doing to try to do that, I couldn't tell you 18 19 whether it's working or not. 20 You went over there to see what marketing and 0. comps and tier points Peppermill had in place which is 21 part of the strategies to make their machine more 22 23 profitable. True? 24 Α. Correct. 25 So you're over there trying to figure out how Q. ESQUIRE 800.211.DEPO (3376) EsquireSolutions.com

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1	the Peppermill makes their machines profitable; correct?
2	A. I was asked to look at different casinos in the
3	region to determine how are they rewarding players.
4	Q. And rewarding players is part of the equation
5	how you make machines profitable because it provides more
б	time on the device; right?
7	A. In the big picture, yes.
8	Q. That's basically what you were taking from the
9	Peppermill and giving to the GSR?
10	A. Correct.
11	MR. ROBISON: Let's take ten minutes here.
12	(Break was taken.)
13	Q. (By Mr. Robison) Back on the record. I think a
14	fair synopsis of today's experience is that you need more
15	time to work on a damage claim.
16	A. Correct.
17	Q. And you will then provide us a report, and we
18	will visit with you again and we can have this enjoyable
19	moment on another day after you've done your analysis.
20	But would you please give to counsel all the paperwork
21	that you have to this point in time, because I believe
22	it's discoverable, and I believe that the Court ordered
23	that it be produced, and then I'll work with counsel to
24	get that from him. But please make sure he gets
25	everything.
ł	<b>2 ESQUIRE</b> <i>B00.211.DEPO (3376)</i> <i>EsquireSolutions.com</i>

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1	A. Certainly.
2	Q. Fair enough?
3	MR. JOHNSON: Yes.
4	MR. ROBISON: Then to shut this down, I just
5	want to make sure that the record is clear on which
6	exhibits we marked today, although some were not referred
7	to.
8	Exhibit 20 is Mr. Schwartz's affidavit. 21 is
9	the CV. 22 is the marketing material on Marketations.
10	23 is the Contra Costa Times article. 24 is Judge
11	Flanagan's confirming order. 25 is the subpoena that was
12	served on Mr. Schwartz. 26 is the web site bio. 27 is
13	the 2011 Gaming Revenue Report for December 2011.
14	Exhibit 28 is the June 30th, 2012, gaming revenue report,
15	and Exhibit 29 is the July 21st, 2013, gaming revenue
16	report.
17	And with that, I have no further questions at
18	this time, and we'll continue this when you submit your
19	report.
20	MR. GUNDERSON: I will wait to ask my questions
21	when we have a final report.
2 <b>2</b>	MR. JOHNSON: All right.
23	MR. ROBISON: Thank you. We'll make the
24	original, then, go to GSR's counsel.
25	MR. JOHNSON: Yes.
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1	MR. ROBISON: You'll be entitled, as I said, to
2	see the transcript and make any corrections. If you
3	don't make any corrections within 30 days, it can be used
4	as transcribed. And if you don't sign it in 30 days, it
5	can be used in its unsigned condition.
б	THE WITNESS: (Nodding).
7	MR. ROBISON: Okay. Thank you.
8	(The deposition concluded at 12:02 p.m.)
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1	REPORTER'S CERTIFICATE
2	STATE OF NEVADA )
3	) ss. County of clark )
4	I, CHRISTINE M. JACOBS, a certified shorthand
5	reporter for the state of Nevada, do hereby certify:
6	That I reported the deposition of the witness, DAVID
7	G. SCHWARTZ, PH.D, commencing on October 21, 2014,
8	commencing at the hour of 9:27 a.m.
9	That prior to being examined, the witness was by me
10	duly sworn to testify to the truth, the whole truth, and
11	nothing but the truth;
12	That I thereafter transcribed my said shorthand
13	notes into typewriting and that the typewritten
14	transcription of said deposition is a complete, true and
15	accurate transcription of my said shorthand notes taken
16	down at said time. That review of the transcript was
17	requested.
18	I further certify that I am not a relative or
19	employee of an attorney or counsel involved in said
20	action.
21	IN WITNESS WHEREOF, I have hereunto set my hand
22	in my office in the County of Glark, State of Nevada,
23	this 31st day of October 2014.
24	CHRISTINE M. JACOBS, CCR 455
25	
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1	DEPOSITION ERRATA SHEET
2	
3	Assignment No. 215323
4	Case Caption: MEI-GSR HOLDINGS vs. PEPPERMILL
5	
6	
7	
8	DECLARATION UNDER PENALTY OF PERJURY
9	
10	I declare under penalty of perjury that I have
11	read the entire transcript of my deposition taken in the
12	captioned matter or the same has been read to me, and the
13	same is true and accurate, save and except for changes
14	and/or corrections, if any, as indicated by me on the
15	DEPOSITION ERRATA SHEET hereof, with the understanding
16	that I offer these changes as if still under oath.
17	Signed on theday of, 2014.
18	
19	DAVID SCHWARTZ
20	
21	
22	
23	
24	
25	
	<b>BOD ESQUIRE</b> EsquireSolutions.com

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25	DAVID SCHWARTZ	
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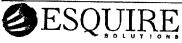


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		FILED Electronically	j
		2014-11-24 04:04:04 PM Jacqueline Bryant	
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9	IN THE SECOND JUDICIAL DISTRI		
10			
11	IN AND FOR THE CO	UNTY OF WASHOE	
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704	
13		DEPT. NO.: B7	
14	Plaintiff, vs.	<b>BUSINESS COURT DOCKET</b>	
15	PEPPERMILL CASINOS, INC., a Nevada		
16	Corporation, d/b/a/ PEPPÉRMILL CASINO; RYAN TORS, an individual; JOHN DOES I-X		
17	and JANE DOES I-X and CORPORATIONS I-X,		
	Defendant(s).		
18			
19			
20	REQUEST FOR		
21	It is requested that Defendant Peppermill Car	sinos, Inc.'s Motion for Order Compelling GSR to	
22	Show Cause Why It Not Be Held in Contempt, whi	ch was filed on October 27, 2014, in the above-	
23	entitled matter, be submitted for decision. The ur	ndersigned attorney certifies that a copy of this	
24	Request has been served on all counsel of record.		
25			
26	<u>AFFIRMA</u> Pursuant to NR		
27	The undersigned does hereby officer at the think		
28		s document does not contain the social security	
Robison, Belaustegui, Sharp & Low	number of any person.		
71 Washington St. Reno, NV 89503 (775) 329-3151			

DATED this 24<sup>th</sup> day of November, 2014. ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation 71 Washington Street Reno, Nevada 89503 KENTR. ROBISON KEEGAN G. LOW THERESE M. SHANKS Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino Robison, Belanstegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151 

1	CERTIFICATE OF SERVICE
2	I - THE ALL OF A CONTROL OF A C
3	LOW, and that on this date I caused to be served a true copy of the <b>REOUEST FOR SUBMISSION</b> on all parties to this action by the method(s) indicated below:
4	by placing an original or true copy thereof in a sealed envelope, with sufficient postage
5	Anixed inereto, in the United States mail at Reno, Nevada, addressed to:
6	<ul> <li>by using the Court's CM/ECF Electronic Notification System addressed to:</li> <li>H. STAN JOHNSON, ESQ.</li> </ul>
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20	Attorneys for Nevada Gaming Control Board
21	by personal delivery/hand delivery addressed to:
22	by facsimile (fax) addressed to:
23	by Federal Express/UPS or other overnight delivery addressed to:
24	DATED: This 2 + day of November, 2014.
25	A A
26	V. JAYNE FERRETTO
27	
28 Robison, Belaustegui, Sharp & Low	
71 Washington Street Reno, Nevada 89503 (775) 329-3161	
-	1

	FILED Electronically 2014-11-26 11:03:45 AM Jacqueline Bryant Clerk of the Court Transaction # 4712721
1	Transaction # 47 12721
2 3	
4	
5	
6	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7	IN AND FOR THE COUNTY OF WASHOE
8	
9	MEI-GSR HOLDINGS, LLC, a Case No.: CV13-01704 Nevada corporation, dba GRAND
10 11	SIERRA RESORT, Dept. No.: 7
12	Plaintiff, vs.
13	PEPPERMILL CASINOS, INC., a
14	Nevada corporation, dba PEPPERMILL CASINO: RYAN
15	TORS, an individual; et al.,
16	Defendants.
17	ORDER
18	On August 25, 2014, Defendant PEPPERMILL CASINOS, INC., filed a
19 20	Motion for Terminating Sanctions or, in the Alternative, Motion to Compel
21	Discovery. Defendant RYAN TORS joined the Motion on August 28, 2014. On
22	September 9, 2014, Plaintiff MEI-GSR HOLDINGS, LLC filed its Motion to Strike
23	and Dismiss Defendant Peppermill's Motion for Case Terminating Sanctions, which
24	will be treated here as an opposition. Peppermill filed an Opposition to Plaintiff's
25	Motion to Strike on September 26, 2014, which will be treated here as a reply. The
26	Motion of August 25, 2014, was submitted for decision on October 14, 2014. On October 27, 2014, Peppermill filed a Motion for Order Compelling GSR to Show
27	Cause why it not be Held in Contempt, which has not been opposed. On November
28	
	1
- 11	

12, 2014, Peppermill filed a Supplemental Motion for Terminating Sanctions or, in 1 the Alternative, for an Order to Show Cause why Plaintiff not be Held in Contempt 2 and Subjected to Severe Sanctions, renewing several of its arguments in earlier 3 filings, on November 12, 2014. The Court will now take up all issues Peppermill 4 has raised in its motions for "terminating sanctions" from August 25, 2014, and 5 November 12, 2014, as well as in its Motion for Order Compelling GSR to Show 6 Cause from October 27, 2014. It should be noted that GSR has not responded to the 7 Motion to Show Cause or to the Supplemental Motion. 8

First, the Court notes that several collateral disputes have already been 9 10 resolved which are relevant to Peppermill's claims here. On June 4, 2014. Peppermill filed a Motion to Dismiss Complaint alleging that GSR was refusing to 11 provide a calculation of damages. On June 18, 2014, GSR filed an Opposition to 12 13 Defendants' Motion to Dismiss Complaint and Counter-Motion to Compet Disclosures under NRCP 16.1 claiming that it was relieved from its obligation to 14 provide a calculation of damages because Peppermill had failed to confer about the 15 matter prior to filing the motion and that Peppermill must be compelled to provide 16 certain documents under NRCP 16.1. The discovery issues were referred to the 17 Discovery Commissioner, who issued an unopposed Recommendation for Order on 18 19 September 19, 2014. This Court adopted those recommendations on October 1, 20 2014, ordering GSR to provide to the Defendants, no later than September 30, 2014, an updated calculation of damages under NCRP 16.1(a)(1)(C), and to identify and 21 22 make available for inspection any documents, electronically stored information, or 23 tangible things that it is relying upon in support of its damages claim.

A separate issue involving depositions has also been resolved. On June 4, 25 2014, Peppermill served GSR with a notice of NRCP 30(b)(6) depositions, with an 26 amended deposition notice on June 11, 2014. GSR refused to provide deponents as 27 demanded in the notice and, on June 19, 2014, it filed a *Motion for Protective Order* 28 on an Order Shortening Time and for Stay of Depositions Pending Hearing on the  Matter. The issue was referred to the Commissioner who returned a Recommendation for Order on October 2, 2014. GSR filed an Objection on October 10, 2014 and Peppermill filed an Opposition to the Objection on October 24, 2014.
 On November 13, 2014, the Court adopted the Commissioner's recommendation, ordering GSR to designate and produce one or more representatives to testify on its behalf pursuant to NRCP 30(b)(6) regarding the topics identified in Peppermill's amended notice.<sup>1</sup>

8

#### Legal Standard

Peppermill asks that GSR's complaint be dismissed with prejudice. Under
NRCP 37(b)(2)(C), a district court has discretion to issue sanctions, including caseconcluding sanctions, against a party for willful failure to comply with a discovery
order, or where the adversary process has been halted by actions of unresponsive
party. GNLV Corp. v. Service Control Corp., 111 Nev. 866, 900 P.2d 323 (1995).
Fundamental notions of fairness and due process require that discovery sanctions
be just and that sanctions relate to the specific conduct at issue. Id.

#### <u>Analysis</u>

The Court will address each of the alleged discovery violations and motions to
compel before taking up the issue of whether GSR's conduct, as a whole, is
sanctionable.

20

16

#### a. Computation of damages and related documents

Peppermill alleges that GSR failed to reasonably provide a mandatory computation of damages and related documents as required by NRCP 16.1(a)(1)(C) and by orders of this *Court*. NRCP 16.1(a)(1)(C) states that, without awaiting a discovery request, a party must provide a computation of damages, making available for inspection and copying the documents or other evidentiary matter, not privileged or protected from disclosure, on which the computation is based.

<sup>28 &</sup>lt;sup>1</sup> The recommendation excepted "Topic 26," which was determined to be overbroad and therefore subject to a protective order.

On September 19, 2014, the Commissioner issued a Recommendation for 1 Order finding that GSR's calculation of damages as included in its initial 2 disclosures was deficient and that GSR should be compelled to provide an updated 3 calculation of damages, along with related documents, by September 30, 2014. 4 Neither party opposed the Recommendation. It was adopted by the Court on 5 October 1, 2014. Peppermill acknowledges that GSR has provided the requested 6 computation of damages in the form of an affidavit, dated September 9, 2014, from 7 Dr. David Schwartz, GSR's damages expert. Peppermill contends, however, that 8 the affidavit is false and misleading (see discussion below) and that GSR has 9 refused to produce related documents. GSR has not responded to this argument. 10

Any failure by GSR to identify and make available documents related to its damages calculation is a violation of this Court's adopted Order of October 1, 2014. GSR is hereby compelled to comply with that directive by December 15, 2014, if it has not already done so by the time of this Order.

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### b. Requests for Production of Documents

Peppermill alleges that GSR has willfully failed to comply with requests for 16 production of documents in contravention of Court orders. Peppermill specifically 17 identifies the above-referenced documents pertaining to damages calculations 18 19 (Motion for Sanctions at 5; Supplemental Motion at 3) as well as other documents related to testimony given by GSR's named witnesses at deposition (Motion for 20 Order to Show Cause at 2). It appears that all documents requested pertain in some 21 way to calculation of damages, i.e. "slot strategies, marketing policies, and hold 22 percentages." Id.; see also Recommendation for Order of October 2, 2014. 23 As described above, GSR is compelled to disclose those documents. 24

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The Court has reviewed GSR's untimely responses to the second set of interrogatories. While GSR objects to nearly every request, it properly states reasons for the objections and otherwise answers to the extent the interrogatories are not objectionable. See NRCP 33(b)(1). In response to the objections, Peppermill moves to compel disclosure under NRCP 33(b)(5). It fails, however, to identify which of GSR's objections it is challenging or to cite specific authority compelling disclosure. Absent more, an order compelling discovery is not appropriate.

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e. Depositions

On November 3 and 4, Peppermill deposed several of GSR's witnesses

pursuant to NRCP 30(b)(6).<sup>2</sup> Peppermill complains that, while GSR provided 1 witnesses for the topics identified, the witnesses generally lacked the knowledge 2 necessary to answer questions posed at deposition. 3 Peppermill claims that, pursuant to NRCP 30(b)(6), it is entitled to depose the "person most knowledgeable" 4 or "PMK" on each identified topic. Failure to provide such a witness or to 5 adequately prepare a witness for deposition, Peppermill contends, is "tantamount to 6 failure to appear" and is subject to immediate sanction. Supplemental Motion at 10 7 (citing United States v. Taylor, 166 F.R.D. 356, 363 (M.D.N.C. 1996); Wilson v. 8 9 Lakner, 228 F.R.D. 524, 530 (D. Md. 2005)).

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<sup>&</sup>lt;sup>26</sup> <sup>2</sup> Peppermill notes that depositions had previously been scheduled for the end of August, but that GSR had failed to appear for those depositions without notice. GSR argues that the parties had an understanding that the depositions would not proceed if the Court had not yet ruled on GSR's Motion for a Protective Order, which it had not. Regardless of the circumstances, the parties are encouraged to communicate in advance of an approaching deadline, no matter how tenuous, so as not to waste one another's time over a misunderstanding.

Mr. Robinson is GSR's Chief Financial Officer. Supplemental Motion, Ex. 3, 1 Deposition of Craig Robinson at 4. Peppermill sought to depose him on the issues of 2 (1) damages, (2) the "independent economic value" of the information obtained by 3 Ryan Tors, and (3) the allegations of Peppermill's intent to financially harm GSR. 4 5 At the time of his deposition, he had been working for GSR for approximately seven weeks. Id. at 11. He acknowledged that he had not reviewed any documents or done 6 7 any internal investigation to prepare himself for his deposition, and that he was instead relying entirely on his day-to-day familiarity with GSR's financial records in 8 9 answering the questions posed. Id. at 13-15; 40.

10 The text of Mr. Robinson's deposition reveals that, because of this, he was unprepared to provide meaningful answers. Robinson admitted that he had no 11 specific knowledge as to damages or the independent value of appropriated 12 information until a week before the deposition. Id. at 26-27. He further conceded 13 that the lion's share of his specific knowledge had been obtained through 14 15 discussions with counsel, creating privilege issues and limiting his possible testimony. Id. at 26-27, 67-68. Robinson had never read the Complaint. Id. at 49-16 50. Robinson had never met with GSR's damages expert or reviewed that expert's 17 18 affidavit. Id. at 26-27, 92-93. He was therefore unfamiliar with the exact amounts 19 of damages claimed or how they were calculated. Id. at 26-27; 53; 64, 90-91. In 20 general, he was unable to identify anyone else who might have knowledge as to 21 damages. Id. at 35, 43. With respect to the appropriated information, Robinson 22 was unaware exactly what had been obtained. Id. at 86, 88. As to its value he was 23 able to opine only that confidential par settings acquired from competitors are 24 generally "invaluable." Id. at 68, 74-79. The information sought on these topics is 25 clearly within the scope of GSR's corporate knowledge, as it forms the basis for the 26 instant suit. It was clearly not within Mr. Robinson's knowledge, however, making 27 him ineffective as an NRCP 30(b)(6) witness. As the court in Great American Ins. Co. indicated, the failure to produce a Rule 30(b)(6) designee who is adequately 28

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#### f. Sanctionable Conduct and Sanctions

20 Two items of GSR's conduct are of particular concern: (1) its failure to 21 adequately prepare Craig Robinson to testify as an NRCP (30)(b)(6) witness; and (2) 22 its failure to produce documents related to its calculation of damages, in violation of this Court's Order. As stated, NRCP 37(b)(2)(C), provides courts with discretion to 23 24 issue sanctions, including case-concluding sanctions, against a party for willful 25 failure to comply with a discovery rule or order, or where the adversary process has 26 been halted by actions of unresponsive party. GNLV Corp. v. Service Control Corp. 111 Nev. 866, 900 P.2d 323 (1995). However, rules of fairness and of due process 27 28 require that the sanctions be fair and be tailored to the specific conduct at issue. Id.

1 None of the issues here are so severe or so related to the case's foundations that case-terminating sanctions are warranted. This is not to say, that GSR's 2 3 misconduct has been harmless. The effects of its failure to prepare Mr. Robinson to be deposed are easily measured: Peppermill was forced to incur the costs of 4 preparing to depose and deposing a witness who had admittedly done no 5 preparation to speak on corporate knowledge of the topics identified. Peppermill 6 was then forced to file its Supplemental Motion for Sanctions raising this issue. 7 GSR is hereby sanctioned and ordered to pay Peppermill's reasonable costs and fees 8 incurred in deposing Mr. Robinson and in filing its Supplemental Motion. It is 9 further compelled to provide and adequately prepare, in accordance with the 10 strictures of NRCP 30(b)(6), an alternate deponent for the topics identified for Mr. 11 12 Robinson.

The effects of GSR's failure to provide documents related to its computation 13 of damages are more difficult to quantify. Its action fits with what appears to be a 14 pattern of resistance throughout the discovery process in this case. The suit is now 15 over a year old. As time passes and as both sides experience changes in personnel, 16 it will only become more difficult for meaningful evidence to be uncovered. GSR 17 failed to identify its precise claim for damages until ordered to do so and the 18 19 resulting hardship is compounded by its failure to also produce the documentary support for its calculations. As a result of GSR's foot-dragging, Peppermill has been 20 21 forced to incur expenses seeking redress from this Court. GSR is hereby sanctioned and ordered to pay Peppermill's reasonable costs and fees incurred in filing its 22 23 Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery and in responding to objections thereto. As noted above, GSR is further compelled 24 to provide the documents at issue by December 15, 2014, or risk the imposition of 25 26 meaningful economic sanctions.

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1	CONCLUSION
2	Based on the foregoing, Defendant's Motion for Terminating Sanctions or, in
3	the Alternative, Motion to Compel Discovery, as well as its Supplemental Motion for
4	Terminating Sanctions or, in the Alternative, for an Order to Show Cause Why
5	Plaintiff Not be Held in Contempt and Subjected to Severe Sanctions are
6	GRANTED in part and DENIED in part in accordance with this Order.
7	Defendant's Motion for Order Compelling GSR to Show Cause why it not be Held in
8	Contempt is DENIED. Plaintiff is hereby compelled to provide discovery as
9	described herein.
10	Further, Plaintiff is hereby sanctioned and ordered to pay to Defendant
11	Peppermill the reasonable costs and attorney's fees incurred in filing its Motion for
12	Terminating Sanctions and its Supplemental Motion for Terminating Sanctions, as
13	well as the responses thereto, as well as the reasonable costs and attorney's fees
14	incurred in preparing to depose and deposing Craig Robinson on November 4, 2014.
15	Defendant is ordered to submit memoranda of the above costs within ten (10) days.
16	Plaintiff will have ten (10) days to serve and file written responses thereto.
17	Defendant may then serve and file a reply within five (5) days.
18	IT IS HEREBY ORDERED.
19	DATED this day of November, 2014.
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21	PATRICK FLANAGAN
22	District Judge
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1	CERTIFICATE OF SERVICE
2	Pursuant to NRCP 5(b), I hereby certify that I am an employee of the Second
3	Judicial District Court of the State of Nevada, County of Washoe; that on this
4	day of November, 2014, I electronically filed the following with the Clerk of
5	the Court by using the ECF system which will send a notice of electronic filing to
6	the following:
7	Alisa Nave-Worth, Esq., for Peppermill Casinos, Inc.;
8	H. Johnson, Esq., for MEI-GSR Holdings, LLC;
9	John Funk, Esq., for Ryan Tors;
10	Michael Somps, Esq., for Nevada Gaming Commission, State Gaming Control
11	Board;
12	I deposited in the Washoe County mailing system for postage and mailing
13	with the United States Postal Service in Reno, Nevada, a true copy of the attached
14	document addressed to:
15 16	Judicial Ageistant
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	FILED Electronically 2014-12-02 10:58:33 AM Jacqueline Bryant	
1	2540 Clerk of the Court KENT R. ROBISON, ESQ NSB #1167 Transaction # 4716854	
2	krobison@rbsllaw.com KEEGAN G. LOW, ESQ. – NSB #307	
3	klow@rbsllaw.com THERESE M. SHANKS, ESQ. – NSB # 12890	
4	tshanks@rbsllaw.com Robison, Belaustegui, Sharp & Low	
5	A Professional Corporation 71 Washington Street	
6	Reno, Nevada 89503 Telephone: (775) 329-3151	
7	Facsimile: (775) 329-7169	
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino	
9	IN THE SECOND JUDICIAL DISTRICT FOR THE STATE OF NEVADA	
10	10 IN AND FOR THE COUNTY OF WASHOE	
11		
12	MEI-GSR HOLDINGS, LLC, a Nevada CASE NO.: CV13-01704 Corporation, d/b/a/ GRAND SIERRA RESORT,	
13	DEPT. NO.: B7 Plaintiff,	
14	vs. BUSINESS COURT DOCKET	
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;	
16	RYAN TORS, an individual; JOHN DOES I-X and JANE DOES I-X and CORPORATIONS I-X,	
17	Defendant(s).	
18	/	
19	NOTICE OF ENTRY OF ORDER	
20		
21	TO: All parties herein and their respective attorneys of record:	
22	PLEASE TAKE NOTICE that on the 26 <sup>th</sup> day of November, 2014, the Court entered an	
23	Order, a copy of which is attached hereto.	
24	AFFIRMATION	
25 26	Pursuant to NRS 239B.030	
20	The undersigned does hereby affirm that this document does not contain the social security	
27	111	
Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	1	

number of any person. DATED this  $2^{M}$  day of December, 2014. ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation 71 Washington Street Reno, Nevada 89503 KENT R. ROBISON **KEEGAN G. LOW** THERESE M. SHANKS Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151 

1 2 3 4	FILED Electronically 2014-11-26 11:03:45 AM Jacqueline Bryant Clerk of the Court Transaction # 4712721
5	
6 7	IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
8	IN AND FOR THE COUNTY OF WASHOE
° 9	
, 10	MEI-GSR HOLDINGS, LLC, a Case No.: CV13-01704 Nevada corporation, dba GRAND
10	SIERRA RESORT, Dept. No.: 7
12	Plaintiff, vs.
13	PEPPERMILL CASINOS, INC., a
14	PEPPERMILL CASINO BYAN
15	TORS, an individual; et al.,
16	Defendants.
17	
18	ORDER On August 25, 2014, Defendant PEPPERMILL CASINOS, INC., filed a
19	Motion for Terminating Sanctions or, in the Alternative, Motion to Compel
20	Discovery. Defendant RYAN TORS joined the Motion on August 28, 2014. On
21 22	September 9, 2014, Plaintiff MEI-GSR HOLDINGS, LLC filed its Motion to Strike
22	and Dismiss Defendant Peppermill's Motion for Case Terminating Sanctions, which
24	will be treated here as an opposition. Peppermill filed an Opposition to Plaintiff's
	Motion to Strike on September 26, 2014, which will be treated here as a reply. The
	Motion of August 25, 2014, was submitted for decision on October 14, 2014. On
- 11	October 27, 2014, Peppermill filed a Motion for Order Compelling GSR to Show
28	Cause why it not be Held in Contempt, which has not been opposed. On November
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12, 2014, Peppermill filed a Supplemental Motion for Terminating Sanctions or, in 1 the Alternative, for an Order to Show Cause why Plaintiff not be Held in Contempt 2 and Subjected to Severe Sanctions, renewing several of its arguments in earlier 3 filings, on November 12, 2014. The Court will now take up all issues Peppermill 4 has raised in its motions for "terminating sanctions" from August 25, 2014, and 5 November 12, 2014, as well as in its Motion for Order Compelling GSR to Show 6 Cause from October 27, 2014. It should be noted that GSR has not responded to the 7 Motion to Show Cause or to the Supplemental Motion. 8

First, the Court notes that several collateral disputes have already been 9 10 resolved which are relevant to Peppermill's claims here. On June 4, 2014, Peppermill filed a Motion to Dismiss Complaint alleging that GSR was refusing to 11 provide a calculation of damages. On June 18, 2014, GSR filed an Opposition to 12 Defendants' Motion to Dismiss Complaint and Counter-Motion to Compet 13 Disclosures under NRCP 16.1 claiming that it was relieved from its obligation to 14 provide a calculation of damages because Peppermill had failed to confer about the 15 matter prior to filing the motion and that Peppermill must be compelled to provide 16 certain documents under NRCP 16.1. The discovery issues were referred to the 17 Discovery Commissioner, who issued an unopposed Recommendation for Order on 18 September 19, 2014. This Court adopted those recommendations on October 1, 19 2014, ordering GSR to provide to the Defendants, no later than September 30, 2014, 20 an updated calculation of damages under NCRP 16.1(a)(1)(C), and to identify and 21 make available for inspection any documents, electronically stored information, or 22 tangible things that it is relying upon in support of its damages claim. 23

A separate issue involving depositions has also been resolved. On June 4, 25 2014, Peppermill served GSR with a notice of NRCP 30(b)(6) depositions, with an 26 amended deposition notice on June 11, 2014. GSR refused to provide deponents as 27 demanded in the notice and, on June 19, 2014, it filed a *Motion for Protective Order* 28 on an Order Shortening Time and for Stay of Depositions Pending Hearing on the

Matter. The issue was referred to the Commissioner who returned a
 Recommendation for Order on October 2, 2014. GSR filed an Objection on October
 10, 2014 and Peppermill filed an Opposition to the Objection on October 24, 2014.
 On November 13, 2014, the Court adopted the Commissioner's recommendation,
 ordering GSR to designate and produce one or more representatives to testify on its
 behalf pursuant to NRCP 30(b)(6) regarding the topics identified in Peppermill's
 amended notice.<sup>1</sup>

#### <u>Legal Standard</u>

Peppermill asks that GSR's complaint be dismissed with prejudice. Under
NRCP 37(b)(2)(C), a district court has discretion to issue sanctions, including caseconcluding sanctions, against a party for willful failure to comply with a discovery
order, or where the adversary process has been halted by actions of unresponsive
party. GNLV Corp. v. Service Control Corp., 111 Nev. 866, 900 P.2d 323 (1995).
Fundamental notions of fairness and due process require that discovery sanctions
be just and that sanctions relate to the specific conduct at issue. Id.

### 16 Analysis

The Court will address each of the alleged discovery violations and motions to
compel before taking up the issue of whether GSR's conduct, as a whole, is
sanctionable.

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## a. Computation of damages and related documents

Peppermill alleges that GSR failed to reasonably provide a mandatory computation of damages and related documents as required by NRCP 16.1(a)(1)(C) and by orders of this *Court*. NRCP 16.1(a)(1)(C) states that, without awaiting a discovery request, a party must provide a computation of damages, making available for inspection and copying the documents or other evidentiary matter, not privileged or protected from disclosure, on which the computation is based.

<sup>28 1</sup> The recommendation excepted "Topic 26," which was determined to be overbroad and therefore subject to a protective order.

On September 19, 2014, the Commissioner issued a Recommendation for 1 Order finding that GSR's calculation of damages as included in its initial 2 disclosures was deficient and that GSR should be compelled to provide an updated 3 calculation of damages, along with related documents, by September 30, 2014. 4 5 Neither party opposed the Recommendation. It was adopted by the Court on October 1, 2014. Peppermill acknowledges that GSR has provided the requested 6 computation of damages in the form of an affidavit, dated September 9, 2014, from 7 Dr. David Schwartz, GSR's damages expert. Peppermill contends, however, that 8 the affidavit is false and misleading (see discussion below) and that GSR has 9 refused to produce related documents. GSR has not responded to this argument. 10

Any failure by GSR to identify and make available documents related to its damages calculation is a violation of this Court's adopted Order of October 1, 2014. GSR is hereby compelled to comply with that directive by December 15, 2014, if it has not already done so by the time of this Order.

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Peppermill alleges that GSR has willfully failed to comply with requests for 16 production of documents in contravention of Court orders. Peppermill specifically 17 identifies the above-referenced documents pertaining to damages calculations 18 (Motion for Sanctions at 5; Supplemental Motion at 3) as well as other documents 19 related to testimony given by GSR's named witnesses at deposition (Motion for 20 21 Order to Show Cause at 2). It appears that all documents requested pertain in some way to calculation of damages, i.e. "slot strategies, marketing policies, and hold 22 percentages." Id.; see also Recommendation for Order of October 2, 2014. As 23 described above, GSR is compelled to disclose those documents. 24

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# f. Sanctionable Conduct and Sanctions

Two items of GSR's conduct are of particular concern: (1) its failure to 20 adequately prepare Craig Robinson to testify as an NRCP (30)(b)(6) witness; and (2) 21 its failure to produce documents related to its calculation of damages, in violation of 22 this Court's Order. As stated, NRCP 37(b)(2)(C), provides courts with discretion to 23 issue sanctions, including case-concluding sanctions, against a party for willful 24 failure to comply with a discovery rule or order, or where the adversary process has 25 been halted by actions of unresponsive party. GNLV Corp. v. Service Control Corp., 26 111 Nev. 866, 900 P.2d 323 (1995). However, rules of fairness and of due process 27 require that the sanctions be fair and be tailored to the specific conduct at issue. Id. 28

None of the issues here are so severe or so related to the case's foundations 1 that case-terminating sanctions are warranted. This is not to say, that GSR's 2 misconduct has been harmless. The effects of its failure to prepare Mr. Robinson to 3 4 be deposed are easily measured: Peppermill was forced to incur the costs of 5 preparing to depose and deposing a witness who had admittedly done no preparation to speak on corporate knowledge of the topics identified. Peppermill 6 was then forced to file its Supplemental Motion for Sanctions raising this issue, 7 GSR is hereby sanctioned and ordered to pay Peppermill's reasonable costs and fees 8 incurred in deposing Mr. Robinson and in filing its Supplemental Motion. It is 9 further compelled to provide and adequately prepare, in accordance with the 10 strictures of NRCP 30(b)(6), an alternate deponent for the topics identified for Mr. 11 12 Robinson.

The effects of GSR's failure to provide documents related to its computation 13 of damages are more difficult to quantify. Its action fits with what appears to be a 14 pattern of resistance throughout the discovery process in this case. The suit is now 15 over a year old. As time passes and as both sides experience changes in personnel, 16 17 it will only become more difficult for meaningful evidence to be uncovered. GSR failed to identify its precise claim for damages until ordered to do so and the 18 resulting hardship is compounded by its failure to also produce the documentary 19 support for its calculations. As a result of GSR's foot-dragging, Peppermill has been 20 21 forced to incur expenses seeking redress from this Court. GSR is hereby sanctioned 22 and ordered to pay Peppermill's reasonable costs and fees incurred in filing its 23 Motion for Terminating Sanctions or, in the Alternative, Motion to Compel Discovery and in responding to objections thereto. As noted above, GSR is further compelled 24 25 to provide the documents at issue by December 15, 2014, or risk the imposition of 26 meaningful economic sanctions.

27 ||

II

28 //

1	CONCLOSION				
2	Based on the foregoing, Defendant's Motion for Terminating Sanctions or, in				
3	the Alternative, Motion to Compel Discovery, as well as its Supplemental Motion for				
4	Terminating Sanctions or, in the Alternative, for an Order to Show Cause Why				
5	Plaintiff Not be Held in Contempt and Subjected to Severe Sanctions are				
б	GRANTED in part and DENIED in part in accordance with this Order.				
7	Defendant's Motion for Order Compelling GSR to Show Cause why it not be Held in				
8	Contempt is DENIED. Plaintiff is hereby compelled to provide discovery as				
9	described herein.				
10	Further, Plaintiff is hereby sanctioned and ordered to pay to Defendant				
11	Peppermill the reasonable costs and attorney's fees incurred in filing its Motion for				
12	Terminating Sanctions and its Supplemental Motion for Terminating Sanctions, as				
13	well as the responses thereto, as well as the reasonable costs and attorney's fees				
14	incurred in preparing to depose and deposing Craig Robinson on November 4, 2014.				
15	Defendant is ordered to submit memoranda of the above costs within ten (10) days.				
16	Plaintiff will have ten (10) days to serve and file written responses thereto.				
17	Defendant may then serve and file a reply within five (5) days.				
18	IT IS HEREBY ORDERED.				
19	DATED this _2/o_ day of November, 2014.				
20					
21	PATRICK FLANAGAN				
22	District Judge				
23					
24					
25					
26					
27					
28					
	10				
	1				

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RA 01342

:

1	1 CERTIFICATE OF SERVICE				
2					
3	Judicial District Court of the State of Nevada, County of Washoe: that on this				
4	day of November, 2014, I electronically filed the following with the Clerk of				
5	the Court by using the ECF system which will send a notice of electronic filing to				
6	the following:				
7	Alisa Nave-Worth, Esq., for Peppermill Casinos, Inc.;				
8	H. Johnson, Esq., for MEI-GSR Holdings, LLC;				
9	John Funk, Esq., for Ryan Tors;				
10	Michael Somps, Esq., for Nevada Gaming Commission, State Gaming Control				
11	Board;				
12	I deposited in the Washoe County mailing system for postage and mailing				
13	with the United States Postal Service in Reno, Nevada, a true copy of the attached				
14	document addressed to:				
15 16	Jattin line				
17					
18					
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1	
. 1	CERTIFICATE OF SERVICE
2	Pursuant to NRCP 5(b), I certify that I am an employee of ROBISON, BELAUSTEGUI, SHARP &
3	LOW, and that on this date I caused to be served a true copy of the <b>NOTICE OF ENTRY OF ORDER</b> on all parties to this action by the method(s) indicated below:
4	
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:
	by using the Court's CM/ECF Electronic Notification System addressed to:
6	H. STAN JOHNSON, ESO.
7	TERRY KINNALLY, ESQ. Cohen-Johnson, LLC
8	255 E. Warm Springs Road, Suite 100
9	Las Vegas, NV 89119 Email: <u>sjohnson@cohenjohnson.com</u> / <u>tkinnally@cohenjohnson.com</u>
	Attorneys for Plaintiff
10	MARK WRAY, ESQ. 608 Lander Street
11	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u>
12	Attorneys for Plaintiff
13	MARK GUNDERSON, ESQ.
14	JOHN R. FUNK, ESQ. Gunderson Law Firm
1	3895 Warren Way Reno, NV 89509
15	Email: mgunderson@gundersonlaw.com
16	jfunk@gundersonlaw.com Attorneys for Defendant Ryan Tors
17	MICHAEL P. SOMPS, ESQ.
18	DARLENE B. CARUSO, ESQ. State Gaming Control Board
	555 East Washington Avenue, Suite 3900
19	Las Vegas, NV 89101-1068 Email: dcaruso@ag.nv.gov/msomps@ag.nv.gov
20	Attorneys for Nevada Gaming Control Board
21	by electronic email addressed to the above.
22	by personal delivery/hand delivery addressed to:
23	by facsimile (fax) addressed to:
	by Federal Express/UPS or other overnight delivery addressed to:
24	DATED: This 2nd day of December, 2014.
25	
26	(1) Jaime tereto
27	V. JAYNE FERREITO
28	
Robison, Belausteguí, Sharp & Low	
71 Washington Street Reno, Nevada 89503 (775) 329-3151	
(10) 020-0131	

		F I L E D Electronically 2014-12-08 04:58:52 PM			
1	1950	Jacqueline Bryant Clerk of the Court			
2	KENT R. ROBISON, ESQ NSB #1167 krobison@rbsllaw.com	Transaction # 4726776 : mfernand			
3	KEEGAŇ G. LOW, ESQ. – NSB #307 klow@rbsllaw.com				
	THERESE M. SHANKS, ESQ NSB # 12890				
4	tshanks@rbsllaw.com Robison, Belaustegui, Sharp & Low				
5	A Professional Corporation 71 Washington Street				
6	Reno, Nevada 89503 Telephone: (775) 329-3151				
7	Facsimile: (775) 329-7169				
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino				
9	IN THE SECOND JUDICIAL DISTRI	CT FOR THE STATE OF NEVADA			
10	IN AND FOR THE CO	UNTY OF WASHOE			
11					
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704			
13	Plaintiff,	DEPT. NO.: B7			
14	vs.	BUSINESS COURT DOCKET			
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;				
16	RYAN TORS, an individual: JOHN DOES I-X				
17	and JANE DOES I-X and CORPORATIONS I-X,				
18	Defendant(s).				
19					
20	DEFENDANT PEPPERMILL CASINOS, IN ATTORNEYS' FEES IN RESPONSE TO CO	IC.'S MEMORANDUM OF COSTS AND URT'S ORDER OF NOVEMBER 26, 2014			
21		urt entered its Order sanctioning the Plaintiff for			
22	its willful refusal to comply with Peppermill's discovery requests. The Court further ordered that				
23	Peppermill submit its memoranda of costs and fees	for preparation and filing of its Motion For			
24	Terminating Sanctions, its Supplemental Motion For Terminating Sanctions and for preparing to				
25	and deposing Craig Robinson. In response, Peppermill submits the following.				
26	A. <u>Peppermill's Motion For Terminating Sanctions:</u>				
27	Review of the "Detail Fee Transaction File I	List" reveals that the following time was			
28 <sup>gui,</sup>	devoted to this motion by members of the Robison,	Belaustegui, Sharp and Low ("RBSL") law			
	1				

Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151

1	firm.				
2		Date	Hours	Individual Timekeeper	
3		08/13/14	.8 of 1.10	Kent Robison	
4		08/14/14	.8	Keegan G. Low	
5		08/19/14	2.2 of 2.7	Kent Robison	
6		08/20/14	1.2 of 1.5	Kent Robison	
7		08/21/14	1.8	Kent Robison	
8		08/21/14	4.10	James Stewart	
9		08/22/14	2.30	James Stewart	
10		08/25/14	2.5 of 4.0	James Stewart	
11		08/25/14	2.5 of 3.1	Kent Robison	
12		08/25/14	1.1 of 1.4	Keegan G. Low	
13	3 Kent Robison ("KR") is lead counsel and is charging the Peppermill \$450 per hour for t				
14	worked on this case.	Keegan G. La	ow ("KGL") is co-co	ounsel, is a shareholder of Robison,	
15	Belaustegui, Sharp & Low and is charging \$380 per hour for time worked on this case. James				
16	Stewart ("JS") is a paralegal and is charging \$110 per hour for his work on this case.				
17	The statement of qualifications for Kent Robison is part of the Affidavit attached as				
18	Exhibit 1. The statement of qualifications for Keegan G. Low is part of the Affidavit attached as				
19	Exhibit 2. The statement of qualifications for James Stewart is part of the Affidavit attached as				
20	Exhibit 3.				
21	Based on the	foregoing, the	total charges incurre	ed by the Peppermill for the Motion for	
22	Terminating Sanction	ns or, in the Al	ternative, Motion to	Compel Discovery are \$5,526.00.	
23	B. <u>Peppe</u>	rmill's Opposi	<u>tion To Plaintiff's M</u>	fotion To Strike:	
24		Date	Hours	Individual Timekeeper	
25		09/15/14	1.0 of 1.8	Kent Robison	
26		09/19/14	.4	Keegan G. Low	
27		09/22/14	2.0 of 2.5	James Stewart	
28 Robison, Belaustegni,		09/23/14	3.0	James Stewart	
Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	2				

.

1	09/24/14	2.5	Kent Robison
2	09/25/14	1.5 of 2.3	Kent Robison
3	09/26/14	.4	Keegan G. Low
4	09/26/14	.3	Jayne Ferretto
5	09/26/14	3.9	Kent Robison
6	09/29/14	.4	Keegan G. Low
. 7	Jayne Ferretto ("JF") is a j	paralegal with Rol	bison, Belaustegui, Sharp & Low and is
8	charging \$90 per hour for her wor	k on this case. (S	ee Exhibit 1.)
9	Based on the foregoing, th	e total charges inc	curred by the Peppermill for work on its
10	Opposition to Plaintiff's Motion to	o Strike are \$5,03	8.00.
11	C. Peppermill's Supp	emental Motion I	For Terminating Sanctions or For Order to
12	Show Cause Why	Plaintiff Not Be H	leld in Contempt and Subjected to Severe
13	<u>Sanctions.</u> Date	Hours	In dividual Timelanow
14	10/15/14	<u>110015</u> 6.2	<u>Individual Timekeeper</u> Kent Robison
15	10/17/14	3.1	Scott L. Hernandez
16	10/21/14	6.3	Scott L. Hernandez
17	10/22/14	2.1	Scott L. Hernandez
18	10/23/14	2.1 4.0 of 4.4	
19	10/24/14	1.1	Kent Robison
20	10/24/14	2.3	Scott L. Hernandez
21	10/24/14	.8	Kent Robison James Stewart
22	10/27/14	.0	
23	11/05/14	2.1 2.7 of 4.7	Kent Robison
24	11/03/14	2.0 of 2.6	Kent Robison Kent Robison
25			
26	Scott Hernandez is an association at Robison, Belaustegui, Sharp & Low and is charging the Peppermill \$280.00 per hour for his work on this case.		
27			
28	Based on the foregoing, the Peppermill has been charged \$12,301.00 for legal fees pertaining to the discovery disputes leading up to and for processing the Peppermill's		
iegui, St.		3	hoosene mo i obbermit 2
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1	Supplementa	l Motion for To	erminating Sa	nctions or	for Order to Show Cause Why Plaintiff Not Be
2		Held in Contempt and Subjected to Severe Sanctions.			
3	D.	Deposition c	of Craig Robin	<u>son.</u>	
4		Date	<u>Hours</u>		Individual Timekeeper
5		11/04/14	7.0 of 8.3		Kent Robison
6		11/04/14	5.0		James Stewart
7	Peppe	rmill has been	charged \$3,70	0.00 for i	ts lawyer preparing for and taking the
8	deposition of	Craig Robinso	n.		
9	E.	Conclusion.			
10	Based	on the foregoi	ng and the atta	ached, the	total amount of the sanctions that should be
11					nd costs caused by Plaintiff's refusal to
12	properly respo	ond to legitima	te discovery re	equests is !	\$26,565.00.
13	<u>AFFIRMATION</u> Pursuant to NRS 239B.030				
14					
15			s hereby affirm	n that this	document does not contain the social security
16	number of any	-			
17	DATE	DATED this 8 <sup>th</sup> day of December, 2014.			
18		ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation			
19 20		71 Washington Street Reno, Nevada 89503			
20					
22				<u>- Xe</u>	no Chillen
23				KEEGA	N G. LOW
24				Attorney	SE M. SHANKS rs for Defendant
25				Pepperm	ill Casinos, Inc., d/b/a Peppermill Casino
26					
27					
28					
Robison, Belanstegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151				4	

	li l
1	<u>CERTIFICATE OF SERVICE</u>
2	
3	LOW, and that on this date I caused to be served a true copy of the <u>DEFENDANT PEPPERMILL</u> CASINOS. INC.'S MEMORANDUM OF COSTS AND ATTORNEYS' FEES IN RESPONSE
4	TO COURT'S ORDER OF NOVEMBER 26, 2014 on all parties to this action by the method(s)
	indicated below:
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage
6	affixed thereto, in the United States mail at Reno, Nevada, addressed to:
7	by using the Court's CM/ECF Electronic Notification System addressed to:
	H. STAN JOHNSON, ESQ.
8	TERRY KINNALLY, ESQ. Cohen-Johnson, LLC
9	255 E. Warm Springs Road, Suite 100 Las Vegas, NV 89119
10	Email: sjohnson@cohenjohnson.com / tkinnally@cohenjohnson.com
11	Attorneys for Plaintiff
	MARK WRAY, ESQ. 608 Lander Street
12	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u>
13	Attorneys for Plaintiff
14	MARK GUNDERSON, ESQ.
15	JOHN R. FUNK, ESQ. Gunderson Law Firm
	3895 Warren Way Reno, NV 89509
16	Email: mgunderson@gundersonlaw.com
17	jfunk@gundersonlaw.com Attorneys for Defendant Ryan Tors
18	MICHAEL P. SOMPS, ESQ.
19	DARLENE B. CARUSO, ESQ.
	State Gaming Control Board 555 East Washington Avenue, Suite 3900
20	Las Vegas, NV 89101-1068 Email: dcaruso@ag.nv.gov/ <u>msomps@ag.nv.gov</u>
21	Attorneys for Nevada Gaming Control Board
22	by electronic email addressed to the above.
23	by personal delivery/hand delivery addressed to:
24	by facsimile (fax) addressed to:
	by Federal Express/UPS or other overnight delivery addressed to:
25	DATED: This 8 <sup>TH</sup> day of December, 2014.
26	211122. 1ml 0 - uly 01 2000mlock, 2014.
27	to and the
28	V. JAYNE FERRETTO
Robison, Belaustegul, Sharp & Low	
71 Washington Street Reno, Nevada 89503	
(775) 329-3151	I

1		LIST OF EXHIBITS	
2	EXHIBIT NO.	DESCRIPTION	NO. OF PAGES
3	1	Affidavit of Kent R. Robison	16
4	2	Affidavit of Keegan G. Low	2
5	3	Affidavit of James Stewart	2
6			
7			
8			
9			
10			
11			
12			
13			
14			
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16			
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27			
28 Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151			

		FILED			
		Electronically 2014-12-08 04:58:52 PM			
1	1950	Jacqueline Bryant Clerk of the Court			
	KENT R. ROBISON, ESQ NSB #1167	Transaction # 4726776 : mfernand			
2	krobison@rbsllaw.com KEEGAN G. LOW, ESO. – NSB #307				
3	klow@rbsilaw.com				
4	THERESE M. SHANKS, ESQ. – NSB # 12890 tshanks@rbsllaw.com				
	Robison, Belaustegui, Sharp & Low				
5	A Professional Corporation 71 Washington Street				
б	Reno, Nevada 89503 Telephone: (775) 329-3151				
7	Facsimile: (775) 329-7169				
8	Attorneys for Defendant Peppermill Casinos,				
9	Inc., d/b/a Peppermill Casino				
10	IN THE SECOND JUDICIAL DISTRI	CT FOR THE STATE OF NEVADA			
11	IN AND FOR THE CO	UNTY OF WASHOE			
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704			
13	Plaintiff,	DEPT. NO.: B7			
14	VS.	BUSINESS COURT DOCKET			
15	PEPPERMILL CASINOS, INC., a Nevada				
16	Corporation, d/b/a/ PEPPÉRMILL CASINO; RYAN TORS, an individual; JOHN DOES I-X				
	and JANE DOES I-X and CORPORATIONS I-X,				
17	Defendent(-)				
18	Defendant(s).				
19					
20	DEFENDANT PEPPERMILL CASINOS, IN ATTORNEYS' FEES IN RESPONSE TO CO	VC.'S MEMORANDUM OF COSTS AND			
21					
21		urt entered its Order sanctioning the Plaintiff for			
	its willful refusal to comply with Peppermill's discovery requests. The Court further ordered that				
23	Peppermill submit its memoranda of costs and fees				
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25	and deposing Craig Robinson. In response, Peppermill submits the following.				
26	A. <u>Peppermill's Motion For Terminatin</u>	g Sanctions:			
27	Review of the "Detail Fee Transaction File ]	List" reveals that the following time was			
28   	devoted to this motion by members of the Robison,	Belaustegui, Sharp and Low ("RBSL") law			
	1				
ļ					

1	firm.				
2	Date	Hours	Individual Timekeeper		
3	08/13/14	. <b>8</b> of 1.10	Kent Robison		
4	08/14/14	.8	Keegan G. Low		
5	08/19/14	2.2 of 2.7	Kent Robison		
6	08/20/14	1.2 of 1.5	Kent Robison		
7	08/21/14	1.8	Kent Robison		
8	08/21/14	4.10	James Stewart		
9	08/22/14	2.30	James Stewart		
10	08/25/14	2.5 of 4.0	James Stewart		
11	08/25/14	2.5 of 3.1	Kent Robison		
12	08/25/14	1.1 of 1.4	Keegan G. Low		
13	Kent Robison ("KR") is	lead counsel and is	charging the Peppermill \$450 per hour for time		
14	worked on this case. Keegan G.	Low ("KGL") is c	o-counsel, is a shareholder of Robison,		
15	Belaustegui, Sharp & Low and is charging \$380 per hour for time worked on this case. James				
16	Stewart ("JS") is a paralegal and is charging \$110 per hour for his work on this case.				
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19	Exhibit 2. The statement of qualifications for James Stewart is part of the Affidavit attached as				
20	Exhibit 3.				
21	Based on the foregoing, the	he total charges inc	urred by the Peppermill for the Motion for		
22	Terminating Sanctions or, in the	Alternative, Motion	n to Compel Discovery are \$5,526.00.		
23	B. <u>Peppermill's Oppo</u>	osition To Plaintiff	's Motion To Strike:		
24	Date	Hours	Individual Timekeeper		
25	09/15/14	1.0 of 1.8	Kent Robison		
26	09/19/14	.4	Keegan G. Low		
27	09/22/14	2.0 of 2.5	James Stewart		
28	09/23/14	3.0	James Stewart		
 L.		2			

1	09/24/14	2.5	Kent Robison							
2	09/25/14	1.5 of 2.3	Kent Robison							
3	09/26/14	.4	Keegan G. Low							
4	09/26/14	.3	Jayne Ferretto							
5	09/26/14	3.9	Kent Robison							
6	09/29/14	.4	Keegan G. Low							
• 7	Jayne Ferretto ("JF") is a j	paralegal with Rol	bison, Belaustegui, Sharp & Low and is							
8		charging \$90 per hour for her work on this case. (See Exhibit 1.)								
9	Based on the foregoing, the total charges incurred by the Peppermill for work on its									
10	Opposition to Plaintiff's Motion to									
11	C. Peppermill's Suppl	emental Motion F	or Terminating Sanctions or For Order to							
12	Show Cause Why I	Plaintiff Not Be H	eld in Contempt and Subjected to Severe							
13	Sanctions.	There								
14	<u>Date</u> 10/15/14	<u>Hours</u>	Individual Timekeeper							
15		6.2	Kent Robison							
16	10/17/14	3.1	Scott L. Hernandez							
17	10/21/14	6.3	Scott L. Hernandez							
18	10/22/14	2.1	Scott L. Hernandez							
19	10/23/14	4.0 of 4.4	Kent Robison							
20	10/24/14	1.1	Scott L. Hernandez							
21	10/24/14	2.3	Kent Robison							
22	10/24/14	.8	James Stewart							
23	10/27/14	2.1	Kent Robison							
24	11/05/14	2.7 of 4.7	Kent Robison							
25	11/11/14	2.0 of 2.6	Kent Robison							
26			, Belaustegui, Sharp & Low and is charging							
27	the Peppermill \$280.00 per hour for									
28			en charged \$12,301.00 for legal fees							
eguí,	pertaining to the discovery disputes		for processing the Peppermill's							
		3								
	1									

1	Supplementa	l Motion for T	erminating Sar	ections or for Order to Show Cause Why Plaintiff Not Be				
2	11		ected to Severe					
3	D.	Deposition of	of Craig Robins	<u>ion.</u>				
4		Date	<u>Hours</u>	Individual Timekeeper				
5		11/04/14	7.0 of 8.3	Kent Robison				
6		11/04/14	5.0	James Stewart				
7	Peppe	rmill has been	charged \$3,70	0.00 for its lawyer preparing for and taking the				
8	deposition of	Craig Robinso						
9	E.	Conclusion.						
10	Based	on the foregoi	ng and the atta	ched, the total amount of the sanctions that should be				
11	awarded agair	ist the Plaintif	f for Peppermi	I's fees and costs caused by Plaintiff's refusal to				
12	properly respo	ond to legitima	te discovery re	quests is \$26,565.00.				
13			AJ	TIRMATION at to NRS 239B.030				
14								
15	ł		s hereby affirm	that this document does not contain the social security				
16	number of any							
17	DATE	D this 8 <sup>th</sup> day o	of December, 2	014.				
18				ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation				
19				71 Washington Street Reno, Nevada 89503				
20 21				and a				
21				Bert Chillen				
22				KENT R. ROBISON KEEGAN G. LOW				
23				THERESE M. SHANKS Attorneys for Defendant				
25				Peppermill Casinos, Inc., d/b/a Peppermill Casino				
26								
27								
28								
Robison, Belanstegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151				4				

	1
1	<u>CERTIFICATE OF SERVICE</u>
2	Pursuant to NRCP 5(b), I certify that I am an employee of ROBISON, BELAUSTEGUI, SHARP &
3	LOW, and that on this date I caused to be served a true copy of the <u>DEFENDANT PEPPERMILL</u> CASINOS. INC.'S MEMORANDUM OF COSTS AND ATTORNEYS' FEES IN RESPONSE
4	TO COURT'S ORDER OF NOVEMBER 26, 2014 on all parties to this action by the method(s)
-	indicated below:
5	by placing an original or true copy thereof in a sealed envelope, with sufficient postage
6	affixed thereto, in the United States mail at Reno, Nevada, addressed to:
7	by using the Court's CM/ECF Electronic Notification System addressed to:
8	H. STAN JOHNSON, ESQ.
	TERRY KINNALLY, ESQ. Cohen-Johnson, LLC
9	255 E. Warm Springs Road, Suite 100 Las Vegas, NV 89119
10	Email: <u>sjohnson@cohenjohnson.com</u> / <u>tkinnally@cohenjohnson.com</u> Attorneys for Plaintiff
11	MARK WRAY, ESQ.
12	608 Lander Street
13	Reno, NV 89509 Email: <u>mwray@markwray.law.com</u>
	Attorneys for Plaintiff
14	MARK GUNDERSON, ESQ. JOHN R. FUNK, ESQ.
15	Gunderson Law Firm 3895 Warren Way
16	Reno, NV 89509
17	Email: <u>mgunderson@gundersonlaw.com</u> jfunk@gundersonlaw.com
	Attorneys for Defendant Ryan Tors
18	MICHAEL P. SOMPS, ESQ.
19	DARLENE B. CARUSO, ESQ. State Gaming Control Board
20	555 East Washington Avenue, Suite 3900 Las Vegas, NV 89101-1068
21	Email: dcaruso@ag.nv.gov / msomps@ag.nv.gov Attorneys for Nevada Gaming Control Board
	by electronic email addressed to the above.
22	
23	by personal delivery/hand delivery addressed to:
24	by facsimile (fax) addressed to:
25	by Federal Express/UPS or other overnight delivery addressed to:
26	DATED: This $8^{TH}$ day of December, 2014.
27	An A
	V. JAYNE FERRETTO
28 Robison, Belaustegui, Sharp & Low	
Sharp & Low 71 Washington Street Reno, Nevada 89503 (775) 329-3151	
(775) 329-3151	l

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1		I IST AF FYTIDITS	
2	EXHIBIT NO.	LIST OF EXHIBITS DESCRIPTION	
3	1	Affidavit of Kent R. Robison	NO. OF PAGES
4	2	Affidavit of Keegan G. Low	16
5	3	Affidavit of James Stewart	2
6			2
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Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151			

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FILED Electronically 2014-12-08 04:58:52 PM Jacqueline Bryant Clerk of the Court Transaction # 4726776 : mfernand

# **EXHIBIT 1**

# EXHIBIT 1

RA 01357

1	AFFIDAVIT OF KENT R. ROBISON IN SUPPORT OF DEFENDANT PEPPERMILL CASINOS, INC.'S MEMORANDUM OF COSTS AND ATTORNEYS' FEES IN
2	RESPONSE TO COURT'S ORDER OF NOVEMBER 26, 2014
3	STATE OF NEVADA ) ) ss.
4	COUNTY OF WASHOE
5	Kent R. Robison, being first duly sworn on oath, deposes and says under penalty of perjury
6	that the following assertions are true and correct.
7	1. I am a member of the firm of Robison, Belaustegui, Sharp & Low, and I am lead
8	counsel for the Defendant Peppermill Casinos, Inc. in this action.
9	2. I have carefully reviewed the Court's Order of November 26, 2014, in an effort to
10	comply with the Court's award of sanctions against the Plaintiff.
11	3. I have carefully reviewed our "Detail Fee Transaction File List", which is a
12	document produced by our bookkeeping department. This document reveals each person who
13	billed on a particular case. It reveals the specific time billed by each person for each day. It also
14	provides a description of the services performed for which the client is charged.
15	4. On August 13, 2014, it is my best belief that I expended .8 hours working on
16	Peppermill's Motion for Terminating Sanctions.
17	5. On August 19, 2014, it is my best belief that 2.2 hours of the 2.7 hours charged to
18	the Peppermill were for work on Peppermill's Motion for Terminating Sanctions.
19	6. On August 20, 2014, it is my best belief that 1.2 hours of the 1.5 hours charged to
20	the Peppermill were for work on Peppermill's Motion for Terminating Sanctions.
21	7. On August 21, 2014, it is my best belief that I expended 1.8 hours of time working
22	on the Peppermill's Motion for Terminating Sanctions.
23	8. On August 25, 2014, it is my best belief that 2.5 hours of the 3.1 hours charged to
24	the Peppermill were for services related to the Peppermill's Motion for Terminating Sanctions.
25	9. On September 15, 2014, it is my best belief that I expended 1 hour out of 1.8 hours
26	charged to the Peppermill on the Peppermill's Opposition to the Plaintiff's Motion to Strike and
27	Motion to Dismiss Motion (considered its Opposition).
28 Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	10. On September 24, 2014, it is my best belief that I expended 2.5 hours working on

1	the Peppermill's Opposition to the Plaintiff's Motion to Strike and Motion to Dismiss Motion.
2	11. On September 25, 2014, it is my best belief that I expended 1.5 hours of 2.3 hours
3	charged to the Peppermill working on the Peppermill's Opposition to the Plaintiff's Motion to
4	Strike.
5	12. On September 26, 2014, it is my best belief that I expended 3.9 hours for work on
6	the Peppermill's Opposition to Plaintiff's Motion to Strike and Motion to Dismiss Motion.
7	13. On October 15, 2014, it is my best belief that I expended 6.2 hours working on
8	discovery demands which related to Peppermill's Supplemental Motion for Terminating Sanctions
9	or for Order Requiring Plaintiff to Show Cause Why it Not be Held in Contempt and Subjected to
10	Severe Sanctions.
11	14. On October 23, 2014, it is my belief that 4 hours of my 4.4 hours charged to the
12	Peppermill were for work related to the Supplemental Motion for Terminating Sanctions.
13	15. On October 24, 2014, I charged the Peppermill 2.3 hours for work related to the
14	Peppermill's Supplemental Motion for Terminating Sanctions.
15	16. On October 27, 2014, it is my belief that I expended 2.1 hours working on the
16	Peppermill's Supplemental Motion for Terminating Sanctions.
17	17. On November 5, 2014, it is my belief that I expended 2.7 hours of the 4.7 hours
18	charged to the Peppermill for services related to the Peppermill's Supplemental Motion for
19	Terminating Sanctions.
20	18. On November 11, 2014, it is my belief that I expended 2 hours of the 2.6 hours
21	charged to the Peppermill on the Peppermill's Supplemental Motion for Terminating Sanctions.
22	19. On November 4, 2014, it is my belief that I prepared for the deposition of Craig
23	Robinson. Also, on that date, I conducted a thorough examination of Craig Robinson concerning
24	the topics for which he had been identified by the Plaintiff as being most knowledgeable. The
25	total charges to the Peppermill for me preparing for and taking the deposition of Craig Robinson
26	was 7 hours.
27	20. I have agreed for the year 2014 to charge the Peppermill the hourly rate of \$450.
28 Robison, Belaustegui,	21. Scott Hernandez is an associate at Robison, Belaustegui, Sharp & Low. I have
Sharp & Low 71 Washington St. Reno, NV 89503	
(775) 329-3151	2

1	utilized his services in assisting me with various discovery issues in this case. We are charging the
2	Peppermill \$280 an hour for the services provided by Scott Hernandez.
3	22. Jayne Ferretto is a paralegal who has served as my legal assistant and paralegal for
4	over 30 years. For paralegal services, we charge Mrs. Ferretto at an hourly rate of \$90 per hour.
5	23. I have reviewed the Detail Fee Transaction File List and have determined that Jayne
6	Ferretto worked on legal matters (paralegal matters) for .3 hours on September 26, 2014.
7	24. I have reviewed the Detail Fee Transaction File List to determine the amount of
8	work provided by Scott Hernandez on the Peppermill's Supplemental Motion for Terminating
9	Sanctions or for Order to Show Cause Why Plaintiff Should Not be Held in Contempt and
10	subjected to severe sanctions.
11	25. The firm's records reflect that Scott Hernandez worked on the Peppermill's
12	Supplemental Motion for Terminating Sanctions for 3.1 hours on October 17, 2014, for 6.3 hours
13	on October 21, 2014, and for 2.1 hours on October 22, 2014.
14	26. We are charging the Peppermill the hourly rate of \$280 for Mr. Hernandez's time
15	spent on this case.
16	27. A substantial amount of time has been charged to the Peppermill for discovery
17	issues. The services rendered are both reasonable and necessary in light of the fact that the
18	Peppermill failed to produce witnesses at the NRCP 30(b)(6) depositions scheduled in August of
19	2014, their failure and refusal to answer interrogatories, their failure to produce damage documents
20	as ordered by the Court and for producing NRCP 30(b)(6) witnesses who had no knowledge
21	whatsoever about the topics for which Craig Robinson was produced.
22	28. Attached to this exhibit is my statement of qualifications, which is submitted to this
23	Honorable Court for the purposes of determining the education, experience and general
24	///
25	111
26	111
27	
28 Robison, Belaustegui,	111
Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	
	3

qualifications that should be considered in awarding fees and justifying my hourly rate of \$450. DATED: This 8<sup>th</sup> day of December, 2014. KENT R. ROBISON Subscribed and Sworn to Before me this 8th day of December, 2014, by Kent R. Robison. NOTARY PUBLIC V. JAYNE FERRETTO Notary Public - State of Nevada Appointment Recorded in Washoe County No: 88-0597-2 - Expires February 24, 2016 J:\WPData\Krt\1872.006-Peppermill-GSR v\P-Affil. KRR ISO Memo Costs.Fees.12-08-14.doc Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151 

# KENT R. ROBISON

#### **EDUCATION**

University of Nevada, Reno - 1969 (B.A.) Uπiversity of San Francisco, School of Law - 1972 (J.D.)

#### OCCUPATIONAL BACKGROUND

1971 - Carson City District Attorney's Office 1972-1975 - Washoe County Public Defender's Office 1975-1979 - Johnson, Belaustegui & Robison 1979-1981 - Johnson, Belaustegui, Robison and Adams 1981-1988 - Robison, Lyle, Belaustegui & Robb 1988 to 1999 - Robison, Belaustegui, Robb & Sharp 1999 to present - Robison, Belaustegui, Sharp & Low

#### COURTS ADMITTED TO PRACTICE

Nevada Supreme Court - 1972 Nevada Federal District Court - 1973 Ninth Circuit Court of Appeals - 1976 Court of Claims - 1973 United States Tax Court - 1982 United States Supreme Court - 1977 Northern District of California Federal Court Eastern District of California Federal Court Southern District of California Federal Court District of Arizona Federal Court District of Kansas Federal Court District of Hawaii Federal Court District of Western Washington Federal Court District of New Mexico Federal Court

# **PROFESSIONAL AFFILIATIONS & ACTIVITIES**

Nevada Supreme Court Trial Judge Seminar - Judge's Relationship With Lawyers -2009 & 2012 Nevada Supreme Court - Bench Bar Committee - 2009-2011 Member - Nevada Supreme Court's Committee on Court Costs and Speedy Trials Member - State Commission on Sentencing Felony Offenders Member - Executive Committee to Establish Appellate Court Member - Commission to Implement Cameras in the Courtroom Member - Committee on Rules of Civil Procedure Member - Ad Hoc Committee for Improved Technology in Nevada Federal Court Rooms American Trial Lawyer's Association - ATLA Sustaining Member - ATLA Stalwart Member - Professional Liability Section of ATLA Roscoe Pound Foundation National Association of Criminal Defense Lawyers Nevada Trial Lawyer's Association - Past President - 1979 Member of NTLA Board of Governors 1973-1983 NTLA Pillar of Justice American Board of Trial Advocates - President, Reno Chapter, 1991-1993 Nevada State Board of Bar Governors - 1980 to 1990

Northern Nevada Legal - Medical Screening Panel (1981-1985) Washoe County Juvenile Master Pro Tem (1975-1977) Diplomat - National Board of Trial Advocacy - Civil Diplomat - National Board of Trial Advocacy - Criminal American Bar Association (1972-present) Member - ABA Litigation Section Nevada State Bar Association (1972-present) Washoe County Bar Association American Board of Criminal Lawyers Nevada State Bar Ethics Committee - Ex-officio Nevada State Bar Jury Instruction Committee - Ex-officio American Inns of Court (Charter Member and as Master) Honorable Bruce R. Thompson Chapter American College of Barristers Member - Board of Trustees - Justice League of Nevada (2012-2013) (Formerly Nevada Law Foundation)

## RECOGNITION

The Best Lawyers in America - 1993-2013 (21 years) (Personal Injury/Commercial Litigation) Named Top Attorneys - "Super Lawyers" of the Mountain States - 2007-2013 - Top 5% Named by the American Law Journal to the Nation's Top 100 Commercial Litigation Lawyers Chambers USA Leading Litigation and Business Lawyers - Tier I Nevada Trial Lawyers Outstanding Lawyers of America - 2003 American College of Barristers - Senior Counsel College of Master Advocates Martindale's "Bar Registry of Preeminent Lawyers" in five categories (Business Litigation, Personal Injury (Plaintiff and Defense), Domestic and Criminal) Who's Who in the Law Who's Who in the West Who's Who in America Certified Criminal Trial Advocate - National Board of Trial Advocacy - 1980 Certified Civil Trial Advocate - National Board of Trial Advocacy -1980 National College of Trial Advocacy - Faculty Advanced Course Category I (Highest Rating) National Directory of Criminal Lawyers "AV" Martindale-Hubbell Rating for over 25 years Master (Emeritus) and Charter Member of The American Inns of Court - Reno Chapter Litigation Counsel of America - Trial Lawyer Honorary Society Fellow - Litigation Counsel of America Corporate Counsel Top Lawyers -2010 Top Commercial Litigation Lawyers - 2006 - 2011 National Trial Lawyers - Top 100 Trial Lawyers - 2011 - 2013 Robison, Belaustegui, Sharp & Low - U.S. News - Best Law Firms - Reno Tier 1 - 2011 Commercial Litigation, Corporate Law and Personal Injury

#### AUTHORSHIP

Cameras in the Courtroom (Advocate - Vol. IV., No. 2, February 1980) Nevada's Comparative Negligence (Advocate - Vol. I., No. 9, January 1977) Psychology and Eye Witness Identification (Advocate - Vol. II., No. 2, November, 1977) Juries & Verdicts - Nevada Handbook on Civil Procedure

The Gaming Industry's Other Gamble - Tort Litigation

The Law of Jury Selection (NBI 1996)

Special Tools for Selecting the Right Jury (NBI 1996)

Inadequate Security Issues in the Intentional Tort Arena

(Professional Educational Systems 1996)

Inadequate Security Cases Involving Violent Crimes - From a Defense View

(ATLA January 1997)

Direct Examination and Demonstrative Evidence "Tools For Proving" (Consumer Attorneys of San Diego 1998)

"Initial Considerations Regarding Use of Expert Witnesses" (NBI 1998)

Comparative Cross-Examination and Strategies For Impeachment (NBI 1998)

The Defense Attorney's "Dirty Dozen" (Defense Considerations in Negligent Security Cases) (ATLA January 1999)

Damages: The Art of Asking for Money (NTLA Annual Seminar)

Jury Trials - Nevada Civil Practice Manual (2000-2013)

Trial Lawyers' Relationship with the Trial Judge in Civil Actions

(2008 & 2012 Nev. S. Ct. Trial College)

## DEFENSE EXPERIENCE

Since 1991 extensive defense work has been provided for the Mandalay Resort Group, General Star Management Company, ALAS, Allianz Insurance Company and individuals in the areas of negligent security, toxic mold, unnecessary force, professional liability, defective construction, intentional torts and negligence.

#### **LECTURES**

Western Nevada Community College - Annual "Criminal Defense Trial Tactics" Reno Police Academy - 1976 - "Motions to Suppress Evidence" California Legal Secretaries Association - 1979 - "Capital Punishment" Nevada Trial Lawyers Annual Convention - 1977 - "Closing Arguments in Criminal Trials" University of Nevada, Reno, Department of Criminal Science - 1978 - "Defense Strategy" Reno Business College - "Organization of Criminal Files" - 1980 Nevada Society of Safety Engineers ATLA's 1984 Annual Convention, Seattle, Washington, Belli Seminar - "Lay Use of the Psychological Stress Evaluator as a Civil Cause of Action" Washoe County Bar Association - May 14, 1985 - "Preparation of Personal Injury Cases" Legal Aspects of Mandatory Drug Testing of Collegiate Athletes - 1986 Psychology and Jury Selection - 1987 New Rules of Civil Procedure - 1987 Psychology of Jury Selection - Nevada Trial Lawyers Annual Convention - 1988 Nevada Law on Bad Faith Insurance Practices - Nevada Trial Lawyers - 1993 Gaming Industry and Tort Litigation - 1994 Premises Liability: Inadequate or Negligent Security - 1996 Strategies for Selecting Juries -1996 Premises Liability - Defense View - ATLA Mega Seminar - 1997 Expert Witness - Selection, Preparation and Presentation - NBI 1998

Direct Examination and Demonstrative Evidence - 1998

Premises Liability Cases - From a Defense View - ATLA - Phoenix - Feb. 1999 Damages - "How to Ask for Money" - NTLA Annual Convention - Oct. 1999 Masters in Trial - Closing Argument (ABOTA-Masters in Trial) - Dec. 1999 Damages: How to Minimize; How to Maximize - Inns of Court - Jan. 2000 Masters in Trial - 2002 - 2005 - 2006 Inns of Court Presentations: Jury Selection; Opening Statements; Child Witnesses; Eve Witness Testimony; Expert Witness Examinations Presenter for Difficult Voir Dire Issues (2009 Nev. S. Ct. Trial College) UNR Medical School Presenter - "Interaction Between Legal and Medical Professions" - 2/2011 "Role of the Judge" (new judge orientation) (2012 Nev. S. Ct. Trial College) Presenter - Nevada State Bar Convention - "Direct Examination" - July 2013 NEVADA SUPREME COURT / APPELLATE CASES City of Reno v. David Evans (Case No. 63266) Renown v. Arger et als (Case No. 64455) Matthew Boga v. TMC Group, Inc. / Matthew J. Fuller (Case No. 62738/63531) Patraw v. Nevada System of Higher Education, Milton Glick, Cary Groth (Case No. 53918/54573) Patraw v. Nevada System of Higher Education , Milton Glick, Cary Groth (Injunction) (Case No. 55433) Furer v. Furer (Case No. 51198) EES v. Gunnerman, Sulphco, Inc. (Case No. 50324) Darren Mack v. Michael E. Fondi (Case No. 51536) Landmark Homes v. Sierra Gateway, 121 Nev. 1143, 152 P.3d 783 (2005) Ferguson v. Sierra Gateway / Landmark - 2007 (appeal from U.S. Bankruptcy Court) Lexey Parker v. St. Mary's, 121 Nev. 1174, 152 P.3d 809 (2005) Farhadi v. CB Commercial, 118 Nev. 1089, 106 P.3d 1209 (2002) Farhadi v. CB Commercial, 131 P.3d 589 (2004) Hazelwood v. Harrah's, 109 Nev. 1005, 862 P.2d 189 (1993) Oak Grove Investors v. Bell & Gossett, 108 Nev. 958, 843 P.2d 351 (1992) Williams v. State Farm/Sierra Foods v. Williams, 107 Nev. 574, 816 P.2d 466 State v. Batt, 111 Nev. 1127, 901 P.2d 664 (1995) Amoroso v. L & L Roofing, 107 Nev. 294, 810 P.2d 775 Swain v. Mever, 104 Nev. 595, 763 P.2d 337 (1988) State v. Kaplan, 96 Nev. 798, 618 P.2d 354 (1980 State v. Kaplan, 99 Nev. 449, 663 P.2d 1190 (1983) Bell v. ATO Eikelberger v. Tolotti, 96 Nev. 525, 611 P.2d 1086 (1980) Friedas v. Quinn River, 101 Nev. 471, 705 P.2d 673 (1985) Fondi v. Fondi, 106 Nev. 856, 802 P.2d 1264 (1990) State v. Fogarty, 108 Nev. 1234, 872 P.2d 817 (1992) State v. Bishop (Death Penalty) State v. Biederstadt / Hurt, 92 Nev. 80, 545 P.2d 202 (1976) State v. Lendon, 92 Nev. 112, 546 P.2d 234 (1976)

### NINTH CIRCUIT COURT OF APPEALS:

Talisman Capital Talon Fund, Ltd. v. Gunnerman, Sulphco, Inc. (Case No. 09-16256) Wild Game Ng v. Wong's International (USA) Corp. (Case No. 08-15616) Hussein v. Dugan (Case No. 08-17443) Montreux v. Pitts, 130 Fed. Appx. 80 WL 663810CA9 (Nev. 2005) Shipman v. Allstate

#### **GENERAL**

Born in Reno, Nevada 1947. Raised and educated in Reno, Nevada. Jury trials in state in and federal courts of six states. Received verdicts in over 100 jury trials. Ten Judgments over \$1,000,000 with total value in excess of \$600,000,000. Tried over 500 non-jury (court) trials. Served on Medical Legal Screening Panel. Handled legal malpractice cases, both for plaintiffs and for defendants. Settled legal malpractice cases for over \$1,000,000. Served as a lobbyist for the Nevada Trial Lawyers Association with emphasis construction legislation, medical malpractice, no fault insurance and judicial salaries. Represented Nevada lawyers and national law firms concerning legal malpractice claims. Member of the malpractice section of the American Trial Lawyers Association. Have prosecuted and defended lawyers charged with ethical violations. Have served as a special prosecutor for the Judicial Discipline Committee and have served as a special prosecutor for the Nevada State Board of Bar Governors, prosecuting ethical claims against lawyers charged with ethical violations. Have testified as an expert in legal malpractice claims in Second Judicial District in and for the State of Nevada. Extensive experience in prosecuting and defending negligent security and premises liability cases with representative clients of Circus Circus, Mandalay Resort Group and Red Lions Hotel and Inns. Primary focus for the past ten years has been in business tort litigation involving complex commercial and real estate transactions. Counsel of record in over twenty-six Nevada Supreme Court decisions.

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	.00	264.0	2.40	110.00	9	S A	JE	08/04/2014	1872.006
AR	.00	649.0	5.90	110.00	9	A	BL	08/05/2014	1872.006
AR	00	532.0	1.40	380.00	9	. A	KGL	08/05/2014	1872.006
AR	00	44.0	0.20	220.00	9	A	TMS	08/06/2014	1872.006
AR	00	55.0	0.50	110.00	9	A	JS	08/06/2014	1872.006
AR		304.0	0.80	380.00	9	А	KGL	08/06/2014	1872.006
ARC	00	1,305.00	2.90	450.00	9	A	KRR	08/07/2014	1872.006
ARC	00	583.00	5.30	110.00	9	A	JS	08/07/2014	1872.006
ARC	00	275.00	2.50	110.00	9	A	JS	08/07/2014	1872.006
ARC	0	945.00	2.10	450.00	9	А	KRR	08/08/2014	1872.006
ARC	0	540.00	1.20	450.00	9	A	KRR	08/11/2014	1872.006
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Vorked with Jim on 16.1 disclosures and continue ARC:	Worked	495.00	1.10	450.00	9	A	KRR	08/13/2014	1872.006
esearch and draft on motion to compel discovery.	researc	110.00	1.00	110.00	9	A	JS	08/13/2014	1872.006
Conversations with co-defense counsel regarding status ARCI	Convers		0.80	380.00	9	A	KGL	08/14/2014	1872.006
trategy.	strategy.	55.00	0.25	220.00	9	A	TMS	08/19/2014	1872.006
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Worked on and completed motion ARCI		1,215.00	2.70	450.00	9	A	KRR	08/19/2014	1872.006
or order to show cause and to compel discovery. ARCH	tor order	198.00	1.80	110.00	9	A	JS .	08/20/2014	1872.006
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Date: 12/08/2014

Detail Fee Transaction File Lis	st
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	Robison Belaustegui Sharp & Low			
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A 9 110.00 5.10	110.00 5.10	561.00		
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A 9 90.00 0.25	90.00 0.25	22.50		

Ref# 675.00 Telephone conference with Denise. Received and ARCH reviewed "par sheets". Continued work on motion to compeí. 451.00 Two conferences with Kent Robison. Locate and prepare ARCH documents/information/exhibits for motion. Review 6/26 hearing transcript. Review and revise email index. 810.00 Worked on motion to compel. ARCH 253.00 ARCH Assemble and email documents/information to Kent Robison, Prepare documents/information/exhibits for Motion **140.00** ARCH Prepare documents/information/exhibits for Motion. 395.00 Prepared for depositions. Appeared at depositions. ARCH Made nonappearance supplemental motion to dismiss complaint for sanctions and to compel discovery. 32.00 ARCH non-appearance of witness in deposition; review Motion for Terminating Sanctions and confer with Kent Robison recarding same. 20.00 ARCH 04.00 ARCH 85.00 ARCH 05.00 ARCH 30.00 ARCH 51.00 ARCH 5.00 ARCH 0.00 ARCH 5.00 ARCH 5.00 ARCH 6.00 ARCH ARCH ARCH ARCH

Monday 12/08/2014 1:44 pm

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Client ID 1872.006	Trans Date Peppermill Inc.	Tmk		Tcode/ Task Code	Rate	Hours to Bill	Amou	unt	Ref #
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1872.006	09/05/2014	JS	A 6	9	110.00	1.00	110.0	00	ARCH
1872.006	<b>09/08/201</b> 4	KRR	A	9	450.00	2.20	990.0		ARCH
1872.006	<b>09/</b> 08/2014	KGL	A	9	380.00	0.40	152.0	0	ARCH
1872.006	09/08/2014	JS	A	9	110.00	2.70	297.0	0	ARCH
1872.006	09/09/2014	KRR	A	<b>g</b> .	450.00	2.10	945.0	0	ARCH
1872.006	09/09/2014	JS	A	9	110.00	3.00	330.00	D	ARCH
1872.006	09/10/2014	KRR	A	9	450.00	1.20	540.00		ARCH
1872.006	09/10/2014	KGL	А	9	380.00	0.40	152.00		ARCH
1872.006	09/10/2014	SL	A	9	110.00	3.40	374.00		ARCH
1872.006	09/11/2014	SL	A	9	110.00	1.30	143.00		ARCH
1872.006	09/12/2014	JS	A	9	1 <b>1</b> 0.0 <b>0</b>	3.70	407.00		ARCH
1872.006	09/15/2014	JS	A	9	110.00	4.90	539.00		ARCH
1872.006	09/15/2014	KRR .	A	9	450.00	1.90	855.00	Receive, review GSR's opposition to motion for terminating sanctions re: discovery disobedience. Review affidavit of GSR's experts, forwarded experts affidavit.	ARCH
1872.006	<b>09/16/2</b> 014	JS /	٩	9	110.00	3.60	396.00		ARCH
1872.006	09/17/2014	JS /	٩.	9	110.00	4.90	539.00		ARCH
1872.005	09/18/2014	JS /	4	9	110.00	8.60	946.00		ARCH
1872.006	09/18/2014	KRR /	4	9	450.00	4.10	1,845.00		ARCH
1872.006	09/18/2014	KGL /	•	0	380.00	0.60	228.00		ARCH
1872.006	09/19/2014	JS A	•	9	110.00	3.50	385.00	Monday 19/08/001	ARCH

Monday 12/08/2014 1:44 pm

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Page: 3

Detail Fee Transaction File List Robison Belaustegui Sharp & Low

				Robiso	on Belaustegui	Sharp & Low
<u>Client</u> Client ID 1872.006	Trans Date Peppermill Inc	Tmkr P	Tcode/ Task Code	Rate	Hours to Bill	Amount
1872.006	09/19/2014	KRR A	9	450.00	0.00	4 440 00
1872.006	09/19/2014	KGL A	9	380.00	9.80 0.40	4,410.00 152.00 Reco
1872.006	09/22/2014	JS A	9	110.00	2.50	275.00 Cont
1872.006	09/23/2014	JS A	9	110.00	3.00	330.00 Conf inten docu
1872.006	09/24/2014	JS A	9	110.00	2.30	infon 253.00
1872.005	09/24/2014	KRR A	9	450.00	2.50	1,125.00 Work
1872.006	09/25/2014	KRR A	9	450.00	2.30	to co 1,035.00 Work produ
1872.008	09/25/2014	JS A	9	110.00	1.80	198.00
1872.006	09/26/2014	KGL A	9	380.00	0.40	152.00 Rece
1872.006	09/26/2014	JF A	9	90.00	0.30	confe 27.00 Draft Termi
1872.006	09/26/2014	KRR A	9	450.00	3.90	authe 1,755.00 Work motion
1872.006	09/29/2014	SLH A	1	280.00	1.40	to GS 392.00
1872.006	09/29/2014	KGL A	9	380.00	0.40	152.00 Revie Sancti
1872.006	09/29/2014	A ZL	9	110.00	4.80	528.00
1872.006	09/29/2014	KRR A	9	450.00	2.30	1,035.00
1872.006	09/30/2014	SLH A	1	280.00	2.80	784.00
1872.006 1872.006	09/30/2014 09/30/2014	KGL A KRR A	9 9	380.00 450.00	0.20 5.60	76.00 2,520.00
1872.006	09/30/2014	J\$ A	9	110.00	3.20	352.00
1872.006	09/30/2014	JF A	9	90.00	0.25	22.50
1872.006	10/01/2014	SLH A	1	280.00	3.90	1,092.00
1872.003	10/01/2014	KRR A	9	450.00	3.70	1,665.00

ARCH eive and review Master's Finding and ARCH commendation on Cross-Motions to Compel. ference with Kent Robison ARCH ference with Kent Robison. Review draft ARCH rrogatories with Kent Robison. Locate and prepare uments/information for Kent Robison. Review rmation on GSR expert. Work on 16.1 supplement. ARCH ked on draft of reply to GSR opposition to our motion ARCH ompel. ked on discovery demand and reply to opposition to buce discovery. Worked on deposition ces/deposition for Schwartz. ARCH ARCH eive and review Master's Recommendation and ARCH er with Kent Robison regarding same. Request for Submission of Peppermill's Motion for ARCH inating Sanctions. Draft Affidavit of KRR enticating Exhibits. c on GSR's motion to strike and motion to dismiss ARCH n. Prepare request for submission. Work on reply R's opposition to motion for terminating sanctions. ARCH aw Opposition to Motion to Dismiss Terminating ARCH tion Request. ARCH ARCH ARCH ARCH ARCH ARCH ARCH ARCH ARCH

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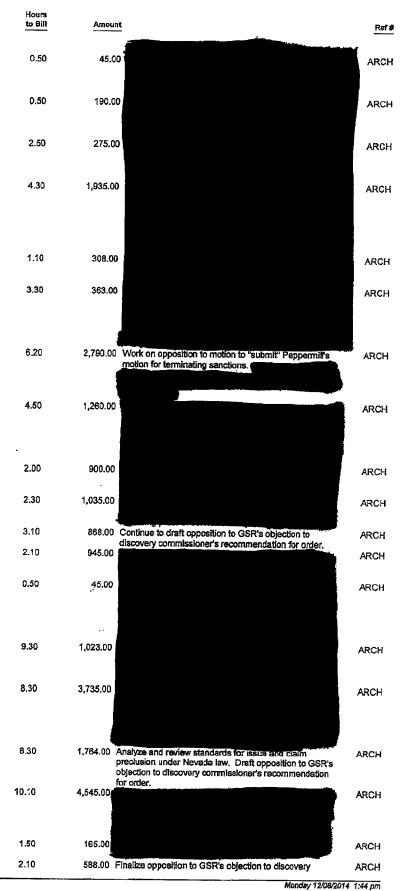
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Page: 4

Ref#

Detail Fee Transaction File List Robison Belaustegui Sharp & Low

Page: 6



				ROUP	son beladslegul S	13
Client ID 1872.006	Trans Date Peppermill Inc	Tmkr P	Tcode/ Task Code	Rate	Hours to Bill	
1872.006	10/13/2014	JF A	9	90.00	0.50	
1872.006	10/14/2014	KGL A	9	380.00	0.50	
1872.006	1 <b>0/14/</b> 2014	JS A	9	110.00	2.50	
1872.006	10/14/2014	KRR A	9	450.00	4.30	
1872.006	10/15/2014	SLH A	1	280.00	1.10	
1872.006	10/15/2014	JS A	9	110.00	3.30	
1872.008	10/15/2014	KRR A	9	450.00	6.20	
1872.006	10/16/2014	SLH A	1	280.00	4.50	
1872.006	10/16/2014	KRR A	9	450.00	2.00	
1872.006	10/16/2014	KRR A	9	450.00	2.30	
1872.006	10/17/2014	SLH A	1	280.00	3.10	
1872.006	10/17/2014	KRR A	9	450.00	2.10	
1872.006	10/17/2014	JF A	9	90.00	0.50	
1872.006	10/20/2014	JS A	9	110.00	9.30	
1872.006	10/20/2014	KRR A	9	. 450.00	8.30	
1872.006	10/21/2014	SLH A	1	280.00	6.30	
1872.006	10/21/2014	KRR A	9	<b>450.00</b>	10.10	
1872.006	10/21/2014	JS A	9	110.00	1.50	
1872.006	10/22/2014	SLH A	1	280.00	2.10	

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Detail Fee Transaction File List Robison Belaustegui Sharp & Low

Page: 7

LOW	I Sharp & Low	son belaustegu	Roo					
mount	Amount	Hours to Bill	Rate	Tcode/ Task Code		Trak	Trans Date Peppermill Inc	Client ient ID 1872.008
commissioner's recommendation for order.	1,575.00	3.50	450.00	9	RA	KRR	10/22/2014	1872.006
								1070 000
40.00	440.00	4.00	110.00	9	5 A	JS	10/22/2014	1872.006
30.00 Worked on Opposition to Objection to Discovery	1,980.00	4.40	450.00	9	R A	KRR	10/23/2014	1872.006
Commissionar's Order. Worked on and completed rough draft of Motion for Order to Show Cause. Continued work on letter to counsel								
13.00	143.00	1.30	110.00	9	A	JS	10/23/2014	1872.006
8.00 Analyze court's order and examine errors. Discuss response to court order. Develop strategy to addressing opposing coursel ex parte motion. Analyze and review opposition to ex parte and GSR's objection to discovery		1.10	280.00	1		SLH	10/24/2014	1872.006
commissioner's recommendation fro order. 5.00 Continue to work on Motion for Order to Show Cause and Opposition to Objection. Receive Judge Flanagan's Order. Research file to determine that Judge Flanagan has mistakenly entered an order on the wrong Commissioner Recommendation. Worked on affidavit regarding Motion for Order to Show Cause. Worked on affidavit regarding Opposition to Objection to Discovery	1,035.00     	2.30	<b>450.00</b>	9	A	KRR	10/24/2014	1872.006
Commissioner's Recommendation	(	0.80	110.00	9	А	JS	10/24/2014	1872.006
3.00 Locate and prepare documents/information/exhibits for motion.	ſ		450.00	9	А	KRR	10/27/2014	1872.006
5.00 Prepare for hearing on discovery before Judge Flanagan. Appear in Court before Judge Flanagan, argue 30(b)(6) motion. Documented and started preparation for Rule 16 status conference. Telephone conference with Stan Johnson regarding status of discovery and documents.	F a c d	2.10		·		SLH /	10/27/2014	1872.006
.00	84.00 1,755.00	0.30 3.90	280.00 450.00	1 9		KRR /	10/28/2014	1872.006
00	1,305.00	2.90	450.00	9	Ą	KRR A	10/29/2014	1872.006
		1.40	450.00	9	A	KRR A	, 10/30/2014	1872.006
	630.00	1.40		-				
					•			
0	45.00	0.50	90.00	9		JF A	10/30/2014	
	E95 00	1.30	450.00	9		KRR A	11/03/2014	1872.006
0	585.00	1.00		-				

Monday 12/08/2014 1:44 pm

Detail Robis	Fee Transac on Belaustegui	<b>tion File Lis</b> Sharp & Low	t	Page: 8
Rate	to Bill	Amount		Ref#
450.00	8.30	3,735.00	Prepare for and took 30 (b) (6) depositions of Craig Robinson and security officer. Work on debrief regarding frustration of Robinson having no information concerning topics for which he was produced. Start work on motion for order to show cause and for terminating sanctions for violating.NRCP 30 (b) (6).	ARCH
90.00	0.25	22.50		ARCH
450.00	4.70		Work on motion to dismiss GSR case because of GSR's most recent discovery violation in not producing persons most knowledgeable. Work on response to court order to file motion for NRCP 19	ARCH
280.00	3.60	1,008.00		ARCH
450.00	4.30	1,935.00		ARCH
280.00	0.40	112.00		ARCH
450.00	4.10	1,845.00		ARCH
\$50.00	3.10	1,395.00		ARCH
50.00	2.60	1,170.00 M	otion for Terminating Sanctions_Schedule	ARCH
50.00	3.40	1, <del>5</del> 30.00		ARCH
50.00	2.20	990.00		ARCH

				100/0	on peranateân	Onalp a LOW	
Client Client ID 1872.00		Tmkr P	Tcode/ Task Code	Rate	to Bill	Amount	
1872.006	11/04/2014	KRR A	9	450.00	8.30		Prepare for a Robinson and regarding fru concerning to work on moti- terminating s
1872.006	11/04/2014	JF A	9	90.00	0.25	22.50	
1872.006	11/05/2014	KRR A	9	450.00	4.70		Work on moti most recent of most knowled to file motion
1872.006	11/05/2014	SLH A	1	280.00	3.60	1,008.00	
1872.006	11/06/2014	KRR A	9	<b>450.00</b> .	4.30	1,935.00	
1872.006	11/06/2014	SLH A	1	280.00	0.40	112.00	
1872.006	11/07/2014	KRRA.	9	450.00	4.10	1,845.00	
1872.006	11/10/2014	KRR A	9	450.00	3.10	1,395.00	
1072.000	[1][1]20[4	KRR A	9	450.00	2.60	1,170.001 M	otion for Term
1872.006	1 <b>1/12/20</b> 14	KRR A	9	450.00	3.40	1, <del>5</del> 30.00	
1872.006	11/13/2014	KRR A	9	450.00	2.20 -	990.00	
1872.006	11/14/2014	KRR A	9	450.00	3.60	1,620.00	
1872.006	11/17/2014	KRR A	9	450.00	3.10	1,395.00	
1872.008	11/17/2014	JF A	9	90.00	0.25	22.50	
1872.006	11/18/2014	KRR A	9	450.00	7.60	3,420.00	
1872.006	11/19/2014	KRR A	9	450.00	2.70	1,215.00	
1872.005	11/19/2014	JF A	9	90.00	0.25	22.50	
 1872.006	11/20/2014	KRR A	9	450.00	2.50	1,125.00	

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Monday 12/08/2014 1:44 pm

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# **EXHIBIT 2**

# EXHIBIT 2

RA 01374

.

1	AFFIDAVIT OF KEEGAN G. LOW IN SUPPORT OF DEFENDANT PEPPERMILL
2	CASINOS, INC.'S MEMORANDUM OF COSTS AND ATTORNEYS' FEES IN RESPONSE TO COURT'S ORDER OF NOVEMBER 26, 2014
3	STATE OF NEVADA
4	COUNTY OF WASHOE ) ss.
5	Keegan G. Low, being first duly sworn on oath, deposes and says under penalty of perjury
6	that the following assertions are true and correct.
7	1. I am a shareholder in the firm of Robison, Belaustegui, Sharp & Low, and I am co-
8	counsel for the Defendant Peppermill Casinos, Inc. in this action.
9	2. On September 19, 2014, I devoted .4 hours to working on and reviewing the
10	Peppermill's Opposition to Plaintiff's Motion to Strike.
11	3. On August 14, 2014, I expended .8 hours on this case reviewing and participating
12	in Plaintiff's Motion for Terminating Sanctions.
13	4. On August 25, 2014, I expended 1.1 hours of the total entry for the Peppermill on
14	that date of 1.4 hours devoted to work on review of the Peppermill's Motion for Terminating
15	Sanctions.
16	5. On September 26, 2014, I expended .4 hours working on and/or reviewing the
17	Peppermill's Opposition to Plaintiff's Motion to Strike.
18	6. On September 29, 2014, I expended .4 hours working on, reviewing and
19	proofreading the Peppermill's Opposition to the Plaintiff's Motion to Strike.
20	7. I have agreed to charge the Peppermill the hourly rate of \$380.
21	8. My statement of qualifications is attached hereto showing my education and
. 22	experience justifying the \$380 per hour rate.
23	DATED: This 8 <sup>th</sup> day of December, 2014.
24	Keran 16m
25	KEEGAN G. LOW
26	Subscribed and Sworn to Before me this 8th day of December, 2014, CLAUDIA F. ZAEHRINGER
27	by Keegan G. Low.
28 Robison, Belzustegui	No: 83-0803-2 · Expires September 24, 2017 NOTARY PUBLIC J:\WPData\Kr\1872.006-Peppermill-GSR v\P-Affd. KGL ISO Memo Costs.Fees.12-08-14.doc
5hap & Low 71 Washington St. Reno, NV 39503 (775) 329-3151	) 2007 Demonstrate 2000 Toppermini-USK VE-And. KUL ISO Memo Costs. Pees. 12-08-14.doc

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### ROBISON | BELAUSTEGUI | SHARP | LOW

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#### Keegan G. Low | Attorney at Law

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#### back

klow@rbsllaw.com

Growing up in the San Francisco Bay area, Keegan attended Hastings College of the Law in San Francisco, where he was part of the overall top Moot Court Competition Team in 1977.

Moving to Reno in the early 80s, he has concentrated on commercial and defense litigation throughout his career. His endeavors and enthusiasm for the law have earned him inclusion in "Best Lawyers" for commercial litigation, as well as being named to American Lawyer and Corporate Counsel's "Top Lawyers" for 2009.

Involved in various charitable endeavors, Keegan also has served for the past several years on the Nevada Disciplinary Committee's Panel of lawyers/judges, adjudicating disciplinary matters brought by the State Bar.

#### Areas of practice:

- Insurance and Commercial Litigation
- Personal Injury Defense
- Business Law and Litigation

#### Education:

- San Francisco State University B.A. 1975
- Hastings College of the Law, University of California J.D. 1978

#### Admitted to Bar:

- 1978, California and U.S. District Court, Northern District of California
- 1983, Nevada and U.S. District Court, District of Nevada
- 1989, U.S. Court of Appeals, Ninth Circuit and U.S. Supreme Court

#### **Bar Associations:**

- State Bar of Nevada
- State Bar of California
- Washoe County Bar Association
- American Bar Association

PDF



@ 2010 Robison, Bilaustegal, Sharp and Low

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## **EXHIBIT 3**

# EXHIBIT 3

RA 01377

1	AFFIDA	AVIT OF JAMES STEWART IN SUPPORT OF DEFENDANT PEPPERMILL
2	CAS	INOS, INC.'S MEMORANDUM OF COSTS AND ATTORNEYS' FEES IN RESPONSE TO COURT'S ORDER OF NOVEMBER 26, 2014
3	STATE OF	
4	COUNTY	) ss. OF WASHOE )
5	Jam	es Stewart, being first duly sworn on oath, deposes and says under penalty of perjury
6	that the folle	owing assertions are true and correct.
7	1.	I am a paralegal employed by Robison, Belaustegui, Sharp & Low.
8	2.	I have assisted Kent Robison in working on various discovery matters in this case.
9	3.	I have reviewed the Detail Fee Transaction File List generated by the bookkeeping
10	department	of the law firm.
11	4.	I have worked on the discovery motions subject of the Court's November 26, 2014,
12	Order award	ling sanctions.
13	5.	On August 21, 2014, I expended 4.1 hours assisting Kent Robison by organizing
14	files and pro	ducing various discovery documents, pleadings and exhibits for Kent's use in
15	preparing the	e Peppermill's Motion for Terminating Sanctions.
16	6.	On August 22, 2014, I expended 2.30 hours helping with the Motion for
17	Terminating	Sanctions.
18	7.	Of the 4 hours charged to the Peppermill on August 25, 2014, 2.5 hours of that time
19	was devoted	to helping Mr. Robison with document control and organization in working on and
20	preparing the	Peppermill's Motion for Terminating Sanctions.
21	8.	On September 22, 2014, I spent 2 hours assisting Mr. Robison on the Peppermill's
22	Opposition to	o the Plaintiff's Motion to Strike and Motion to Dismiss Motion.
23	9.	On September 23, 2014, I spent 3 hours assisting Mr. Robison with preparing and
24	reviewing the	e necessary documents to draft the Peppermill's Opposition to the Plaintiff's Motion
25	to Strike and	Motion to Dismiss Motion.
26	10.	On October 24, 2014, I spent .8 hours assisting Mr. Robison with document control
27	and review of	f discovery documents to assist him in preparing the Peppermill's Supplemental
28 <sup>gui,</sup>	Motion for Te	erminating Sanctions or for Order to Show Cause Why Plaintiff Not be Held in
1		

Robison, Belaustegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151

Contempt and Subjected to Severe Sanctions. 1 2 On November 4, 2014, I attended the deposition of Craig Robinson and spent 5 11. hours assisting Mr. Robison with document control and organization of exhibits and documents 3 used to examine Mr. Robison. Although the Detail Fee Transaction File List does not reflect my 4 time for that day, it is an inadvertent mistake whereby I neglected to log my time on the Peppermill 5 case for that date. 6 DATED: This 8<sup>th</sup> day of December, 2014. 7 8 9 Stevent 10 11 Subscribed and Sworn to Before me this 8th day of December, 2014, 12 by James Stewart. 13 UBLIC NOTARY P 14 15 V. JAYNE FERRETTO Notary Public - State of Nevada 16 Appointment Recorded in Washoe County No: 68-0597-2 - Expires February 24, 2016 17 18 19 20 21 22 23 24 25 26 27 28 Robison, Belaustegui, Sharp & Low J:\WPData\Krt\1872.006-Peppermill-GSR v\P-Affd. JS ISO Memo Costs.Fees.12-08-14.doc 71 Washington St. Reno, NV 89503 (775) 329-3151 2

		FILED Electronically
		2014-12-17 04:18:24 PM Jacqueline Bryant
1	2145   KENT R. ROBISON, ESQ NSB #1167	Clerk of the Court Transaction # 4741434 : melwood
2	krobison@rbsllaw.com KEEGAN G. LOW, ESO. – NSB #307	
3	klow@rbsllaw.com	
4	THERESE M. SHANKS, ESQ. – NSB # 12890 tshanks@rbsllaw.com	
5	Robison, Belaustegui, Sharp & Low A Professional Corporation	
6	71 Washington Street Reno, Nevada 89503	
7	Telephone: (775) 329-3151 Facsimile: (775) 329-7169	
8	Attorneys for Defendant Peppermill Casinos, Inc., d/b/a Peppermill Casino	
9	IN THE SECOND JUDICIAL DISTRIC	T FOR THE STATE OF NEVADA
10	IN AND FOR THE COL	
11	IN AND FOR THE COU	NIT OF WASHOE
12	MEI-GSR HOLDINGS, LLC, a Nevada Corporation, d/b/a/ GRAND SIERRA RESORT,	CASE NO.: CV13-01704
13	Plaintiff,	DEPT. NO.: B7
14	VS.	BUSINESS COURT DOCKET
15	PEPPERMILL CASINOS, INC., a Nevada Corporation, d/b/a/ PEPPERMILL CASINO;	
16	RYAN TORS, an individual; JOHN DOES I-X	
17	and JANE DOES I-X and CORPORATIONS I-X,	
18	Defendant(s).	
19		
20	PEPPERMILL CASINOS, INC.'S MOTION	
	SHOW CAUSE WHY IT NOT BE HEL AND ORDERED TO PRO	
21	The Plaintiff, after having been sanctioned for	
22	committed a defiant violation of this Court's Order	
23	documents relating to its damage claim, notwithstan	-
24		
25	Peppermill Casinos, Inc. ("Peppermill") must, once	
26	motion is based upon the attached Points and Author	rities, Affidavit and exhibits submitted
27	therewith.	
28	///	
Robison, Belanstegni, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	1	

1	DATED this 17th day of December, 2014.				
2	ROBISON, BELAUSTEGUI, SHARP & LOW				
3	A Professional Corporation 71 Washington Street				
4	Reno, Nevada 89503				
5	RORI				
6	KENT/R. ROBISON KEEGAN G. LOW				
7	THERESE M. SHANKS Attorneys for Defendant				
8	Peppermill Casinos, Inc., d/b/a Peppermill Casino				
9					
10	POINTS AND AUTHORITIES				
11	This Court is well aware of the repeated efforts the Peppermill has made to obtain				
12	discovery from GSR. Indeed, GSR's flagrant refusal to participate in good faith discovery resulted				
13	in GSR being sanctioned and ordered to produce documents. (See Order of November 26, 2014.)				
14	Even after having been sanctioned, GSR continues to defiantly and wrongfully interfere				
15	with the discovery process. This dispute, once again, pertains to GSR's blatant and inexcusable				
16	refusal to produce documents which support its alleged damage claim. The chronology is as				
17	follows:				
18	1. On September 19, 2014, the Discovery Commissioner ordered that GSR identify				
19	and make available for inspection "any documents, electronically stored information, or tangible				
20	things that it is relying upon in support of its damages claim ". (See Exhibit 1.)				
21	2. On October 1, 2014, the Discovery Commissioner's Recommendation for Order				
22	was sustained by this Honorable Court. (See Exhibit 2.) The Court ordered GSR to produce all				
23	documents and records pertaining to its damage claim on or before September 30, 2014. (See				
24	Exhibit 2.)				
25	3. In a feeble effort to comply, GSR produced an Affidavit of its damage expert, rather				
26	than documents. The expert's Affidavit is attached hereto as Exhibit 3.				
27	4. The Peppermill promptly noticed the deposition of GSR's damage expert, David				
28 Robison, Belaustegui,	Schwartz. His deposition was taken on October 21, 2014. (See Exhibit 4.) In his deposition, he				
Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	2				

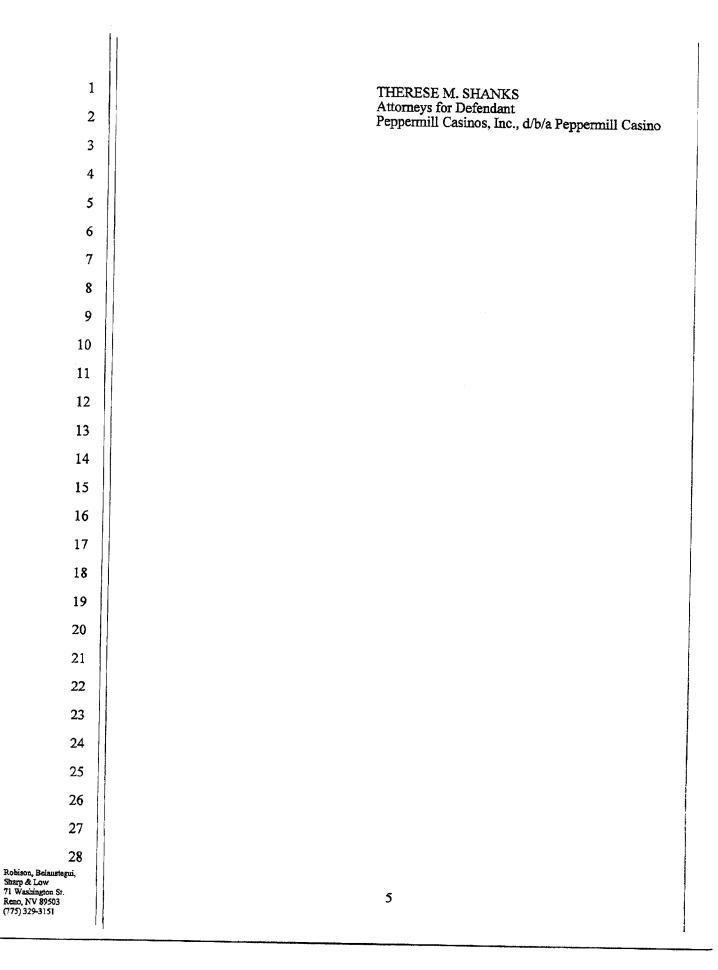
1	admitted that he had analyzed academic literature articles and his own work papers, which
2	pertained to his opinion about GSR's damages. Id., p. 12. GSR's expert witness on damages,
3	David Schwartz, was also questioned about whether he was informed that those damage
4	documents in his file had to be produced pursuant to the Discovery Commissioner's
5	Recommendation. Schwartz responded that he was not informed of that deadline. Schwartz
6	admits he has a survey of literature and has his calculations of damages in his files. He possessed
7	those damage documents prior to his deposition.
8	5. The Court entered its Order, which granted Peppermill's request for sanctions on
9	November 26, 2014. (See Exhibit 5.) In that Order, GSR was given until December 15, 2014, to
10	produce all records and documents pertaining to its damage claim.
11	6. Thereafter, Peppermill made it clear that the damage records, material and
12	information in Mr. Schwartz's file had to be produced on or before December 15, 2014, in
13	accordance with this Court's Order. (See Exhibit 6.)
14	7. Astonishingly, GSR has refused to comply with this Court's Order. The documents
15	from Mr. Schwartz's file have not been produced. GSR accuses the Peppermill of
16	misunderstanding this Court's Order. GSR has taken the self-serving position contrary to this
17	Court's Order that this Court did not specifically order GSR to provide Dr. Schwartz's working
18	file. (See Exhibit 7.)
19	8. It can hardly be disputed that David Schwartz is GSR's damage expert. In
20	paragraph 2 of his Affidavit, he states, "I have been retained to offer expert testimony on the
21	subject of damages sustained by GSR". (See Exhibit 3, para. 2.) Dr. Schwartz then testifies in
22	his deposition that his opinions are defective, flawed, unreliable and inaccurate. (Exhibit 4, p. 96-
23	98.) Dr. Schwartz admits that he has a file containing documents pertaining to damage
24	calculations. Id., p. 50. The files, records, documents and information in Dr. Schwartz's working
25	file obviously pertain to GSR's claim for damages, since Dr. Schwartz is admittedly GSR's
26	"damage expert".
27	9. GSR's refusal to produce Dr. Schwartz's file (clearly discoverable) is a defiant,
28 <sup>gui.</sup>	improper and unreasonable response to this Honorable Court's Order ordering GSR to produce all
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documents pertaining to GSR's damage claim.

2	10. GSR's rhetoric about a withdrawn Subpoena Duces Tecum (see Exhibit 7) is
3	irrelevant. What is relevant is that GSR will not produce Dr. Schwartz's working papers. It is
4	clear and undisputed that Dr. Schwartz's working file pertains to GSR's damages. GSR has been
5	ordered to produce all documents pertaining to its damage claim.
6	This Honorable Court should enter its order holding GSR in contempt, ordering sanctions
7	against GSR and ordering that all files, records and working papers of Dr. Schwartz be produced
8	to the Peppermill immediately. This Court has already stated "any failure by GSR to identify and
9	make available documents related to its damages calculation is a violation of this Court's adopted
10	Order of October 1, 2014."
11	The documents, the calculations, the records, the reference material, and the information in
12	Dr. Schwartz's file are clearly "available documents related to" GSR's "damages calculation".
13	This Court has authority pursuant to NRCP 37(b)(2)(C) to exercise its discretion to sanction GSR,
14	including "case-concluding sanctions". These sanctions are available against a party for willful
15	failure to comply with a discovery rule or order. It is clear that GSR continues to willfully ignore
16	and purposefully refuse to comply with discovery rules and this Honorable Court's Orders.
17	Severe sanctions, if not case-concluding sanctions, should be assessed against GSR for this
18	blatant and defiant obstruction of good faith discovery.
19	AFFIRMATION Pursuant to NRS 239B.030
20	1 di Suant to IVRS 259D.050
21	The undersigned does hereby affirm that this document does not contain the social security
22	number of any person.
23	DATED this $17^{m}$ day of December, 2014.
24	ROBISON, BELAUSTEGUI, SHARP & LOW A Professional Corporation
25	71 Washington Street Reno, Nevada 89503
26	
27	A A C
28 Robison, Belaustegui, Sharp & Low ?1 Washington St. Reno, NV 89503 (775) 329-3151	KENP R. ROBISON KEEGAN G. LOW 4



1	AFFIDAVIT OF KENT R. ROBISON IN SUPPORT OF DEFENDANT
2	PEPPERMILL CASINOS, INC.'S MOTION FOR ORDER REQUIRING GSR TO SHOW CAUSE WHY IT NOT BE ELD IN CONTEMPT, SANCTIONED AND ORDERED TO PRODUCE DOCUMENTS
3	STATE OF NEVADA ) ) ss.
5	COUNTY OF WASHOE
6	Kent R. Robison, being first duly sworn on oath, deposes and says under penalty of perjury
	that the following assertions are true and correct.
7	1. I counsel for the Defendant Peppermill Casinos, Inc. in this action.
8	2. Attached hereto as Exhibit 1 is a true and accurate copy of page 13 of the
9	Discovery Commissioner's September 19, 2014 Recommendation.
10	3. Attached hereto as Exhibit 2 is this Court's October 1, 2014 Confirming Order.
11	4. Attached hereto as Exhibit 3 is a true and accurate copy of the Affidavit of Dr.
12	David Schwartz, GSR's damage expert.
13	5. Attached hereto as <b>Exhibit 4</b> are true and accurate portions of the deposition
14	transcript of Dr. David Schwartz.
15	
16	<ol> <li>Attached hereto as Exhibit 5 is a true and accurate copy of page 4 of this</li> <li>Honorable Court's November 26, 2014 Order.</li> </ol>
17	
18	
19	letter I sent to counsel for GSR demanding that damage documents be produced on or before
20	December 15, 2014.
21	8. Attached hereto as Exhibit 7 is a true and accurate copy of a letter I received on
22	December 10, 2014 showing GSR's refusal to produce the working file, documents and material in
23	Dr. Schwartz's file, all of which pertain to damages.
24	DATED: This 1712 day of December, 2014.
24	A. A.
26	Subscribed and Sworn to Before
27	me this day of December, 2014, by Kent R. Robison Notary Public - State of Nevada
28	Appointment Recorded in Washing County No: 88-0597-2 - Expires February 24, 2016 a
Robison, Belanstegui, Sharp & Low 71 Washington St. Reno, NV 89503 (775) 329-3151	NOTARY PUBLIC J:\WPData\Kr\1872.006-Peppermill-GSR v\P-Affd. KRR ISO Memo Costs.Fees.12-08-14.doc