IN THE SUPREME COURT OF THE STATE OF NEVADA

PARDEE HOMES OF NEVADA,

Appellant,

VS.

JAMES WOLFRAM, AN INDIVIDUAL; ANGELA L. LIMBOCKER-WILKES, AS TRUSTEE OF THE WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST, A NEVADA TRUST; AND WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST, A NEVADA TRUST,

Respondents.

Supreme Court No. 72371

District Court Case No. Electronically Filed Mar 08 2017 04:02 p.m. Elizabeth A. Brown DOCKETING CIVIL APPEALS

GENERAL INFORMATION

Appellants must complete this docketing statement in compliance with NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, identifying issues on appeal, assessing presumptive assignment to the Court of Appeals under NRAP 17, scheduling cases for oral argument and settlement conferences, classifying cases for expedited treatment and assignment to the Court of Appeals, and compiling statistical information.

WARNING

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. <u>Id.</u> Failure to fill out the statement completely or to file it in a timely manner constitutes grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

A complete list of the documents that must be attached appears as Question 27 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. See Moran v. Bonneville Square Assocs., 117 Nev. 525, 25 P.3d 898 (2001); KDI Sylvan Pools v. Workman, 107 Nev. 340, 810 P.2d 1217 (1991). Please use tab dividers to separate any attached documents.

1. Judicial District: Eighth Department: IV

County: Clark Judge: Kerry Earley

District Count Populat Nation A 10 622228 C

District Court Docket No.: A-10-632338-C

2. Attorney filing this docketing statement:

Attorney Rory T. Kay Telephone (702) 873-4100

Firm McDonald Carano LLP

Address 2300 West Sahara Avenue, Suite 1200

Las Vegas, Nevada 89102

Client(s) Pardee Homes of Nevada ("Pardee")

If this is a joint statement completed on behalf of multiple appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement. N/A

3. Attorney(s) representing respondent(s):

Attorney James J. Jimmerson Telephone (702) 388-7171

Firm Jimmerson Law Firm P.C.

Address 415 S. 6th Street, Suite 100
Las Vegas, Nevada 89101

Client(s) <u>James Wolfram, Angela L. Limbocker-Wilkes as trustee of the Walter D. Wilkes and Angela L. Limbocker-Wilkes Living Trust</u>. <u>Limbocker-Wilkes Living Trust</u>

4. Nature of disposition below (check all that apply):

X Judgment after bench trial Judgment after jury verdict Summary judgment Default Judgment Dismissal

Lack of jurisdiction
Failure to state a claim
Failure to prosecute
Other

Grant/Denial of NRCP 60(b) relief Grant/Denial of injunction Grant/Denial of declaratory relief Review of agency determination Divorce decree:

Original Modification
Other disposition (specify)

5. Does this appeal raise issues concerning any of the following: No.

Child custody Venue Termination of Parental Rights

6. Pending and prior proceedings in this court. List the case name and docket number of all appeals or original proceedings presently or previously pending before this court which are related to this appeal:

No previous appeals or original proceedings pending before the Court other than this case.

- 7. **Pending and prior proceedings in other courts.** List the case name, number and court of all pending and prior proceedings in other courts which are related to this appeal (e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition: <u>N/A</u>
- 8. Nature of the action. Briefly describe the nature of the action, including a list of the causes of action pleaded, and the result below:

Defendant Pardee contracted with non-party Coyote Springs Investment, LLC ("CSI") to purchase certain real property at the Coyote Springs development project, a master-planned community in Lincoln County and Clark County, Nevada. James Wolfram and Walt Wilkes were real estate brokers who claimed they introduced Pardee's principals to CSI's principals. Wolfram and Wilkes executed a Commission Agreement with Pardee, under which Pardee was to pay Wolfram and Wilkes commissions limited to certain payments made by Pardee to CSI, and purchases of certain real property by Pardee from CSI, designated as "Option Property."

After Pardee paid in full commissions for the payments made to CSI, Wolfram and Wilkes filed this suit alleging that Pardee breached the Commission Agreement by failing to pay them millions of dollars in commissions due and owing for alleged purchases of Option Property, and also by failing to provide them information from which they could verify the truth of Pardee's representations that it had not purchased any Option Property. Wolfram and Wilkes also asked the district court for an accounting regarding these claimed-to-be-owing commissions. In total, Wolfram and Wilkes alleged three causes of action: (1) breach of contract; (2) contractual breach of the implied duty of good faith and fair dealing; and (3) accounting. Pardee counterclaimed for contractual breach of the implied duty of good faith and fair dealing.

The case proceeded to trial in October and December 2013. On June 27, 2014, the district court entered Findings of Fact and Conclusions of Law ("Findings and Conclusion"). In the Findings and Conclusions, the district court ruled in Pardee's favor regarding Wolfram and Wilkes' claim that Pardee breached the Commission Agreement and the implied duty of faith therein by failing to pay them additional commissions. Specifically, the Court expressly found Pardee has not purchased any Option Property from CSI. Accordingly, the district court found that Pardee did not owe Wolfram and Wilkes any additional commissions. The district court also found that Pardee had given Wolfram and Wilkes all information they needed to verify the actual commissions that Pardee had already paid to them.

The court did, however, rule in Wolfram and Wilkes' favor on the breach of contract, breach of the implied duty of good faith and fair dealing, and accounting claims regarding their argument that Pardee failed to provide them sufficient information from which they could verify they were not entitled to additional commissions for purchases of Option Property. Pardee had informed Wolfram and Wilkes it had made no purchases of Option Property. Wolfram and Wilkes alleged breach for failure to give them information from which they could verify the truth of those representations. For this breach, the district court awarded Wolfram and Wilkes \$6,000 in compensatory damages for time and effort searching for information, and \$135,500.00 in "special damages" for certain of their attorney's fees and costs incurred in bringing the litigation.

On May 17, 2016, the district court entered a written judgment (the "Judgment"), prepared by Wolfram and Wilkes' counsel, that expressly incorporated the Findings and Conclusions therein. This Judgment affirmed the award of \$6,000 in compensatory damages and \$135,500 in special damages.

Both parties filed various post-Judgment motions. During proceedings on these post-Judgment motions, the district court denied Pardee's motion to amend the Judgment regarding the attorney's fees as special damages, and further awarded Wolfram and Wilkes \$428,462.75 in attorney's fees, \$56,129.56 in costs, and both pre- and post-Judgment interest on these awards based on the Commission Agreement's "prevailing party" provision. The district court separately denied Pardee's request for attorney's fees and costs on the same basis.

Pardee now appeals the Findings and Conclusions, the underlying Judgment, and the district court's award of Wolfram and Wilkes' attorney's fees and costs, and pre- and post-Judgment interest. Pardee also appeals the district court's denial of Pardee's attorney's fees and costs as the prevailing party for Wolfram and Wilkes' failure to prove entitlement to further commissions.

9. Issues on appeal. State concisely the principal issue(s) in this appeal:

Pardee appeals from the Findings and Conclusions, the underlying Judgment, and the district court's subsequent orders awarding Wolfram and Wilkes their attorney's fees and costs, and pre- and post-judgment interest on the following issues:

- (a) Wolfram and Wilkes were entitled to additional commissions under the Commission Agreement if Pardee purchased Option Property from CSI. Pardee did not purchase any Option Property and told Wolfram and Wilkes that it had not done so. Did the Court err in finding that Pardee breached the Commission Agreement and the implied duty of good faith and fair dealing therein by failing to provide Wolfram and Wilkes with certain information, designated as confidential under the CSI agreement, to verify the truth of Pardee's representations that it did not purchase any Option Property, especially when such could have been verified by public records?
- (b) Attorney's fees as special damages are only to be awarded in limited circumstances, as defined by *Sandy Valley* and its progeny. Did the Court err in awarding Wolfram and Wilkes certain of their attorney's fees as special damages incurred pursuing their causes of action for breach of contract and contractual breach of the implied duty of good faith and fair dealing?
- (c) The parties' Commission Agreement included a "prevailing party" attorney's fee provision. Did the Court err in denying Pardee's attorney's fees and costs under the prevailing party provision in the Commission Agreement when Pardee prevailed upon the predominant issue tried to the district court?; and
- (d) Did the Court err in awarding Wolfram and Wilkes their attorney's fees and costs under the prevailing party provision in the parties' Commission Agreement?
- 10. Pending proceedings in this court raising the same or similar issues. If you aware of any proceeding presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket number and identify the same or similar issues raised: N/A

11.	Constitutional issues. If this appeal challenges the constitutionality of any statute, and the state, any
	state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk
	of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?
	• •

N/A	X	Yes	No	

12. Other issues. Does this appeal involve any of the following issues? No.

Reversal of well-settled Nevada precedent (on an attachment, identify the case(s))

An issue arising under the United States and/or Nevada Constitutions

A substantial issue of first-impression

An issue of public policy

An issue where en banc consideration is necessary to maintain uniformity of this court's

decisions

A ballot question

13. Assignment to the Court of Appeals or retention in the Supreme Court. Briefly set forth whether the matter is presumptively retained by the Supreme Court or assigned to the Court of Appeals under NRAP 17, and cite the subparagraphs of the Rule under which the matter falls. If appellant believes the Supreme Court should retain the case despite its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circumstance(s) that warrant retaining the case, and include an explanation of their importance or significance:

This matter should be assigned to the Court of Appeals. A ruling on the special damages matter requires a straightforward application of the *Sandy Valley* line of cases, and all other issues on appeal are appropriate for decision by the Court of Appeals under NRAP 17.

- 14. Trial. If this action proceeded to trial, how many days did the trial last? 9 days
- **15.** Judicial disqualification. Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal. No. If so, which Justice?

TIMELINESS OF NOTICE OF APPEAL

16. Date of entry of written judgment or order appealed from

Pardee appeals the following Judgment and post-judgment Orders: 1

- Judgment: May 16, 2016.
- Findings of Fact and Conclusions of Law: <u>June 25, 2014</u>
- Order and Judgment from August 15, 2016 Hearings Regarding Defendant's Motion to Amend Judgment: <u>January 9, 2017</u>
- Order and Judgment from August 15, 2016 Hearings Regarding Defendant's Motion for Attorney's Fees and Costs: January 9, 2017
- Order and Judgment from August 15, 2016 Hearings Regarding Plaintiff's Motion for Attorney's Fees and Costs: <u>January 9, 2017</u>
- Order on Defendant's Motion to Retax Plaintiffs' Memorandum of Costs Filed May 23, 2016: January 12, 2017

If no	written judgment	or order w	as filed in	the district	court, exp	lain the basis	for seeking	appellate
	review:							

¹ The district court has not yet entered a written order on its award of pre- and post-judgment to Plaintiffs. When the district court does so, Pardee will also be appealing that order.

17.	Date written notice of entry of judgment or order served						
 Judgment: May 17, 2016. Findings of Fact and Conclusions of Law: June 27, 2014 Order and Judgment from August 15, 2016 Hearings Regarding Defendant's Motion to Amend Judgment: January 10, 2017 Order and Judgment from August 15, 2016 Hearings Regarding Defendant's Motion for Attorney's Fees and Costs: January 10, 2017 Order and Judgment from August 15, 2016 Hearings Regarding Plaintiff's Motion for Attorney's Fees and Costs: January 10, 2017 Order on Defendant's Motion to Retax Plaintiffs' Memorandum of Costs Filed May 23, 2016: January 13, 2017 							
	(a) Was service by delivery or by mail/electronic/fax Electronic and Mail						
18.							
	or 59), (a) Specify the type of motion, and the date and method of service of the motion, and the date of filing. On June 1, 2016, Pardee filed a Motion to Amend Judgment pursuant to NRCP 52(b) and 59(e).						
	ΓΕ: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the for filing a notice of appeal. See AA Primo Builders v. Washington, 126 Nev, 245 P.3d 1190 0).						
	 (b) Date of entry of written order resolving tolling motion <u>January 9, 2017.</u> (c) Date written notice of entry of order resolving tolling motion was served <u>January 10, 2017.</u> Was service by: Delivery or Mail <u>Electronic Service</u> 						
19.	Date notice of appeal was filed February 8, 2017.						
	If more than one party has appealed from the judgment or order, list the date each notice of appeal was filed and identify by name the party filing the notice of appeal: No related appeal at this time.						
20.	Specify statue or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a), NRS 155.190, or other: NRAP 4(a).						
	SUBSTANTIVE APPEALABILITY						
21.	Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:						
	(a)						
	NRAP 3A(b)(1) X NRS 38.205 (specify subsection) NRAP 3A(b)(2) NRS 233B.150 (specify subsection) NRAP 3A(b)(3) NRS 703.376 Other (specify)						

(b) Explain how each authority provides a basis for appeal from the judgment or order:

NRAP 3A(b)(1) provides that an appeal may be taken from "a final judgment entered in an action or proceeding commenced in the court in which the judgment is rendered." The Judgment and post-judgment Orders identified above in questions 16 and 17 are the final judgment and post-judgment orders in this action.

22. List all parties involved in the action in the district court:

(a) Parties:

<u>Plaintiffs</u>: James Wolfram and Walt Wilkes. After Mr. Wilkes died during the litigation, the Court entered an order substituting Angela Limbocker-Wilkes as Trustee of the Walter D. Wilkes and Angela L. Limbocker-Wilkes Living Trust in his place as a named Plaintiff.

Defendant: Pardee Homes of Nevada.

(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, e.g., formally dismissed, not served, or other:

All parties in the district court are parties to this appeal.

23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims or third-party claims and the date of formal disposition of each claim.

Plaintiffs alleged causes of action for breach of contract, contractual breach of the implied duty of good faith and fair dealing, and for an accounting. Pardee filed a counterclaim for contractual breach of the implied duty of good faith and fair dealing.

24. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?

Yes X	No	
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The Judgment and post-judgment Orders referenced in questions 16 and 17 resolved all claims and the rights and liabilities of all parties.

- 25. If you answered "No" to question 23, complete the following: N/A
 - (a) Specify the claims remaining pending below:
 - (b) Specify the parties remaining below:
 - (c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b):

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(d)	Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment:
	Yes No
	ered "No" to any part of question 24, explain the basis for seeking appellate reviews independently appealable under NRAP 3A(b)): N/A
27. Attach file-st	tamped copies of the following documents:
	test-filed complaint, counterclaims, cross-claims, and third-party claims
-	olling motion(s) and order(s) resolving tolling motion(s)
	s of NRCP 42(a) dismissals formally resolving each claim, counterclaims, cross-claims, third-party claims asserted in the action or consolidated action below, even if not at issue on
	ther order challenged on appeal
•	es of entry for each attached order
At the end of this document listed about	s Docketing Statement, Pardee has provided an index and a file-stamped copy of each ove.
	VERIFICATION
provided in this d	penalty of perjury that I have read this docketing statement, that the information ocketing statement is true and complete to the best of my knowledge, information and have attached all required documents to this docketing statement.
Pardee Homes of N	Jevada Rory T. Kay, Esq.
Name of appellant	

March 8, 2017

<u>Clark County, Nevada</u> State and county where signed

Date

CERTIFICATE OF SERVICE

I certify that on March 8, 2017, I served a copy of this completed docketing statement upon all counsel of record:

By personally serving it upon him/her; or

By mailing it by first class mail with sufficient postage prepaid to the following address:

James J. Jimmerson, Esq. The Jimmerson Hansen Law Firm, P.C. 415 South Sixth Street, Suite 100 Las Vegas, Nevada, 89101

Attorneys for Plaintiffs/Respondents

An employee of McDonald Carano LLP

Index of Filings

Exhibit A: Plaintiffs' Second Amended Complaint Exhibit B: Pardee's Answer to Second Amended Complaint and Counterclaim Judgment, and Notice of Entry of Judgment Exhibit C: Exhibit D: Findings of Fact and Conclusions of Law, and Notice of Entry of Same Order and Judgment from August 15, 2016 Hearings Regarding Exhibit E: Defendant's Motion to Amend Judgment, and Notice of Entry of Same Exhibit F: Order and Judgment from August 15, 2016 Hearings Regarding Defendant's Motion for Attorney's Fees and Costs, and Notice of Entry of Same Exhibit G: Order and Judgment from August 15, 2016 Hearings Regarding Plaintiff's Motion for Attorney's Fees and Costs, and Notice of Entry of Same Order on Defendant's Motion to Retax Plaintiffs' Memorandum of Costs, Exhibit H: and Notice of Entry of Same

Pardee's Motion to Amend Judgment

Exhibit I:

EXHIBIT A

SAC
JIMMERSON HANSEN, P.C.
JAMES J. JIMMERSON, ESQ.
Nevada Bar No. 000264
jjj@jimmersonhansen.com
JAMES M. JIMMERSON, ESQ.
jmj@jimmersonhansen.com
Nevada Bar No. 12599
415 So. Sixth St., Ste. 100
Las Vegas, NV 89101
(702) 388-7171
Attorney for Plaintiffs
James Wolfram and Walt Wilkes

Alun S. Lehum

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM, WALT WILKES,)	
vs.	Plaintiffs,)))	CASE NO.:A-10-632338-C DEPT NO.: IV
PARDEE HOMES O	F NEVADA,)	
	Defendant.))	

SECOND AMENDED COMPLAINT

Plaintiffs, JAMES WOLFRAM and WALT WILKES, by and through their undersigned counsel, James J. Jimmerson, Esq. of the law firm of Jimmerson Hansen P.C., for their Complaint states as follows:

GENERAL ALLEGATIONS

- 1. At all times relevant hereto, Plaintiffs James Wolfram and Walt Wilkes are individuals who have resided in Clark County, Nevada.
- That Plaintiff Wolfram has been assigned all of Award Realty's rights, title and interest in that certain Commission Letter dated September 1, 2004, and he is the real party in interest in this case.

- That Plaintiff Wilkes has been assigned all General Realty's rights, title and interest in that certain Commission Letter dated September 1, 2004, and he is the real party in interest in this case.
 At all times relevant hereto, Defendant Pardee Homes of Nevada ("Pardee") was a corporation registered in the state of Nevada.
- 5. Plaintiffs' predecessors in interest, Award Realty and General Realty, and Plaintiffs and Defendant have a financial relationship. Plaintiffs were real estate brokers, dealing in real estate owned by Coyote Springs Investment LLC and being purchased by Defendant. The relationship between Coyote Springs Investment LLC and Defendant was governed by a certain Option Agreement for the Purchase of Real Property and Joint Escrow Instructions, dated in May of 2004 ("Option Agreement") and later amended and restated on March 28, 2005. Plaintiffs and Defendant entered into an agreement entitled "Commission Letter" dated September 1, 2004, which related to the Option Agreement and governed the payment of commissions from Defendant to Plaintiffs for real estate sold under the Option Agreement. For easy reference, Award Realty and General Realty and Plaintiffs, are concurrently referred to as "Plaintiffs" herein.
- 6. Pursuant to the Commission Letter, Plaintiffs were to be paid a commission for all real property sold under the Option Agreement.
- 7. Pursuant to the Commission Letter, Plaintiffs were to be fully informed of all sales and purchases of real property governed by the Option Agreement. Specifically, the Commission Letter stated:

Pardee shall provide each of you a copy of each written option exercise notice given pursuant to paragraph 2 of the Option Agreement, together with the information as to the number of acres involved and the scheduled closing date. In addition, Pardee shall keep each of you reasonably informed as to all matters relating to the amount and due dates of your commission payments.

8. On or about April 23, 2009, Plaintiffs sent a letter to Defendant requesting documents, which detail the purchases and sales of certain real property for which

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Plaintiffs believe are part of the property outlined in the Option Agreement and, therefore, property for which they are entitled to receive a commission. A parcel map was also requested to identify which properties had been sold.

- Defendant replied to Plaintiffs' April 23, 2009, letter with a letter dated July 10, 2009. The July 10 letter failed to provide the documents requested by the Plaintiffs.
- 10. Plaintiffs once again requested the documents from the Defendant in a letter dated August 26, 2009. In that letter, Plaintiffs alleged that failure to deliver the requested documents constituted a material breach of the Commission Letter.
- 11. Defendant, after conversations with Plaintiffs, sent a two-page letter dated November 24, 2009, with four attachments: 2 maps, a spreadsheet, and a map legend. The letter attempted to explain the recent purchases or "takedowns" of real property by Pardee.
- 12. Plaintiffs relied upon Defendant's representations made in the November 24, 2009 letter as being truthful and accurate.
- Upon further inquiry, however, Plaintiffs have discovered that the representations made by the Defendant in the November 24, 2009, letter were inaccurate or untruthful. In response to their concerns, Plaintiffs sent another letter dated May 17, 2010 to Defendants, asking for additional information and further documentation of all properties purchased by Defendant and sold by Coyote Springs Investment LLC. In that letter, Plaintiffs alleged that the representations made in the November 24, 2009, letter were believed to be inaccurate or untruthful after the Plaintiffs investigated the property transactions and records in the Clark County Recorder's Office and Clark County Assessor's Office. Plaintiffs further asked Defendant why it had instructed Francis Butler of Chicago Title not to release closing escrow documents regarding purchase of properties from Coyote Springs.
- 14. Defendant responded to the May 17, 2010, letter with a letter dated June 14, 2010. In that letter, Defendant denied breaching the covenants contained in the Commission Letter, but did not reply or address any particular concern, including, but not

limited to: the discrepancy between the representations made by Defendant in the November 24, 2009, letter and information and records found in the Clark County Recorder's Office and the Clark County Assessor's Office, the request as to why closing escrow documents were being withheld, and the request for all relevant closing escrow documents.

15. To date there has been no further documentation produced by Defendant for the Plaintiffs regarding their concerns about the sales and purchases of real property by Defendant from Coyote Springs Investment, LLC.

FIRST CLAIM FOR RELIEF

(Accounting)

- 16. Plaintiffs incorporate each of the allegations contained within paragraphs 1 through 15 above.
- 17. Plaintiffs have requested documents promised to them by Defendant in the Commission Letter and have not received them. Specifically, the have requested: the name of the seller, the buyer, the parcel numbers, the amount of acres sold, the purchase price, the commission payments schedule and amount, Title company contact information, and Escrow number(s), copy of close of escrow documents, and comprehensive maps specifically depicting this property sold and would, with parcel number specifically identified.
- 18. Plaintiffs are entitled to an accounting and copies of the documents and maps for all transfers of real property governed by the Option Agreement.
- 19. As a direct, natural and proximate result of Defendant's failure to account to Plaintiffs, Plaintiffs have been forced to retain an attorney to prosecute this action. Plaintiffs have therefore been damaged in the amount of the fees and costs expended to retain the services on their attorney and are entitled to an award of reasonable attorney's fees as special damages.
- 20. As a direct, natural and proximate result of Defendant's failure to account to Plaintiffs, Plaintiffs have been forced to spend a significant amount of time and effort

attempting to get the information owed to them from alternative sources. Plaintiffs have therefore been damaged in the amount of their fair hourly rate in attempting to acquire the information and documents owed to them.

21. As a result of this action, Plaintiffs have been forced to bring this matter before the Court. Plaintiff has been damaged in a sum in excess of \$10,000.00.

SECOND CLAIM FOR RELIEF

(Breach of Contract)

- 22. Plaintiffs incorporate each of the allegations contained within paragraphs 1 through 20 above as though said paragraphs are fully stated herein.
- 23. Plaintiffs have requested documents promised to them by the Defendant in the Commission Letter and have not received them.
- 24. Defendant has a duty to honor its contractual obligations. Defendant has failed and refused to perform its obligations pursuant to the terms and conditions of the Commission Letter.
- 25. As a direct, natural and proximate result of Defendant's breach of contract, Plaintiffs have been forced to retain an attorney to prosecute this action to acquire the documents owed to Plaintiffs. Plaintiffs have therefore been damaged in the amount of the fees and costs expended to retain the services on their attorney and are entitled to an award of reasonable attorney's fees as special damages.
- 26. As a direct, natural and proximate result of Defendant's breach of contract, Plaintiffs have been forced to spend a significant amount of time and effort attempting to get the information owed to them from alternative sources. Plaintiffs have therefore been damaged in the amount of their fair hourly rate in attempting to acquire the information and documents owed to them.
- 27. As a result of Defendant's breach of contract, Plaintiffs have suffered damages in the amount according to proof, in excess of Ten Thousand Dollars (\$10,000).

THIRD CLAIM FOR RELIEF

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

- 28. Plaintiffs reallege and incorporate herein each and every allegation contained in paragraphs 1 through 25, inclusive, herein above.
- 29. Defendant Pardee owed, and continues to owe, Plaintiffs a duty of good faith and fair dealing to do everything under the Commission Letter that Defendant is required to do to further the purposes of the Commission Letter and to honor the terms and conditions thereof to the best of its ability.
- 30. In doing the acts alleged herein, Defendant Pardee failed to act in good faith and to the best of its ability, and also failed to deal fairly with Plaintiffs, thereby breaching its duties to so conduct itself and injuring Plaintiffs' rights to conduct its business and its ability to receive the benefits of the Commission Letter.
- 31. As a direct, natural and proximate result of Defendant's breach of the implied covenant of good faith and fair dealing, Plaintiffs have been forced to retain an attorney to prosecute this action to acquire the documents owed to Plaintiffs. Plaintiffs have therefore been damaged in the amount of the fees and costs expended to retain the services on their attorney and are entitled to an award of reasonable attorney's fees as special damages.
- 32. As a direct, natural and proximate result of Defendant's breach of the implied covenant of good faith and fair dealing, Plaintiffs have been forced to spend a significant amount of time and effort attempting to get the information owed to them from alternative sources. Plaintiffs have therefore been damaged in the amount of their fair hourly rate in attempting to acquire the information and documents owed to them.
- 33. As a direct and proximate result of Defendant's breach of the covenant of good faith and fair dealing, Plaintiffs have been damaged in a sum in excess of \$10,000.00.

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JIMMERSON HANSEN, P.C. 415 South Striet, Suite 100, Las Vegas, Nevada 89103 Telephone (702) 388-7171 Facsimile (702) 388-7171

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WHEREFORE, Plaintiffs pray as follows:

- 1. For the documents promised to them including, but not limited to, an accurate parcel map with Assessor's Parcel numbers, and an accounting of all transfers or title or sales.
 - 2. For general damages in a sum in excess of \$10,000.00.
 - 3. For special damages in a sum in excess of \$10,000.00
 - 3. For cost of suit.
 - 4. For reasonable attorney's fees.
 - 5. For such further relief as the Court deems proper.

DATED this 6th day of June, 2013.

JIMMERSON HANSEN, P.C.

JAMES J. JIMMERSON, ESQ.

Nevada Par No. 000264 jjj@jimmersonhansen.com

JAMES M. JIMMERSON, ESQ.

Nevada Bar No. 12599

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Las Vegas, NV 89101 (702) 388-7171

Attorney for Plaintiffs

Attorney for Flamilins

JAMES WOLFRAM and WALT WILKES

JIMMERSON HANSEN, P.C. 415 South Sixth Street, Suite 100, Las Vegas, Nevada 89101 Telephone (702) 388-7171 Facsimile (702) 387-1167

CERTIFICATE OF SERVICE

I hereby certify that service of a true and correct copy of SECOND AMENDED COMPLAINT was made on the 6^h day of June,

2013, as indicated below:

X By first class mail, postage prepaid from Las Vegas, Nevada pursuant to N.R.C.P. 5(b) addressed as follows below

By electronic service through the E-filing system

By facsimile, pursuant to EDCR 7.26

____ By receipt of copy as indicated below

PAT LUNDVALL, ESQ.,
AARON D. SHIPLEY, ESQ.
McDONALD CARANO WILSON, LLP
2300 W. Sahara Avenue, Suite 1000
Las Vegas, Nevada 89102
Attorneys for Defendant
Pardee Homes of Nevada

An Employee of JIMMERSON HANSEN, P.C.

EXHIBIT B

ANAC PAT LUNDVALL Nevada Bar No. 3761 AARON D. SHIPLEY Nevada Bar No. 8258 McDONALD CARANO WILSON LLP 2300 West Sahara Avenue, Suite 1000 Las Vegas, Nevada 89102 (702) 873-4100 (702) 873-9966 Facsimile lundvall@mcdonaldcarano.com ashipley@mcdonaldcarano.com Attorneys for Defendant Pardee Homes of Nevada

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM, WALT WILKES

CASE NO.: A-10-632338-C

DEPT NO.:

Plaintiffs.

VS.

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ANSWER TO SECOND AMENDED COMPLAINT AND COUNTERCLAIM

PARDEE HOMES OF NEVADA,

Defendant.

Defendant PARDEE HOMES OF NEVADA ("Defendant"), for their Answer to JAMES WOLFRAM AND WALT WILKES' ("Plaintiffs") Second Amended Complaint responds as follows:

GENERAL ALLEGATIONS

- 1. Answering paragraph 1, Defendant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations set forth therein and, on that basis, denies each and every allegation set forth in said paragraph.
- 2. Answering paragraph 2, Defendant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations set forth therein, but acknowledges the Court's order and, on that basis, denies each and every allegation set forth in said paragraph.
 - Answering paragraph 3, Defendant lacks sufficient knowledge or 3.

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information to form a belief as to the truth or falsity of the allegations set forth therein, but acknowledges the Court's order, and, on that basis, denies each and every allegation set forth in said paragraph.

- 4. Defendant admits the allegations contained in paragraph 4.
- 5. Answering paragraph 5, Defendant admits certain aspects of the relationship between Coyote Springs Investment LLC and Defendant were governed by an Option Agreement for the Purchase of Real Property and Joint Escrow Instructions ("Option Agreement") dated May of 2004, along with the subsequent amendments thereto. Further, Defendant admits that its letter to Award Realty and General Realty dated September 1, 2004 ("Commission Letter"), which Plaintiffs acknowledged and executed, memorializes an agreement between the parties. Defendant submits that the terms of the Option Agreement and its amendments and the Commission Letter speak for themselves. Defendant denies each and every allegation set forth in this paragraph that is inconsistent with the terms of either the Option Agreement and its amendments or the Commission Letter, and the remaining allegations contained in paragraph 5.
- 6. Answering paragraph 6, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
- 7. Answering paragraph 7, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
- 8. Answering paragraph 8, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
- 9. Answering paragraph 9, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
- 10. Answering paragraph 10, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
- 11. Answering paragraph 11, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.

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	12.	Answering	paragraph	12,	Defendant	denies	the	allegations	set	forth
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- 13. Answering paragraph 13, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document and all other allegations.
- 14. Answering paragraph 14, the language of the document speaks for itself. Defendant denies all allegations inconsistent with the terms of the document.
 - 15. Answering paragraph 15, Defendant denies the allegations.

FIRST CLAIM FOR RELIEF

(Accounting)

- 16. Defendant hereby repeats and incorporates its responses to the foregoing paragraphs as if fully set forth herein.
 - 17. Defendant denies the allegations contained in paragraph 17.
 - 18. Defendant denies the allegations contained in paragraph 18.
 - 19. Defendant denies the allegations contained in paragraph 19.
 - 20. Defendant denies the allegations contained in paragraph 20.
 - 21. Defendant denies the allegations contained in paragraph 21.

SECOND CLAIM FOR RELIEF

(Breach of Contract)

- 22. Defendant hereby repeats and incorporates its responses to the foregoing paragraphs as if fully set forth herein.
 - 23. Defendant denies the allegations contained in paragraph 23.
 - 24. Defendant denies the allegations contained in paragraph 24.
 - 25. Defendant denies the allegations contained in paragraph 25.
 - 26. Defendant denies the allegations contained in paragraph 26.
 - 27. Defendant denies the allegations contained in paragraph 27.

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THIRD CLAIM FOR RELIEF

(Breach of Good Faith and Fair Dealing)

- 28. Defendant hereby repeats and incorporates its responses to the foregoing paragraphs as if fully set forth herein.
- 29. The allegations contained in paragraph 29 of the Complaint state a legal conclusion to which no response is required.
 - Defendant denies the allegations contained in paragraph 30. 30.
 - 31. Defendant denies the allegations contained in paragraph 31.
 - 32. Defendant denies the allegations contained in paragraph 32.
 - 33. Defendant denies the allegations contained in paragraph 33.

AFFIRMATIVE DEFENSES

First Affirmative Defense

The Second Amended Complaint fails to state a claim against Defendant upon which relief can be granted.

Second Affirmative Defense

Any damage suffered by Plaintiffs was the result of the acts or omissions of the Plaintiffs, or other third-parties over which Defendant had no control, and is not the result of acts or omissions of Defendant.

Third Affirmative Defense

Plaintiffs' claims are barred, either in whole or in part, under the doctrines of waiver, laches and/or estoppel.

Fourth Affirmative Defense

Plaintiffs' claims are barred, either in whole or in part, under the parol evidence rule and/or the statute of frauds.

Fifth Affirmative Defense

Plaintiffs' claims are barred, either in whole or in part, by reason of Plaintiffs' unclean hands and inequitable conduct.

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Sixth Affirmative Defense

Plaintiffs failed to and should have taken action to minimize or eliminate any loss, injury, or damage, and therefore Plaintiffs are precluded from recovering damage. or Plaintiffs' damage should be reduced, by operation of the doctrines of avoidable consequences or mitigation of damages.

Seventh Affirmative Defense

Plaintiffs' claims are barred, either in whole or in part, because Plaintiffs' alleged damages are speculative and uncertain.

Eighth Affirmative Defense

The Second Amended Complaint may be barred by other affirmative defenses enumerated in NCRP 8(c). Defendant therefore reserves its right to amend this list of Affirmative Defenses to add new defenses should discovery or investigation reveal facts giving rise to such defenses.

WHEREFORE, Defendant hereby requests that judgment be entered in its favor and against Plaintiffs as follows:

- 1. Dismissing the Second Amended Complaint and all claims set forth therein, and ordering that Plaintiffs take nothing thereby;
- 2. For an award of reasonable attorneys' fees and costs of suit incurred in the defense of this action; and
- 3. For such other and further relief as this Court may deem just and equitable under the circumstances.

COUNTERCLAIM

Pardee Homes of Nevada, for its Counterclaim against Counter-Defendants James Wolfram and Walt Wilkes complains and alleges as follows:

Pardee Homes of Nevada ("Pardee") is now and was at all times relevant hereto a Nevada corporation and is authorized to do business in the State of Nevada.

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- 2. James Wolfram and Walt Wilkes have asserted claims against Pardee.
- 3. Plaintiffs were aware of a real estate development project know as Coyote Springs in Counties of Clark and Lincoln, Nevada (the "Coyote Springs Project") and had become acquainted with Harvey Whittemore, the principal member of Coyote Springs Investment LLC ("CSI"), the developer of the Project.
- Plaintiffs had also become acquainted with Jon Lash, Vice President and COO of Pardee.
- 5. Plaintiffs asked if Mr. Lash would be interested in meeting with Mr. Whittemore if they could facilitate such a meeting. Mr. Lash agreed.
- 6. A meeting was then scheduled and held at Pardee's Las Vegas office. Present at this initial meeting were Plaintiffs, Mr. Whittemore, Mr. Lash, and Klif Andrews, another executive of Pardee. Pardee learned that CSI intended to contact Pardee before Plaintiffs suggested doing so.
- 7. Mr. Whittemore expressed his desire to sell certain portions of real estate concerning the Coyote Springs project. Pardee made it clear that they only wanted to purchase the single-family detached production residential lots on the project
- 8. The initial meeting led to several months of negotiations between Pardee and CSI. Plaintiffs were not involved in any of those negotiations.
- 9. After much negotiation, Pardee and CSI entered into a written agreement entitled Option Agreement for the Purchase of Real Property and Joint Escrow Instructions ("Option Agreement"), which set forth, in relevant part, the terms of the deal whereby Pardee would purchase certain portions of real estate - the single family detached production residential lots --from CSI in a series of "takedowns" over an established period of time. The Option Agreement was later amended.
 - 10. Pardee and Plaintiffs (through their predecessors in interest, Award

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Realty Group ("Award") and General Realty Group, Inc. ("General")) also negotiated and entered into a Commission Agreement dated September 1, 2004, which the Plaintiffs countersigned ("Commission Agreement" or "Commission Letter"). Pardee relied upon Plaintiffs living up to their obligations under the Commission Agreement. The Commission Agreement governs the payment of commissions from Pardee to Plaintiffs related to Pardee's purchase of the single family detached production residential lots from CSI for purposes of the project. Plaintiffs accuse Pardee of breaching the Commission Agreement. Pardee denies that accusation.

- 11. Pardee paid Plaintiffs commissions on the \$84,000,000 Purchase Property Price and kept Plaintiffs informed of all commissions paid.
- 12. Over the course of the multiple takedowns, Plaintiffs were paid a total of \$2,632,000 in commissions pursuant to the terms of the Commission Agreement.
- No commission was payable under clause (iii) of the Commission 13. Agreement unless the property purchased fell within the applicable definition of "Option Property."
- Pardee has never exercised any options to purchase any Option 14. Property from CSI.
 - 15. The Commission Agreement states, in part:

Pardee shall provide to each of you a copy of each written option exercise notice given pursuant to paragraph 2 of the Option Agreement, together with information as to the number of acres involved and the scheduled closing date. In addition, Pardee shall keep each of you reasonably informed as to all matters relating to the amount and due dates of your commission payments.

- 16. Pardee has not given any option exercise notice pursuant to paragraph 2 of the Option Agreement.
- 17. Plaintiffs received all of their commission payments through escrow from either Stewart Title or Chicago Title. With these commission payments Plaintiffs also received closing statements from the title companies keeping Plaintiffs informed of the amounts and due dates of their commission payments.

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- Pardee fulfilled all of its obligations under the Commission Agreement. 18.
- Despite Pardee fulfilling all of its obligations under the Commission 19. Agreement, Plaintiffs to harassed Pardee for further information and documents to which they are not entitled, and are subject to confidentiality obligations.

FIRST CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

- 20. Pardee repeats, realleges and incorporates by reference paragraphs 1 through 21 of the Counterclaim as though fully set forth herein.
- 21. Plaintiffs owed, and continue to owe, Pardee a duty of good faith and fair dealing to further the purposes of the Commission Agreement and to honor the terms and conditions thereof to the best of their ability.
- 22. Plaintiffs failed to act in good faith and to the best of its ability, and also failed to deal fairly with Pardee, thereby breaching their duties to so conduct themselves and injuring Pardee's rights to conduct its business.
- 23. As a direct, natural and proximate result of Plaintiffs' breach of the implied covenant of good faith and fair dealing, Pardee has been forced to retain an attorney to prosecute this counterclaim against Plaintiffs. Pardee has therefore been damaged in the amount of fees and costs expended to retain the services on their attorney and are entitled to an award of reasonable attorney's fees as damages. Pardee has objected to Plaintiffs' claim for special attorneys' fees as an element of their alleged damages in this case, separate from the attorney fee provision found within the Commission Agreement. Pardee continues with that objection.. However, Pardee asserts this claim only if the Court deems such a claim permissible in this case under Nevada law.
- 24. As a direct, natural and proximate result of Plaintiffs' breach of the implied covenant of good faith and fair dealing, Pardee has been forced to spend a significant amount of time and effort responding to Plaintiffs' improper attempts to gather information and documents to which Plaintiffs are not entitled. Pardee has therefore

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been damaged in the amount of their fair hourly rate in attempting to provide the information and documents wrongfully requests by Plaintiffs. Pardee has objected to Plaintiffs' claim for compensation for their time and effort as an element of their alleged damages in this case. Pardee continues with that objection. Therefore, Pardee asserts this claim only if the Court deems such a claim permissible in this case under Nevada law.

WHEREFORE, Counter-claimant Pardee Homes of Nevada, prays for judgment against the Counter-Defendants James Wolfram and Walt Wilkes, jointly and severally. as follows:

- For general damages in a sum in excess of \$10,000.00; 1.
- 2. For special damages in a sum in excess of \$10,000.00;
- 3. For attorneys' fees, costs of suit, and all other expenses reasonably incurred; and
 - 4. For such other and further relief as the Court may deem just and proper.

DATED this 3rd day of July, 2013.

McDONALD CARANO WILSON LLP

/s/Pat Lundvall PAT LUNDVALL (#3761) AARON D. SHIPLEY (#8258) 2300 West Sahara Avenue, Suite 1000 Las Vegas, Nevada 89102 Attorneys for Defendant and Counter-Claimant Pardee Homes of Nevada

MCDONALD-CARANO-WILSON

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 3rd day of July, 2013, I mailed a copy of the

foregoing ANSWER TO SECOND AMENDED COMPLAINT AND COUNTERCLAIM to

the following:

James J. Jimmerson James M. Jimmerson Jimmerson Hansen, P.C. 415 S. Sixth Street, Ste 100 Las Vegas, NV 89101 Attorney for Plaintiffs

/s/SallyWexler

An Employee of McDonald Carano Wilson LLP

EXHIBIT C

NOEJ JAMES J. JIMMERSON, ESQ. Electronically Filed Nevada Bar No. 264 05/17/2016 09:57:23 AM MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 012963 3 THE JIMMERSON LAW FIRM, P.C. 415 South Sixth Street, Suite 100 Las Vegas, Nevada 89101 CLERK OF THE COURT Tel No.: (702) 388-7171 Fax No.: (702) 380-6406 iji@jimmersonlawfirm.com mcf@jimmersonlawfirm.com 7 Attorneys for Plaintiffs 8 DISTRICT COURT 9 **FAMILY DIVISION CLARK COUNTY, NEVADA** 10 11 CASE NO. A-10-632338-C JAMES WOLFRAM and ANGELA L. 12 LIMBOCKER-WILKES as trustee of the DEPT. NO. IV WALTER D. WILKES AND ANGELA L. 13 LIMBOCKER-WILKES LIVING TRUST, 14 NOTICE OF ENTRY OF JUDGMENT Plaintiffs. 15 VS. 16 PARDEE HOMES OF NEVADA, 17 Defendant. 18 19 PLEASE TAKE NOTICE that a Judgment was entered in the above-captioned matter 20 on May 16, 2016. A true and correct file-stamped copy of said Judgment is attached hereto. 21 DATED this 17th day of May, 2016. 22 THE JIMMERSON LAW FIRM, P.C. 23 #7699 24 JAMES J. JIMMERSON, ESQ. 25 Nevada Bar No.: 000264 MICHAEL C. FLAXMAN, ESQ. 26 Nevada Bar No. 012963 415 South Sixth Street, Suite 100 27 Las Vegas, Nevada 89101 28 Attorneys for Plaintiffs

THE JIMMERSON LAW FIRM 415 South Sixth Street, Suite 100, Las Vegas, Nevada 89101 Telephone (702) 388-7171 Facsimile (702) 387-1167

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of THE JIMMERSON LAW FIRM, P.C., and that on this 17th day of May, 2016, I caused a document entitled Notice of Entry of Judgment to be served as follows:

- [x] pursuant to EDCR 8.05(a), EDCR 8.05(f), NRCP 5(b)(2)(D) and Administrative Order 14-2 captioned "In the Administrative Matter of Mandatory Electronic Service in the Eighth Judicial District Court," by mandatory electronic service through the Eighth Judicial District Court's electronic filing system upon each party in this case who is registered as an electronic case filing user with the Clerk;
- [] by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas, Nevada;
- [] pursuant to EDCR 7.26, to be sent via **facsimile**, by duly executed consent for service by electronic means;
- [X] by hand-delivery with signed Receipt of Copy.

To the parties listed below at the address, email address, and/or facsimile number indicated below:

Pat Lundvall, Esq. Rory T. Kay, Esq. MCDONALD CARANO WILSON, LLP 2300 W. Sahara Ave., Suite 1000 Las Vegas, Nevada 89102 Attorneys for Defendant

An Employee of The Jimmerson Law Firm, P.C.

ORDR

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DISTRICT COURT CLARK COUNTY, NEVADA

JAMES WOLFRAM AND WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES LIVING TRUST, ANGELA L. LIMBOCKER-WILKES, TRUSTEE,

Plaintiffs,

vs.

PARDEE HOMES OF NEVADA,

Defendant.

CASE NO.: A-10-632338-C DEPT. NO.: IV_Electronically Filed 05/16/2016 02:03:58 PM

CLERK OF THE COURT

JUDGMENT

On October 23, 2013, the above-referenced matter came on for bench trial before the Honorable Judge Kerry Earley. The Court, having reviewed the record, testimony of witnesses, the documentary evidence, stipulations of counsel, the papers submitted by the respective parties, and considered the arguments of counsel at trial in this matter, entered Findings of Fact and Conclusions of Law on June 25, 2014.

In the Findings of Fact and Conclusions of Law, the Court ordered the parties to provide supplemental briefing within 60 days detailing what information Defendant Pardee homes of Nevada ("Pardee") and its successors and/or assigns should provide Plaintiffs James Wolfram and Walt Wilkes ("Plaintiffs") and their successors and/or assigns consistent with the Court's decision on the accounting cause of action.

After reviewing the parties' supplemental briefing, the Court then entered an order on May 13, 2015 reflecting its decision on the supplemental briefing (the "Accounting Order"). Having

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considered the entire record presented at trial, including testimony of witnesses, the documentary evidence, stipulations of counsel, the papers submitted by the respective parties, and the arguments of counsel at trial in this matter, and in accordance with the findings of fact and conclusions of law incorporated by reference in the May 13, 2015 Order and June 25, 2014 Order, this Court enters judgment as follows:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT JUDGMENT IS ENTERED in favor of Plaintiffs and against Pardee on Plaintiffs' causes of action for breach of contract and breach of the implied covenant of good faith and fair dealing. Plaintiffs are entitled to damages from Pardee in an amount totaling \$141,500.00, of which \$6000.00 are consequential damages from Pardee's breach of the Commission Agreement and the remaining \$135,500.00 are special damages in the form of attorney's fees and costs.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT JUDGMENT IS ENTERED in favor of Plaintiffs and against Pardee on Plaintiffs' cause of action for accounting. Pardee shall provide Plaintiffs with future accountings related to the Commission Agreement consistent with the Accounting Order entered by the Court on May 13, 2015.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT JUDGMENT IS ENTERED in favor of Plaintiffs and against Pardee on Pardee's cause of action for the breach of implied covenant of good faith and fair dealing.

The Court reserves jurisdiction over this Judgment regarding the issues of attorney's fees, costs, and legal interest, therefore, this Judgment may be amended upon entry of any further awards of interest, costs, and/or attorney's fees.

CERTIFICATE OF SERVICE

I hereby certify that on or about the date filed, I electronically served, sent by facsimile, emailed, or placed a copy of this order in the attorney's folder on the first floor of the Regional Justice Center as follows:

James J. Jimmerson, Esq. - The Jimmerson Law Firm Michael C. Flaxman, Esq. - The Jimmerson Law Firm Pat Lundvall, Esq. - McDonald Carano Wilson Rory T. Kay, Esq. - McDonald Carano Wilson

Kelly Tibbs

Judicial Executive Assistant

STRUCT JUDGE
SPARTMENT IV

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EXHIBIT D

NEOJ JAMES J. JIMMERSON, ESQ. Nevada State Bar No.: 00264 jjj@jimmersonhansen.com LYNN M. HANSEN, ESQ. Nevada State Bar No.: 00244 lmh@jimmersonhansen.com 415 South 6 th Street, Suite 100 Las Vegas, Nevada 89101 Attorney for Plaintiffs								
DISTRICT COURT CLARK COUNTY, NEVADA								
JAMES WOLFRAM and WALT WILKES, Plaintiffs,) CASE NO.: A-10-632338-C DEPT. NO.: IV							
vs.)							
PARDEE HOMES OF NEVADA,)							
Defendant.)							

NOTICE OF ENTRY OF FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

PLEASE TAKE NOTICE that the Findings of Fact and Conclusions of Law and Order was entered in the above-captioned matter on June 25, 2014. A true and correct file -stamped copy of said Order is attached hereto.

Dated this 2+ day of June, 2014.

JIMMERSON HANSEN, P.C.

JAMES J. JIMMÉRSON, ESQ.

Nevada State Bar No.: 002644125

LYNN M. HANSEN, ESQ. Nevada State Bar No.: 00244 415 South 6th Street, Suite 100 Las Vegas, Nevada 89101 Attorneys for Plaintiffs

JIMMERSON HANSEN, P.C. 415 South Skrth Street, Suite 100, Las Vegas, Nevada 89101 Telephone (702) 388-7171 - Facsimile (702) 387-7167

CERTIFICATE OF SERVICE

I hereby certify that service of a true and correct copy NOTICE OF ENTRY OF FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER was made on the 27 day of June, 2014, as indicated below:

X By first class mail, postage prepaid from Las Vegas, Nevada pursuant to N.R.C.P. 5(b) addressed as follows below

By facsimile, pursuant to EDCR 7.26 (as amended)

X By receipt of copy as indicated below

Pat Lundvall, Esq.
Aaron D. Shipley, Esq.
MCDONALD CARANO WILSON, LLP
2300 W. Sahara Ave., Suite 1000
Las Vegas, NV 89102
Attorneys for Defendant

An employee of JIMMERSON HANSEN, P.C

Electronically Filed 06/25/2014 01:47:38 PM

ORDR

JAMES WOLFRAM and

PARDEE HOMES OF NEVADA,

AND RELATED CLAIMS

Plaintiffs,

Defendant.

WALT WILKES,

DISTRICT COURT

CLERK OF THE COURT

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CLARK COUNTY, NEVADA

CASE NO.:

A-10-632338-C

DEPT NO .:

Trial Date: October 23, 2013

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

On October 23, 2013, this matter came on for bench trial before the Honorable Kerry L. Earley. The Court, having reviewed the record, the testimony of witnesses, the documentary evidence, stipulations of counsel, the papers submitted by the respective parties, and considered the arguments of counsel at trial in this matter, with good cause appearing therefor, the Court now enters the following Findings of Fact and Conclusions of Law. Plaintiffs James Wolfram ("Wolfram") and Walt Wilkes ("Wilkes") (collectively "Plaintiffs") filed this action against defendant Pardee Homes of Nevada ("Pardee") alleging claims for breach of contract, breach of the covenant of good faith and fair dealing, and accounting related to a Commission Agreement entered into on September 1, 2004, between Plaintiffs and Pardee (See Second Amended Complaint). As a conditional counterclaim, Pardee alleges against Plaintiffs breach of the covenant of good faith and fair dealing arising from the Commission Agreement.

I. FINDINGS OF FACT

A. THE PARTIES

Plaintiffs James Wolfram and Walt Wilkes have been licensed real estate 1.

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brokers working in Southern Nevada and the surrounding area for over 35 years.

- 2. Plaintiff Wolfram previously worked for Award Realty Group. Plaintiff Wilkes previously worked for General Realty Group. In a previous order, the Court ruled that Wolfram and Wilkes were assigned all claims from Award Realty Group and General Realty Group, and, therefore, had standing to assert the claims at issue.
- Defendant Pardee Homes of Nevada ("Pardee") is a Nevada corporation
 operating as a residential homebuilder constructing homes and other structures in Southern Nevada
 and elsewhere.
- 4. In the 1990's, Harvey Whittemore, through his then-owned company, Coyote Springs Investment LLC ("CSI") began developing a project to be known as ("Coyote Springs".) The project included over 43,000 acres of unimproved real property located north of Las Vegas in the Counties of Clark and Lincoln.
- In 2002, Plaintiffs had begun tracking the status and progress of Coyote
 Springs located in the Counties of Clark and Lincoln, Nevada.
- 6. By 2002, Plaintiffs had become acquainted with Jon Lash, who was then responsible for land acquisition for Pardee's parent company, Pardee Homes. Plaintiffs had previously worked with Mr. Lash in the pursuit of different real estate transactions, but none were ever consummated prior to the Coyote Springs transaction.
- 7. After learning that Mr. Whittemore had obtained water rights for Coyote Springs, Plaintiffs contacted Mr. Lash and asked if he would be interested in meeting with Mr. Whittemore of CSI, for the purposes of entering into an agreement for the purchase of real property in Coyote Springs. When Mr. Lash agreed, Plaintiffs contacted Mr. Whittemore advising they had a client interested in Coyote Springs and wanted to schedule a meeting.
- 8. Mr. Lash agreed to allow Plaintiffs to represent Pardee as a potential purchaser, and a meeting was scheduled to take place at Pardee's office in Las Vegas. Present at the meeting were Plaintiffs, Mr. Whittemore from CSI, and Mr. Lash and Mr. Klif Andrews from Pardee. While this meeting was introductory in nature, it ultimately resulted in plans to structure a

deal between Pardee and CSI to develop Coyote Springs after approximately 200 meetings between Pardee and CSI. During the extensive negotiating process, Mr. Whittemore, on behalf of CSI, expressed CSI's decision to only sell certain portions of real estate at Coyote Springs. Pardee made it clear that it only wanted to purchase the land designated as single-family detached production residential ("Production Residential Property") at Coyote Springs. At that time it was understood by Pardee and CSI, that CSI was to maintain ownership and control of all other land at Coyote Springs including land designated as commercial land, multi-family land, the custom lots, the golf courses, the industrial lands, as well as all other development deals at Coyote Springs.

9. Plaintiffs only participated in the initial meeting, as Pardee and CSI informed Plaintiffs their participation was not required for any of the negotiations by Pardee to purchase Production Residential Property. As such, Plaintiffs were the procuring cause of Pardee's right to buy Production Residential Property in Coyote Springs from CSI.

B. OPTION AGREEMENT BETWEEN CSI and PARDEE AND COMMISSION AGREEMENT

- 10. In or about May 2004, Pardee and CSI entered into a written agreement entitled Option Agreement for the Purchase of Real Property and Joint Escrow Instructions ("Option Agreement"), which set forth the terms of the deal, among many others, concerning Pardee's acquisition of the Production Residential Property from CSI at Coyote Springs.
- 11. Prior to the Commission Agreement at issue in this case being agreed upon between Pardee and Plaintiffs, the Option Agreement was amended twice. First, on July 28, 2004, Pardee and CSI executed the Amendment to Option Agreement for the Purchase of Real Property and Joint Escrow Instructions. Subsequently, on August 31, 2004, Pardee and CSI executed the Amendment No. 2 to Option Agreement for the Purchase of Real Property and Joint Escrow Instructions. (The Option Agreement, along with the subsequent amendments, will be collectively referred to as the "Option Agreement"). Plaintiffs acknowledged receiving the Option Agreement and the two amendments.

- 12. At the time of Pardee's and CSI's original negotiations, the land was the rawest of all in terms of land development. No zoning, parceling, mapping, entitlements, permitting, etc., had been accomplished. All of that work had yet to be done. At that time multiple issues were outstanding that would impact the boundaries of any land to be acquired by Pardee from CSI for Production Residential Property. Those issues included, among others, the BLM reconfiguration, Moapa Dace and other wildlife protections, moving a utility corridor from Coyote Springs to federal lands, and the design by Jack Nicklaus of the golf courses. At multiple places in the Option Agreement it was acknowledged by CSI and Pardee that boundaries of various lands would change.
- 13. At the same time Pardee was negotiating with CSI, Pardee was also negotiating with Plaintiffs concerning their finders' fee/commissions. Pardee and Plaintiffs extensively negotiated the Commission Agreement dated September 1, 2004. Plaintiffs were represented by James J. Jimmerson, Esq. throughout those negotiations. Plaintiffs offered edits, and input was accepted into the Commission Agreement under negotiation, with certain of their input accepted by Pardee. The Plaintiffs' and Pardee's obligations to each other were agreed to be set forth within the four corners of the Commission Agreement. Plaintiffs and Pardee acknowledge that the Commission Agreement was an arms-length transaction.
- 14. The Commission Agreement between Plaintiffs and Pardee provided that, in exchange for the procuring services rendered by Plaintiffs, Pardee agreed to (1) pay to Plaintiffs certain commissions for land purchased from CSI, and (2) send Plaintiffs information concerning the real estate purchases made under the Option Agreement and the corresponding commission payments.
- 15. Since Mr. Wolfram and Mr. Wilkes had already performed services for Pardee, the Commission Agreement placed no affirmative obligation on them.
- 16. The Commission Agreement, dated September 1, 2004, was executed by Pardee on September 2, 2004, by Mr. Wolfram on September 6, 2006, and Mr. Wilkes on September 4, 2004.

	17.	The	Comn	nission	n Ag	reeme	ent pi	ovides	for	the	payment	of	"bro	oke
commission[s]" to	Plainti	ffs in	the	event	that	Parde	e appr	oved	the	transaction	du	ring	the
Contingency Period, equal to the following amounts:														
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- (i) Pardee shall pay four percent (4%) of the Purchase Property Price payments made by Pardee pursuant to Paragraph 1 of the Option Agreement up to a maximum of Fifty Million Dollars (\$50,000,000);
- (ii) Then, Pardee shall pay one and one-half percent (1-1/2%) of the remaining Purchase Property Price payments made by Pardee pursuant to paragraph 1 of the Option Agreement in the aggregate amount of Sixteen Million Dollars (\$16,000,000); and
- (iii) Then, with respect to any portion of the Option Property purchased by Pardee pursuant to paragraph 2 of the Option Agreement, Pardee shall pay one and one-half percent (1-1/2%) of the amount derived by multiplying the number of acres purchased by Pardee by Forty Thousand Dollars (\$40,000).
- 18. The Commission Agreement states that all of the capitalized terms used in the Commission Agreement shall have the exact meanings set forth in the Option Agreement. Copies of the Option Agreement, the amendments including changes to the Purchase Property Price, and the subsequent Amended and Restated Option Agreement were given to Plaintiffs by Stewart Title Company, the escrow company chosen by Pardee and CSI to handle all of its land transactions. Plaintiffs also acknowledge receiving these documents. However, Amendments 1 through 8 to the Amended and Restated Option Agreement between CSI and Pardee were not provided to Plaintiffs until after this litigation was commenced by Plaintiffs.
- 19. The term "Purchase Property Price" was defined in Amendment No. 2 to the Option Agreement as Eighty-Four Million Dollars (\$84,000,000), which was payable in installments over a period of time. The due dates for commissions' payable under paragraphs i and ii were described in the Commission Agreement as follows:

Pardee shall make the first commission payment to you upon the Initial Purchase Closing (which is scheduled to occur thirty (30) days following the Settlement Date) with respect to the aggregate Deposits made prior to that time. Pardee shall make each additional commission payment pursuant to

clauses (i) and (ii) above concurrently with the applicable Purchase Property Price payment to Coyote.

- 20. By virtue of Amendment No. 2 increasing the Purchase Property Price from \$66 million to \$84 million, Plaintiffs became entitled to commissions on the increased Purchased Property Price, which they subsequently received.
- 21. Commission payments required under paragraphs i and ii were not dependent upon acreage or location of the lands being acquired, or upon the closing of any land transaction. In sum, when Pardee paid CSI a portion of the Purchase Property Price, under the agreed schedule, then Plaintiffs were also paid their commission. Pardee and CSI anticipated that the Purchase Property would be, and was, cooperatively mapped and entitled before the specific location of any lands designated for single family detached production residential would be transferred by CSI to Pardee.
- 22. The due date for any commissions payable under paragraph iii was described in the Commission Agreement as follows: "Thereafter, Pardee shall make such commission payment pursuant to clause (iii) above concurrently with the close of escrow on Pardee's purchase of the applicable portion of the Option Property; provided, however, that in the event the required Parcel Map creating the applicable Option Parcel has not been recorded as of the scheduled Option Closing, as described in paragraph 9(c) of the Option Agreement, the commission shall be paid into escrow concurrently with Pardee's deposit of the Option Property Price into escrow and the commission shall be paid directly from the proceeds of said Escrow."
- 23. The general term "Option Property" is defined in the Option Agreement as follows: "the remaining portion of the Entire Site which is or becomes designated for single-family detached production residential use, as described below . . . in a number of separate phases (referred to herein collectively as the "Option Parcels" and individually as an "Option Parcel"), upon the terms and conditions hereinafter set forth." The general definition of "Option Property" was never changed by CSI and Pardee in any documents amending either the initial Option Agreement or the subsequent Amended and Restated Option Agreement. The definitions of other capitalized terms found within the Commission Agreement were never changed by CSI and Pardee.

The Commission Agreement requires Pardee to provide Plaintiffs with 24. notifications and information concerning future transactions between Pardee and CSI under the Option Agreement. Specifically, the Commission Agreement states:

> Pardee shall provide to each of you a copy of each written option exercise notice given pursuant to paragraph 2 of the Option Agreement, together with information as to the number of acres involved and the scheduled closing date. In addition, Pardee shall keep each of you reasonably informed as to all matters relating to the amount and due dates of your commission payments. (Emphasis Added)

- 25. After executing the Commission Agreement, Plaintiffs never entered into another agreement with Pardee concerning the development of Coyote Springs.
- 26. Pardee's purchase of the "Purchase Property Price" property and any Option Property designated in the future as single family detached production residential lands was a separate and distinct transaction from any other purchases by Pardee from CSI for unrelated property at Coyote Springs.
- The relationship between Pardee and Plaintiffs was such that Plaintiffs 27. reasonably imparted special confidence in Pardee to faithfully inform them of the developments at Coyote Springs which would impact their future commission payments. Pardee and CSI agreed to designate documents relevant to the development of Coyote Springs as confidential. Among said documents were documents relating to the designation of the type of property Pardee was purchasing from CSI during the development of Coyote Springs that were part of a distinct and separate agreement between Pardee and CSI.
- The designation of the type of property Pardee was purchasing from CSI 28. during the development of Coyote Springs was material to Plaintiffs to verify if the commissions they had received were accurate and, if not, what amount they were entitled as further commissions pursuant to the Commission Agreement.
- 29. Pardee should have known that the Plaintiffs needed to have access to information specifying the designation as to the type of property being purchased by Pardee from CSI during the development of Coyote Springs to verify the accuracy of their commissions.

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30. Although certain documents were public record regarding the development of Coyote Springs, the documents referencing internally set land designations for certain land in Coyote Springs were not available to Plaintiffs.

C. PARDEE'S PERFORMANCE UNDER THE COMMISSION AGREEMENT

- 31. Pardee did purchase "Purchase Property Price" property from CSI for \$84,000,000.00. Plaintiffs have been paid in full their commissions on the \$84,000,000.00 Purchase Property Price.
- 32. Plaintiffs were informed of the amount and due dates of each commission payment for the Purchase Property Price: first through Stewart Title Company, and then Chicago Title Company, pursuant to the Commission Agreement.
- 33. Under the express terms of the Commission Agreement, pursuant to paragraphs i and ii, these commissions were based solely on the Purchase Property Price for the land, not the number of acres acquired or the location of those acres. Under the Purchase Property formula, they were entitled to a percentage of the Purchase Property Price. There was no benefit or additional commission for additional acreage being purchased if there is no corresponding increase in price.
- 34. Plaintiffs were paid a total of \$2,632,000.00 in commissions pursuant to paragraphs i and ii of the Commission Agreement.
- Pardee did not pay more than 84,000,000.00 as the Purchase Property Price to 35. CSI under the Option Agreement, the Amended and Restated Option Agreement, or any amendments thereto. CSI has never received more than \$84,000,000.00 as payment under the Option Agreement, the Amended and Restated Option Agreement, or any amendments thereto.
- 36. No commission to Plaintiffs is payable under clause (iii) of the Commission Agreement unless the property purchased fell within the definition of Option Property purchased pursuant to paragraph 2 of the Option Agreement.

Pardee as of the present time has not exercised any options to purchase single family production residential property pursuant to paragraph 2 of the Option Agreement. Therefore, Pardee as of the present time does not owe any commission to Plaintiffs under paragraph iii of the Commission Agreement.

37. The other provision of the Commission Agreement alleged by Plaintiffs to have been breached states as follows:

Pardee shall provide to each of you a copy of each written option exercise notice given pursuant to paragraph 2 of the Option Agreement, together with information as to the number of acres involved and the scheduled closing date. In addition, Pardee shall keep each of you reasonably informed as to all matters relating to the amount and due dates of your commission payments.

38. Pardee did provide information relating to the amount and due dates on Plaintiffs' commission payments under paragraphs i and ii. Specifically, Plaintiffs were paid their first commission at the Initial Purchase Closing and then each commission thereafter concurrently with each Purchase Property Price payment made by Pardee to CSI pursuant to Amendment No. 2 to the Option Agreement as was required by the Commission Agreement. Each commission payment was made pursuant to an Order to Pay Commission to Broker prepared by Stewart Title (later Chicago Title) which contained information including the date, escrow number, name of title company, percentage of commission to be paid, to whom and the split between Plaintiffs. Each Order to Pay Commission to Broker was signed by Pardee and sent to either Plaintiffs brokerage firms or Plaintiffs directly. Each commission check received by Plaintiffs contained the amount, escrow number, payee and payer, along with a memo explaining how the amount was determined. When Plaintiffs were overpaid commissions, a letter was sent by Pardee explaining the overpayment and how the amount and due dates to compensate for the overpayment would be handled. An Amended Order to Pay Commission to Broker reflecting these changes was sent to and signed by each Plaintiff. A letter was sent by Pardee to Plaintiffs informing them when Pardee made its last payment of the Purchase Property Price to CSI.

39. However, from the documents in Plaintiffs' possession provided by Pardee,

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Plaintiffs were unable to verify the accuracy of any commission payments that may have been due and owing pursuant to paragraph iii of the Commission Agreement. The documents in Plaintiffs' possession included the Option Agreement and Amendments No. 1 and No. 2 to the Option Agreement, the Amended and Restated Option Agreement, various Orders to Pay Commissions, and their commission payments. Amendments Nos. 1 through 8 to the Amended Restated Option Agreement were not provided to Plaintiffs until after commencement of this litigation.

- 40. When Plaintiffs began requesting information regarding Pardee's land acquisitions from CSI, the only information provided by Pardee was the location of the Purchase Property purchased for the Purchase Property Price from CSI. All information provided was limited to the single family production property acquisitions. Pardee informed the Plaintiffs that it had purchased from CSI additional property at the Coyote Springs development, but took the position that any documentation regarding the designations of the use of the additionally purchased property was confidential and would not be provided to Plaintiffs. Interestingly, Pardee had already provided to Plaintiffs the initial Option Agreement, Amendments No. 1 and 2 and the Amended Restated Option Agreement, which were also confidential documents between Pardee and CSI.
- 41. Although Pardee co-developed with CSI a separate land transaction agreement for the acquisition of lands designated for other uses than single family detached production residential lots, Pardee had a separate duty to Plaintiffs pursuant to the Commission Agreement to provide information so Plaintiffs could verify the accuracy of their commission payments.
- 42. Without access to the information regarding the type of land designation that was purchased by Pardee as part of the separate land transaction with CSI, Plaintiffs were not reasonably informed as to all matters relating to the amount of their commission payments as they could not verify the accuracy of their commission payments.
- 43. Although the complete documentation when provided in this litigation verified that Plaintiffs were not due any further commissions at this time for the additional purchases of land by Pardee, Pardee still had a duty to provide sufficient information regarding the designation

of the type of land that had been purchased to Plaintiffs. Plaintiff Wolfram attempted through public records to ascertain information regarding the additional lands, but he was unable to verify the required information of the land use designations.

44. Plaintiffs have also contended that they are entitled to a commission if Pardee re-designates any of its land purchased from CSI to single family production residential property. Plaintiffs are not entitled to commissions on any re-designation of lands by Pardee pursuant to the Commission Agreement.

II. CONCLUSIONS OF LAW

A. PLAINTIFFS' CAUSE OF ACTION FOR BREACH OF CONTRACT

- 1. To sustain a claim for breach of contract, Plaintiffs must establish (1) the existence of a valid contract between Plaintiffs and Defendant; (2) a breach by Defendant, and (3) damages as a result of the breach. *Richardson v. Jones*, 1 Nev. 405, 405 (1865); *Calloway v. City of Reno*, 116 Nev. 250, 256, 993 P.3d 1259, 1263 (2000) (overruled on other grounds by Olson v. Richard, 120 Nev. 240, 241–44, 89 P.3d 31, 31–33 (2004)).
- 2. Contract interpretation strives to discern and give effect to the parties' intended meaning...before an interpreting court can conclusively declare a contract ambiguous or unambiguous, it must consult the context in which the parties exchanged promises. *Galardi v. Naples Polaris*, 129 Nev. Adv. Op. 33, 301 P:3d 364, 367 (2013).
- 3. Contractual provisions should be harmonized whenever possible, and construed to reach a reasonable solution. *Eversole v. Sunrise Villas VIII Homeowners Ass'n*, 112 Nev. 1255, 1260, 925 P.2d 505, 509 (1996).
- 4. The Commission Letter Agreement constitutes a valid and enforceable contract between Plaintiffs and Defendant.

KERRY L. EARLEY DISTRICT JUDGE DEPARTMENT IV

	5.	Parc	lee a	greed to	pay con	ımi	issio	ns and p	rovi	de in:	forma	itio	n to k	eep I	Plaintiffs
reasonably	informed	as to	all	matters	relating	to	the	amount	and	due	date	of	their	comi	missions
pursuant to	the expres	s teri	ns o	f the Co	mmissio	ı A	gree	ment.							

- 6. The language of the Commission Agreement required the payment of commissions under paragraphs i and ii according to percentages of the Purchase Property Price. Undisputedly, those commissions were paid.
- 7. The Commission Agreement also required Pardee to pay commissions on the purchase of Option Property if Pardee exercised its option to purchase Option Property pursuant to paragraph 2 of the Option Agreement.
 - 8. Pardee has never exercised any such option.
- 9. Pardee paid Plaintiffs in full and timely commissions on the \$84,000,000.00 Purchase Property Price.
 - 10. The Purchase Property Price was \$84,000,000.00.
- 11. CSI has not received more than \$84,000.000.00 for the single family detached production residential land acquisition by Pardee from CSI at the Coyote Springs project.
- 12. From the very beginning, CSI and Pardee acknowledged that the specific boundaries of the Purchase Property and Option Property may change, for a variety of reasons. There are many references to the changing boundaries of property at Coyote Springs in Pardee's and CSI's Option Agreement. There are many factors that necessitated those changes, including the BLM configuration, moving the utility corridor, mapping, the subdivision process, the entitlement and permitting processes, the Moapa Dace issue and other wildlife issues, and the design by Jack Nicklaus of the golf courses. There were a number of factors that were out of CSI's and Pardee's control that were expected to change and did change the boundaries and configuration of the Purchase Property. As a result of those boundaries changing, so too did the potential boundaries for Option Property change.
- 13. The Plaintiffs' commissions pursuant to paragraphs i and ii were solely based on the Purchase Property Price, not the acreage acquired by Pardee or its location or its closing.

Therefore, the change in boundaries had absolutely no impact on the amount or due date of Plaintiffs' commissions.

- option(s) to purchase Option Property pursuant to paragraph 2 of the Option Agreement. To exercise such an option is a multi-step process involving a myriad of written documents. If such an option had been exercised by Pardee those documents would be found in the public record. Since Pardee as of the present time has not exercised any options pursuant to paragraph 2 of the Option Agreement, no commissions are due at the present time to Plaintiffs.
- 15. In addition, the Commission Agreement required Pardee to keep Plaintiffs reasonably informed as to all matters relating to the amount and due dates of Plaintiffs' commission payments.
- Restated Option Agreement. Although those amendments did not change Plaintiffs' commissions due under the Commission Agreement, the information contained in the amendments contained the designation information about the separate land transactions involving multi-family, custom lots, and commercial. This information was needed by Plaintiffs as it was necessary to determine the impact, if any on their commission payments. However, Pardee could have provided the requisite information in various forms other than the amendments. Pardee failed to provide information in any form required by Plaintiffs to determine the accuracy of their commission payments.
- 17. Pardee did not keep Plaintiffs reasonably informed as to all matters relating to the amount of their commission payments that would be due and owing pursuant to the Commission Agreement. Therefore, Pardee breached the Commission Agreement.
- 18. Plaintiffs satisfied any and all of their obligations under the Commission Agreement.
- 19. In order to award consequential damages, the damages claimed for the breach of contract must be foreseeable. See <u>Barnes v. W.U. Tel. Co.</u>, 27 Nev. 438, 76 P. 931 (1904). Under the watershed case, <u>Hadley v. Baxendale</u>, 156 Eng. Rep. 145, 151 (1854), foreseeability requires

that: (1) damages for loss must "fairly and reasonably be considered [as] arising naturally . . . from such breach of contract itself," and (2) the loss must be "such as may reasonably be supposed to have been in the contemplation of both parties, at the time they made the contract as the probable result of the breach of it." <u>See Clark County School District v. Rolling Plains Const., Inc.</u>, 117 Nev. 101, 106, 16 P.3d 1079, 1082 (2001) (disapproved of on other grounds, 117 Nev. 948). Stated another way, the damages claimed for the breach of contract must be foreseeable. <u>Id</u>.

- 20. Plaintiffs suffered foreseeable damages due to Defendant's breach of not keeping Plaintiffs reasonably informed as to all matters relating to the amount due and owing on the Commission Agreement in the form of their time and efforts attempting to obtain the information owed to them pursuant to the Commission Agreement. The testimony by Plaintiff Wolfram was that he expended 80 hours of time to obtain said information by going through public records and contacting different sources. Using a rate of \$75.00 per hour for Mr. Wolfram's time as a real estate agent, the damages total \$6,000.00.
- 21. Plaintiffs also suffered damages in the form of the attorney's fees and costs incurred as they were necessary and reasonably foreseeable to obtain the requisite information regarding the land designations of land acquired by Pardee from CSI in the Coyote Development pursuant to the separate transaction between Pardee and CSI. Plaintiffs specifically requested numerous times from Pardee information to determine the land designations of these additional purchases, but to no avail. In fact, Mr. Lash on behalf of Pardee instructed a third party that said information should not be provided. CSI was not able to provide the requisite information due to the confidentiality agreement with Pardee. Plaintiffs had no alternative but to file suit, use the litigation process to obtain the requisite information, and request an equitable remedy from this Court to obtain said information in the future. The above-referenced facts allow this Court to award reasonable attorney's fees and costs as special damages. <u>See Liu v. Christopher Homes, LLC</u>, 103, Nev. Adv. Op. 17, 321 P.3d, 875 (2014); <u>Sandy Valley Assoc v. Sky Ranch Owners Assoc.</u>, 117 Nev. 948, 35 P.3d 964 (2001).

Mr. Jimmerson testified regarding the attorney's fees and costs to pursue the

Plaintiffs' claim for acquiring the information from Pardee related to the Plaintiffs' commission amounts based on billings contained in exhibits 31A. The damages for reasonable attorneys' fees and costs are \$135,500.00.

B. PLAINTIFFS' CAUSE OF ACTION FOR BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING

- 1. To sustain a claim for breach of the implied covenant of good faith and fair dealing sounding in contract, Plaintiffs must establish: (1) Plaintiffs and Defendant were parties to the contract; (2) the Defendant owed a duty of good faith to Plaintiffs; (3) the Defendant breached that duty by performing in a manner that was unfaithful to the purpose of the contract; and (4) Plaintiff's justified expectations were thus denied. <u>See Perry v. Jordan</u>, 111 Nev. 943, 947, 900 P.2d 335, 338 (1995);
- 2. An implied covenant of good faith and fair dealing is recognized in every contract under Nevada law. <u>Consolidated Generator-Nevada</u>, <u>Inc. v. Cummins Engine Co., Inc.</u>, 114 Nev. 1304, 1311, 971 P.2d 1251, 1256 (1998). Under the implied covenant, each party must act in a manner that is faithful to the purpose of the contract and the justified expectations of the other party. <u>Morris v. Bank of America Nevada</u>, 110 Nev. 1274, 1278 n. 2, 886 P.2d 454, 457 (1994). The implied covenant of good faith and fair dealing forbids arbitrary, unfair acts by one party that disadvantages the other. <u>Frantz v. Johnson</u>, 116 Nev. 455, 465 n. 4., 999 P.2d 351, 358 (2000).
- 3. Plaintiffs, pursuant to the Commission Agreement, were entitled to commissions for Purchase Price Property and Option Property. Plaintiffs had justifiable expectations that Pardee would keep Plaintiffs reasonably informed as to all matters related to the amount and due dates of their commission payments.
- 4. Plaintiffs needed sufficient information regarding purchases of land by Pardee from CSI at Coyote Springs to enable Plaintiffs to verify the accuracy of commission payments. The designation of the land purchased by Pardee from CSI was the basis for Plaintiffs' entitlement to commissions pursuant to Option Property under iii of the Commission Agreement.

- 5. Pardee was not faithful to the purpose of the Commission Agreement by failing to provide information regarding other land designations purchased by Pardee at Coyote Springs so Plaintiffs could verify the accuracy of their commission payments. Without this information, Pardee failed to keep Plaintiffs reasonably informed as to all matters relating to their Commission Agreement.
- 6. Pardee did not act in good faith when it breached its contractual duty to keep Plaintiffs reasonably informed as to all matters relating to the amount and due dates of their commission payments. Plaintiffs did not breach any obligation they had to Pardee under the Commission Agreement by requesting information regarding other land acquisitions by Pardee from CSI at Coyote Springs. Plaintiffs acted in good faith at all times toward Pardee and did not deny Pardee its justified expectations under the Commission Agreement.
 - 7. Pardee suffered no recoverable damages from Plaintiffs' inquiries.

C. PLAINTIFFS' CLAIM FOR AN ACCOUNTING

- 1. An accounting is an independent cause of action that is distinct from the equitable remedy of accounting. <u>See e.g. Botsford v. Van Riper</u>, 33 Nev. 156, 110 P. 705 (1910); <u>Young v. Johnny Ribiero Bldg., Inc.</u>, 106 Nev. 88, 787 P.2d 777 (1990); <u>Oracle USA, Inc. v. Rimini Street, Inc.</u>, No. 2:10-CV-00106-LRH-PAL, 2010 WL 3257933 (D. Nev. Aug. 13, 2010); <u>Teselle v. McLoughlin</u>, 173 Cal. App. 4th 156, 92 Cal. Rptr. 3d 696 (Cal. App. 2009); <u>Mobius Connections Group, Inc. v. Techskills, LLC</u>, No. 2:10-CV-01678-GMN-RJJ, 2012 WL 194434 (D. Nev. Jan. 23, 2012).
- 2. To prevail on a claim for accounting, a Plaintiff must establish the existence of a special relationship whereby a duty to account may arise. <u>See Teselle v. McLoughlin</u>, 173 Cal. App. 4th 156, 92 Cal. Rptr. 3d 696 (Cal. App. 2009). The right to an accounting can arise from Defendant's possession of money or property which, because of the Defendant's relationship with the Plaintiff, the Defendant is obliged to surrender. *Id*.
 - 3. This Court has previously held that for Plaintiffs to prevail on an independent

cause of action for an accounting, Plaintiffs must establish the existence of a special relationship of trust whereby a duty to account may arise. See Teselle v. McLoughlin, 173 Cal. App. 4th 156 (2009); see also, Order Denying Pardee's Motion for Partial Summary Judgment.

- Courts have found the existence of a special relationship of trust when, in a 4. contractual relationship, payment is collected by one party and the other party is paid by the collecting party. Wolf v. Superior Court, 130 Cal. Rptr. 2d 860 (Cal. Ct. App. 2003); Mobius Connections Group, Inc. v. Techskills, LLC, No. 2:10-CV-01678-GMN-RJJ, 2012 WL 194434 (D. Nev. Jan. 23, 2012).
- 5. In contractual relationships requiring payment by one party to another of profits received, the right to an accounting can be derived from the implied covenant of good faith and fair dealing inherent in every contract, because without an accounting there may be no way by which such a party entitled to a share in profits could determine whether there were any profits. Mobius Conections Group v. Techskills, LLC, Id.
- б. The Court finds there is a special relationship of trust between Plaintiffs and Pardee that entitles Plaintiffs to an accounting for the information concerning the development of Coyote Springs in the future as it pertains to Plaintiffs' commissions on option property. There is no way for Plaintiffs or their heirs to determine whether a commission payment is due in the future without an accounting of the type of land of any future purchases by Pardee from CSI at Coyote Springs. Access to said information is required to ensure the accuracy of commission payments that may be due and owing in the future.

DECISION

Now, therefore, in consideration of the Findings of Fact and Conclusions of Law by this Court, IT IS HEREBY ORDERED as follows:

The Court finds that Defendant Pardee Homes of Nevada is liable to Plaintiffs for 1. breach of contract, breach of the covenant of good faith and fair dealing, and its failure to account to Plaintiffs regarding the information concerning the development of Coyote Springs because it

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pertained to Plaintiffs' present and potential future commissions. Damages are to be awarded to Plaintiffs from Defendant in an amount totaling \$141,500.00

- 2. The Court finds that Plaintiffs are not liable to Defendant for breach of the implied covenant of good faith and fair dealing. As such, no damages will be awarded to Defendant.
- 3. The Court orders both parties to provide to the Court within 60 days after entry of this order supplemental briefs detailing what information should be provided and under what circumstances by Pardee to Plaintiffs consistent with this decision. The Court will schedule after receiving the supplemental briefs further proceedings to determine what information should be provided by Pardee to Plaintiffs, and their heirs when applicable, as an accounting.

DATED this 25 day of June, 2014.

KERRYL. EARLEY, DISTRICT COURT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on June 25, 2014, I mailed, electronically served, or placed a copy of this order in the attorney's folder on the first floor of the Regional Justice Center as follows:

James M. Jimmerson, Esq. - Jimmerson Hansen Pat Lundvall - McDonald Carano Wilson

Kelly Tibbs

Judicial Executive Assistant

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1	ROC						
2	JAMES J. JIMMERSON, ESQ. Nevada Bar No.: 00264						
3	LYNN M. HANSEN, ESQ. Nevada Bar No.: 00244						
	JIMMERSON HANSEN, P.C.						
4	415 South 6 th Street, Suite 100 Las Vegas, Nevada 89101						
5	Tel No.: (702) 388-7171; Fax No.: (702) 388-6406						
6	jjj@jimmersonhansen.com						
7	Imh@jimmersonhansen.com Attorneys for Plaintiffs						
8	DISTRICT COURT						
9	CLARK COUNTY, NEVADA						
10							
11	JAMES WOLFRAM and) WALT WILKES,) CASE NO.: A-10-632338-C						
12) DEPT. NO.: IV						
13	Plaintiffs,)						
14	vs.						
15	PARDEE HOMES OF NEVADA,						
16	Defendant.						
17							
18	RECEIPT OF COPY						
19	RECEIPT OF COPY of NOTICE OF ENTRY OF FACT, CONCLUSIONS OF LAW						
20	AND ORDER is hereby acknowledged this day of June, 2014, at a.m. p.m						
21	by the undersigned:						
22	j						
23	AAROND SHIPLEY / KLO						
24	Pat Lundvall Fsg						

Pat Lundvall, Esq.
Aaron D. Shipley, Esq.
MCDONALD CARANO WILSON, LLP
2300 W. Sahara Ave., Suite 1000
Las Vegas, NV 89102
Attorneys for Defendant

EXHIBIT E

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NEOJ 1 THE JIMMERSON LAW FIRM, P.C. **CLERK OF THE COURT** JAMES J. JIMMERSON, ESQ. 2 Nevada Bar No. 000264 3 MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 0012963 4 415 South Sixth Street, Suite 100 Las Vegas, Nevada 89101 5 Telephone: (702) 388-7171 Facsimile: (702) 380-6406 6 iji@jimmersonlawfirm.com 7 mcf@jimmersonlawfirm.com Attorneys for Plaintiffs 8 DISTRICT COURT 9 **CLARK COUNTY, NEVADA** 10 11 JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES CASE NO.: A-10-632338 12 LIVING TRUST, ANGELA L. DEPT. NO.: IV 13 LIMBOCKER-WILKES, TRUSTEE, Courtroom No. 16B 14 Plaintiffs, 15 NOTICE OF ENTRY OF ORDER V. AND JUDGMENT FROM AUGUST 16 PARDEE HOMES OF NEVADA, 15, 2016 HEARINGS REGARDING 17 **DEFENDANT'S MOTION TO** AMEND JUDGMENT 18 Defendant. 19 20 PLEASE TAKE NOTICE that an ORDER AND JUDGMENT FROM AUGUST 15, 21 2016 HEARINGS REGARDING DEFENDANT'S MOTION TO AMEND JUDGMENT was 22 23 entered in the above-captioned matter on January 9, 2017. A true and correct file -stamped 24 /// 25 /// 26 /// 27 /// 28

copy of said Order is attached hereto as Exhibit "1".

Dated this 10th day of January, 2017.

THE JIMMERSON LAW FIRM, P.C.

JAMES J. JIMMERSON, ESQ. Nevada State Bar No.: 00264

MICHAEL C. FLAXMAN, ESQ. Nevada State Bar No.: 12963 415 South 6th Street, Suite 100 Las Vegas, Nevada 89101

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

Exhibit "1"

ORDR
JAMES J. JIMMERSON, ESQ.
Nevada Bar No. 000264
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mcf@jimmersonlawfirm.com
Attorneys for Plaintiffs

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CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES LIVING TRUST, ANGELA L. LIMBOCKER-WILKES, TRUSTEE,

CASE NO.: A-10-632338

DEPT. NO.: IV

Plaintiffs,

٧.

PARDEE HOMES OF NEVADA,

ORDER AND JUDGMENT FROM AUGUST 15, 2016 HEARINGS REGARDING DEFENDANT'S MOTION TO AMEND JUDGMENT

Defendant.

This matter coming on for a hearing on the 15th day of August, 2016, upon Defendant, PARDEE HOMES OF NEVADA's (hereinafter "Pardee"), Motion to Amend Judgment and James J. Jimmerson, Esq. and Michael C. Flaxman, Esq. of THE JIMMERSON LAW FIRM, P.C. appearing on behalf of Plaintiffs, JAMES WOLFRAM and ANGELA L. LIMBOCKER-WILKES as trustee of the WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST and Plaintiff, James Wolfram, being present, and Pat Lundvall, Esq. and Rory T. Kay, Esq. appearing on behalf of Defendant and no

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III

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corporate representative being present, and the Court having reviewed the papers and pleadings on file herein, and heard the arguments of counsel, and for good cause appearing:

THE COURT HEREBY NOTES that it was a see of the decision in Liu v. Christopher Homes, LLC, 130 Nev. Adv. Op. 17, 321 P.3d 875 (2014) at the time it entered its Findings of Fact and Conclusions of Law, filed on June 25, 2014, and in fact, expressly cited to the decision at page 14, lines 23 to 25 of the Court's Findings of Fact, Conclusions of Law and Order filed on June 25, 2014.

THE COURT HEREBY FINDS that the decision in *Liu* did not limit, but rather broadened, the circumstances under which the Court could award Plaintiffs attorney's fees as special damages.

THE COURT FURTHER FINDS that after the Court's review of *Liu, Sandy Valley Assoc. v. Sky Ranch Estates Owners* Ass'n, 117 Nev. 948, 35 P.2d 964 (2001), and *Horgan v.* Felton, 123 Nev. Adv. Op. 53 (2007), and that after review of the relevant facts and controlling legal authority, there is no legal or factual basis pursuant to NRCP 52(b) and NRCP 59(e) to grant Defendant's Motion to Amend Judgment.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant's Motion 1 to Amend Judgment is denied. 2 3 DATED this ____ day of _ 4 5 6 7 8 9 Respectfully submitted by: APPROVED AS TO FORM AND CONTENT: 10 Dated this ___ day December, 2016. Dated this ___ day December, 2016. 11 McDONALD CARANO WILSON, LLP THE JIMMERSON LAW FIRM, 12 P.C. 13 14 15 JAMES J. JIMMERSON, ESQ. PAT LUNDVALL, ESQ. Nevada State Bar No. 3761 Nevada State Bar No. 000264 16 RORY T. KAY, ESQ. MICHAEL C. FLAXMAN, ESQ. Nevada State Bar No. 12416 Nevada Bar No. 012963 17 2300 West Sahara Ave., Ste. 1200 415 South Sixth St., Ste. 100 18 Las Vegas, Nevada 89102 Las Vegas, NV 89101 Attorneys for Defendant Attorneys for Plaintiffs 19

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EXHIBIT F

NEOJ 1 THE JIMMERSON LAW FIRM, P.C. **CLERK OF THE COURT** JAMES J. JIMMERSON, ESQ. Nevada Bar No. 000264 3 MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 0012963 4 415 South Sixth Street, Suite 100 Las Vegas, Nevada 89101 5 Telephone: (702) 388-7171 6 Facsimile: (702) 380-6406 jjj@jimmersonlawfirm.com 7 mcf@jimmersonlawfirm.com Attorneys for Plaintiffs 8 DISTRICT COURT 9 **CLARK COUNTY, NEVADA** 10 11 JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES CASE NO.: A-10-632338 12 LIVING TRUST, ANGELA L. DEPT. NO.: IV 13 LIMBOCKER-WILKES, TRUSTEE, Courtroom No. 16B 14 Plaintiffs, 15 NOTICE OF ENTRY OF ORDER ٧. 16 AND JUDGMENT FROM AUGUST PARDEE HOMES OF NEVADA. 15, 2016 HEARINGS REGARDING 17 **DEFENDANT'S MOTION FOR** ATTORNEY'S FEES 18 19 Defendant, 20 PLEASE TAKE NOTICE that an ORDER AND JUDGMENT FROM AUGUST 15. 21 2016 HEARINGS REGARDING DEFENDANT'S MOTION FOR ATTORNEY'S FEES was 22 23 entered in the above-captioned matter on January 9, 2017. A true and correct file -stamped 24 /// 25 111 26 III27 /// 28

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copy of said Order is attached hereto as Exhibit "1".

Dated this // day of January, 2017.

THE JIMMERSON LAW FIRM, P.C.

JAMES J. JIMMERSON, ESQ. Nevada State Bar No.: 00264 MICHAEL C. FLAXMAN, ESQ. Nevada State Bar No.: 12963 415 South 6th Street, Suite 100

Las Vegas, Nevada 89101 Attorneys for Plaintiffs

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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of THE JIMMERSON LAW FIRM, P.C. that on the home day of January, 2017, service of the above and foregoing NOTICE OF ENTRY OF ORDER AND JUDGMENT FROM AUGUST 15, 2016 HEARINGS REGARDING DEFENDANT'S MOTION FOR ATTORNEY'S FEES was made as indicated below: pursuant to EDCR 8.05(a), EDCR 8.05(f), NRCP 5(b)(2)(D) and [X] Administrative Order 14-2 captioned "In the Administrative Matter of Mandatory Electronic Service in the Eighth Judicial District Court," by mandatory electronic service through the Eighth Judicial District Court's electronic filing system; by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas, by electronic mail; by hand-delivery with signed Receipt of Copy To the attorney(s) listed below at the address, email address, and/or facsimile number indicated below: Pat Lundvall, Esq. Rory T. Kay, Esq. MCDONALD CARANO WILSON, LLP 2300 W. Sahara Ave., Ste. 1200 Las Vegas, Nevada 89102 Michaele Slavin Attorneys for Defendant

An employee of THE JIMMERSON LAW FIRM, P.C.

Exhibit "1"

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CLERK OF THE COURT

ORDR 1

JAMES J. JIMMERSON, ESQ.

Nevada Bar No. 000264 2

MICHAEL C. FLAXMAN, ESQ.

3 Nevada Bar No. 0012963

THE JIMMERSON LAW FIRM, P.C.

415 South Sixth Street, Suite 100

Las Vegas, Nevada 89101

5 Telephone: (702) 388-7171 6

Facsimile: (702) 380-6406

jjj@jimmersonlawfirm.com mcf@jimmersonlawfirm.com

Attorneys for Plaintiffs

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DISTRICT COURT

CLARK COUNTY, NEVADA

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JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES

12 LIVING TRUST, ANGELA L. 13

LIMBOCKER-WILKES, TRUSTEE,

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CASE NO.: A-10-632338

DEPT. NO.: IV

Plaintiffs,

PARDEE HOMES OF NEVADA,

ORDER AND JUDGMENT FROM **AUGUST 15, 2016 HEARINGS REGARDING DEFENDANT'S** MOTION FOR ATTORNEY'S FEES AND COSTS

Defendant.

This matter coming on for a hearing on the 15th day of August, 2016, upon Defendant, PARDEE HOMES OF NEVADA's (hereinafter "Pardee"), Motion for Attorney's Fees and Costs, James J. Jimmerson, Esq. and Michael C. Flaxman, Esq. of THE JIMMERSON LAW FIRM, P.C. appearing on behalf of Plaintiffs, JAMES WOLFRAM and ANGELA L. LIMBOCKER-WILKES as trustee of the WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST and Plaintiff James Wolfram being present, and Pat Lundvall, Esq. and Rory T. Kay, Esq. appearing on

behalf of Defendant and no corporate representative being present, and the Court having reviewed the papers and pleadings on file herein, and heard the arguments of counsel, and for good cause appearing:

THE COURT HEREBY FINDS that after a thorough review of the relevant case law and facts of the case, the most substantial issues in Plaintiffs' case, from pre-litigation through Trial, this case was fundamentally filed and maintained in order to obtain information Defendant, Pardee Homes of Nevada. Defendant was required to provide the information, and to provide to the Plaintiffs an accounting so they could determine the location and extent of the development and contracts, and whether they were due any additional commissions and to ensure proper monitoring of any possible future commissions Plaintiffs may be entitled to, as this was a contract that will hold up for fortaix (46) years going forward. KCE

THE COURT FURTHER FINDS that this information was the only reason Plaintiffs initiated the instant litigation. That Plaintiffs, despite their efforts, had no other way, prior to litigation, to obtain the information they were entitled to in order to learn of the needed information and to determine whether they were due any past or future commissions.

THE COURT FURTHER FINDS that Plaintiffs were the prevailing party and were successful on the most substantial issues in the matter, obtaining information and an accounting, and that Plaintiffs were the prevailing party on each of their three (3) claims for relief, and Defendant, near the close of trial, withdrew its one (1) claim for relief as confirmed within the Court's Findings of Fact, Conclusion of Law and Decision filed June 25, 2014, and within its Judgment filed May 16, 2016. Defendant's Motion for Attorney's Fees and Costs has no legal or factual basis under the terms of the Commission

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EXHIBIT G

NEOJ 1 THE JIMMERSON LAW FIRM, P.C. **CLERK OF THE COURT** JAMES J. JIMMERSON, ESQ. 2 Nevada Bar No. 000264 3 MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 0012963 4 415 South Sixth Street, Suite 100 Las Vegas, Nevada 89101 5 Telephone: (702) 388-7171 Facsimile: (702) 380-6406 6 jjj@jimmersonlawfirm.com 7 mcf@jimmersonlawfirm.com Attorneys for Plaintiffs 8 DISTRICT COURT 9 **CLARK COUNTY, NEVADA** 10 11 JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES CASE NO.: A-10-632338 12 LIVING TRUST, ANGELA L. DEPT. NO.: IV 13 LIMBOCKER-WILKES, TRUSTEE, Courtroom No. 16B 14 Plaintiffs, 15 NOTICE OF ENTRY OF ORDER ٧. 16 AND JUDGMENT FROM AUGUST 15, 2016 HEARINGS REGARDING PARDEE HOMES OF NEVADA, 17 PLAINTIFF'S MOTION FOR ATTORNEY'S FEES AND COSTS 18 Defendant. 19 20 PLEASE TAKE NOTICE that an ORDER AND JUDGMENT FROM AUGUST 15, 21 2016 HEARINGS REGARDING PLAINTIFF'S MOTION FOR ATTORNEY'S FEES AND 22 23 COSTS was entered in the above-captioned matter on January 9, 2017. A true and correct 24 file -stamped 25 ///

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copy of said Order is attached hereto as Exhibit "1".

Dated this 10 day of January, 2017.

THE JIMMERSON LAW FIRM, P.C.

JAMES J. JIMMERSON, ESQ.
Nevada State Bar No.: 00264
MICHAEL C. FLAXMAN, ESQ.
Nevada State Bar No.: 12963
415 South 6th Street, Suite 100

Las Vegas, Nevada 89101 Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

	eby certify that I am an employee of THE JIMMERSON LAW FIRM, P.C.
that on the	day of January, 2017, service of the above and foregoing NOTICE
OF ENTRY	OF ORDER AND JUDGMENT FROM AUGUST 15, 2016 HEARINGS
REGARDIN	G PLAINTIFF'S MOTION FOR ATTORNEY'S FEES AND COSTS was
made as ind	icated below:
[x] []	pursuant to EDCR 8.05(a), EDCR 8.05(f), NRCP 5(b)(2)(D) and Administrative Order 14-2 captioned "In the Administrative Matter of Mandatory Electronic Service in the Eighth Judicial District Court," by mandatory electronic service through the Eighth Judicial District Court's electronic filing system; by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas Nevada; by electronic mail; by hand-delivery with signed Receipt of Copy
To the attorn indicated bei	ey(s) listed below at the address, email address, and/or facsimile number ow:
2300 W. Sah	Esq. CARANO WILSON, LLP para Ave., Ste. 1200 Nevada 89102

An employee of THE JIMMERSON LAW FIRM, P.C.

Exhibit '1"

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CLERK OF THE COURT

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ORDR

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27 28 JAMES J. JIMMERSON, ESQ. Nevada Bar No. 000264 MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 0012963

THE JIMMERSON LAW FIRM, P.C. 415 South Sixth Street, Suite 100

Las Vegas, Nevada 89101 Telephone: (702) 388-7171

Facsimile: (702) 380-6406 jjj@jimmersonlawfirm.com mcf@jimmersonlawfirm.com

Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM and WALTER D. WILKES and ANGELA L. LIMBOCKER-WILKES LIVING TRUST, ANGELA L. LIMBOCKER-WILKES, TRUSTEE.

Plaintiffs,

٧.

PARDEE HOMES OF NEVADA,

Defendant,

CASE NO.: A-10-632338

DEPT. NO.: IV

ORDER AND JUDGMENT FROM AUGUST 15, 2016 HEARINGS REGARDING PLAINTIFF'S MOTION FOR ATTORNEY'S FEES AND COSTS

This matter coming on for a hearing on the 15th day of August, 2016, upon Plaintiffs', JAMES WOLFRAM and ANGELA L. LIMBOCKER-WILKES as trustee of the WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST, Motion for Attorney's Fees and Costs, James J. Jimmerson, Esq. and Michael C. Flaxman, Esq. of THE JIMMERSON LAW FIRM, P.C. appearing on behalf of Plaintiffs and Plaintiff James Wolfram being present, and Pat Lundvall, Esq. and Rory T. Kay, Esq. appearing on behalf of Defendant and no corporate representative being present, and the Court

having reviewed the papers and pleadings on file herein, and heard the arguments of counsel, and for good cause appearing:

THE COURT HEREBY NOTES that it has analyzed the proposed attorney's fees presented by Plaintiffs pursuant to the controlling case of *Brunzell v. Golden Gate Nat'l Bank*, 85 Nev. 345, 455 P.2d 31 (1969) and NRPC 1.5, conducted an extensive review of all documentation supporting Plaintiffs' requested attorney's fees and also, Defendant's Opposition thereto;

THE COURT HEREBY FINDS that Plaintiffs' Offer of Judgment, remitted to Defendant on or about April 29, 2013, contained a conditional provision and as such, does not provide Plaintiffs with a basis to recover attorney's fees.

THE COURT FURTHER FINDS that Plaintiffs are the prevailing party in the instant litigation pursuant to the Court's Findings of Fact and Conclusions of Law, filed June 25, 2014, the Findings of Fact and Conclusions of Law and Supplemental Briefing Regarding Future Accounting, filed May 13, 2015 and the final Judgment entered on May 16, 2016.

THE COURT FURTHER FINDS that, the Commission Agreement, executed by the parties on or about September 1, 2004, specifically provides that, in the event either party brings an action to enforce its right under that agreement, the prevailing party shall be awarded reasonable attorney's fees and costs.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Plaintiffs' Motion for Attorney's Fees and Costs is granted. Based upon the pleadings before the Court, and upon the Affidavit of James J. Jimmerson, Esq. and the evidentiary documentation provided by both parties before the Court, Plaintiffs' request for \$428,462.75 is reasonable, necessarily incurred, and is separate from, and in addition to, Plaintiff's

P.C.

attorney's fees damages in the amount of \$135,500.00 as part of the \$141,500.00 in damages awarded in favor of Plaintiffs and against Defendant within its final Judgment, filed May 16, 2016. As such, Plaintiffs shall take Judgment in favor of Plaintiffs and against Defendant, Pardee Homes of Nevada in the sum of \$428,462.75, plus legal interest until paid in full, collectible by any and all lawful means.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that with respect to the commencement date for prejudgment interest, the parties shall brief the issue for the Court. Plaintiffs' brief shall be filed on or before September 12, 2016, with Defendant's Opposition to be filed on or before October 17, 2016. Plaintiffs' Reply brief shall be filed on or before October 31, 2016. The Court shall conduct a hearing on the issue of prejudgment interest on December 12, 2016 at 3:00 a.m., in chambers.

	1 xms o and
	DISTRICT COURT JUDGE
Respectfully submitted by:	APPROVED AS TO FORM AND CONTENT:
Dated this day December, 2016.	Dated this day December, 2016.
THE JIMMERSON LAW FIRM,	McDONALD CARANO WILSON, LLP

JAMES J. JIMMERSON, ESQ. Nevada State Bar No. 000264 MICHAEL C. FLAXMAN, ESQ. Nevada Bar No. 012963 415 South Sixth St., Ste. 100 Las Vegas, NV 89101 Attorneys for Plaintiffs

DATED this 6 day of

PAT LUNDVALL, ESQ.
Nevada State Bar No. 3761
RORY T. KAY, ESQ.
Nevada State Bar No. 12416
2300 West Sahara Ave., Ste. 1200
Las Vegas, Nevada 89102
Attorneys for Defendant

EXHIBIT H

NEOJ
PAT LUNDVALL (NSBN 3761)
RORY T. KAY (NSBN 12416)
McDONALD CARANO WILSON LLP
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
(702) 873-4100
(702) 873-9966 Facsimile
lundvall@mcdonaldcarano.com
rkay@mcdonaldcarano.com
Attorneys for Defendant
Pardee Homes of Nevada

Alun S. Chim

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM,
WALT WILKES

Plaintiffs,
vs.

PARDEE HOMES OF NEVADA,
Defendant.

CASE NO.: A-10-632338-C

DEPT NO.: IV

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that an **ORDER ON DEFENDANT'S MOTION TO RETAX PLAINTIFFS' MEMORANDUM OF COSTS FILED MAY 23, 2016** was entered in the above-referenced case on the 12th day of January, 2017, a copy of which is attached hereto.

DATED this 12th day of January, 2017.

McDONALD CARANO WILSON LLP

/s/ Rory T. Kay
PAT LUNDVALL (#3761)
RORY T. KAY (#12416)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
Attorneys for Defendant Pardee Homes of Nevada

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of McDonald Carano Wilson LLP and that on this 12th day of January, 2017, I served a true and correct copy of the NOTICE OF ENTRY OF ORDER via Wiznet electronic service as utilized by the Eighth Judicial District in Clark County, Nevada.

James J. Jimmerson, Esq. Lynn Hansen, Esq.
James M. Jimmerson, Esq.
JIMMERSON, HANSEN, P.C. 415 S. Sixth Street, Ste 100 Las Vegas, NV 89101 Attorney for Plaintiffs

> /s/ Michelle Wade An Employee of McDonald Carano Wilson LLP

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ORDR PAT LUNDVALL (NSBN 3761) RORY T. KAY (NSBN 12416) McDONALD CARANO WILSON LLP 2300 West Sahara Avenue, Suite 1200 Las Vegas, Nevada 89102 (702) 873-4100 (702) 873-9966 Facsimile lundvall@mcdonaldcarano.com rkay@mcdonaldcarano.com Attorneys for Defendant Pardee Homes of Nevada

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES WOLFRAM, ANGELA L. LIMBOCKER-WILKES as trustee of the WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST.

CASE NO.: A-10-632338-C

DEPT NO.:

Plaintiffs.

VS.

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ORDER ON DEFENDANT'S MOTION TO RETAX PLAINTIFFS' MEMORANDUM OF COSTS FILED MAY 23, 2016

PARDEE HOMES OF NEVADA,

Defendant.

AND RELATED CLAIMS

On August 15, 2016, the Court heard Defendant PARDEE HOMES OF NEVADA's (hereinafter "Pardee") Motion to Retax Plaintiffs' Memorandum of Costs (the "Motion"). James J. Jimmerson, Esq. and Michael C. Flaxman, Esq. of THE JIMMERSON LAW FIRM, P.C. appeared for Plaintiffs, JAMES WOLFRAM and ANGELA L. LIMBOCKER-WILKES as trustee of the WALTER D. WILKES AND ANGELA L. LIMBOCKER-WILKES LIVING TRUST. Plaintiff James Wolfram also attended. Pat Lundvall and Rory T. Kay appeared for Pardee.

The Court, having reviewed the papers and pleadings on file herein, and heard the arguments of counsel, and for good cause appearing, rules as follows:

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THE COURT FINDS that, pursuant to NRS 18.020, NRS 18.110 and the Judgment entered on May 16, 2016, Plaintiffs are entitled to certain of their costs.

THE COURT FURTHER FINDS that, pursuant to NRS 18.005, Plaintiffs cannot recover the costs detailed in Plaintiffs' Memorandum of Costs, filed May 23, 2016, for John Muije, Esq.'s professional services and expert fees in the cumulative amount of \$13,265.71.

THE COURT FURTHER FINDS that, pursuant to NRS 18.005, Plaintiffs can recover all other costs in Plaintiffs' Memorandum of Costs, filed May 23, 2016. Under the standard in Cadle Co. v. Woods & Erickson, LLP, 131 Nev. Adv. Op. 15 (2015), the Court finds that these remaining costs were reasonable, necessary and actually incurred. Exhibit 4 of Plaintiffs' Opposition to Pardee's Motion to Retax Plaintiffs' Memorandum of Costs provides the level of detail required by Cadle Co.

Therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Pardee's Motion is granted in part and denied in part.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Plaintiffs cannot recover the specific costs associated with John Muije, Esq.'s expert services, totaling \$13,264.55, which equals a \$12,651.81 professional legal services fee and a \$613.22 expert witness fee.

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	1	IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court
	2	awards Plaintiffs all remaining costs enumerated in its Memorandum of Costs, filed May
	3	23, 2016, in the amount of \$56,129.56.
	4	DATED this 6 day of Jonusy, 2016.
m 7	5	
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	7	DISTRICT COURT JUDGE
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	9	Respectfully submitted by: Dated this 15 th day December, 2016.
	10	Dated this 13 day becember, 2010.
L.S.C.)	11	McDONALD CARANO WILSON, LLP
W.III 7. NEVAE 55-2670 8-2020	12	
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AKA 0"" FLOC NO. NEV 000 - FA	14	PATTURDVALL
J-C-C- STREET, 1 8670 - RE 75-788-27	15	Nevada State Bar No. 3761 RORY T. KAY
	16 17	Nevada State Bar No. 12416
0 WEST	18	2300 West Sahara Ave., Ste. 1200 Las Vegas, Nevada 89102
	19	Attorneys for Defendant
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EXHIBIT I

MAMJ PAT LUNDVALL (NSBN 3761) RORY T. KAY (NSBN 12416) McDONALD CARANO WILSON LLP 2300 West Sahara Avenue, Suite 1200 Las Vegas, Nevada 89102 (702) 873-4100 702) 873-9966 Facsimile lundvall@mcdonaldcarano.com rkay@mcdonaldcarano.com Attorneys for Defendant Pardee Homes of Nevada

CLERK OF THE COURT

DISTRICT COURT CLARK COUNTY, NEVADA

JAMES WOLFRAM, WALT WILKES

Plaintiffs.

VS.

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PARDEE HOMES OF NEVADA,

Defendant.

AND RELATED CLAIMS

CASE NO.: A-10-632338-C

DEPT NO.: IV

PARDEE HOMES OF NEVADA'S MOTION TO AMEND JUDGMENT

Date: Time:

Pursuant to NRCP 52(b) and 59(e), defendant Pardee Homes of Nevada ("Pardee") moves the Court to amend its findings and judgment in this case. NRCP 52(b) and 59(e) permit a party to move the trial court to amend its factual findings, make additional findings, or amend the final judgment to correct legal or factual errors. Amendment is required here for two reasons.

First, the Nevada Supreme Court has held, and recently clarified its prior pronouncements, that attorney's fees are available as special damages only in three very specific circumstances. None of those specific circumstances apply to this breach of contract case. Consequently Pardee respectfully requests that the Court amend its

MCDONALD-CARANO-WILSON:

findings and judgment to eliminate Plaintiffs Walt Wilkes and James Wolfram's (collectively "Plaintiffs") award of special damages for certain of their attorney's fees.

Second, in striking the first judgment entered June 3, 2015 and instead entering a second judgment on May 11, 2016, the Court has omitted language reflecting Plaintiffs' failure to recover any additional claimed commissions from Pardee, which was the case's most substantial issue. Specifically, Plaintiffs claimed that Pardee purchased "Option Property" during the project and thus owed them additional commissions pursuant to the Commission Agreement in this case. This theory constituted over 90% of the trial in this case, as Plaintiffs continually questioned witnesses about this Option Property and Pardee's purchases during the development. The Court entirely rejected this theory, finding that Pardee did not owe Plaintiffs any additional commissions related to any breach of the Commission Agreement. Language noting Pardee's successful defense on this issue should be expressly included in the judgment entered on May 11, 2016 because without it, the judgment does not conform to the Court's previous rulings in this case nor does it accurately reflect the litigation's outcome.

This Motion is based on NRCP 52 and 59, the pleadings and papers on file, the attached Memorandum of Points and Authorities, and any oral argument the Court may entertain at the hearing of this Motion.

DATED this 1st day of June, 2016.

McDONALD CARANO WILSON LLP

/s/ Rory Kay
PAT LUNDVALL (NBSN #3761)
RORY T. KAY (NSB #12416)

2300 West Sahara Avenue, Suite 1200 Las Vegas, Nevada 89102

Attorneys for Pardee Homes of Nevada

MCDONALD-CARANO-WILSON

NOTICE OF MOTION

TO: All Parties and Their Counsel of Record:

PLEASE TAKE NOTICE that the undersigned will bring the foregoing **PARDEE HOMES OF NEVADA'S MOTION TO AMEND JUDGMENT** for hearing before the above-entitled Court on the 0.6 day of _____, 2016 at the hour of ____ in Department IV of the above-entitled Court, or as soon thereafter as counsel can be heard.

MCDONALD CARANO WILSON LLP

/s/ Rory Kay
PAT LUNDVALL (NSBN 3761)
RORY KAY (NSBN 12416)
2300 West Sahara Avenue, Suite 1000
Las Vegas, Nevada 89102
Attorneys for Pardee Homes of Nevada

MEMORANDUM OF POINTS AND AUTHORITIES

١. RELEVANT FACTS.

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Α. Plaintiffs and Pardee Become Involved in the Coyote Springs Project.

This dispute arose from Pardee's and Plaintiffs' involvement in the Coyote Springs Project (the "Project"), a 43,000 acre development in Lincoln and Clark Counties. See Findings of Fact and Conclusions of Law at 2:9-12, on file with the Court. As licensed real estate brokers, Plaintiffs began tracking the Project in 2002, and shortly thereafter, they contacted Jon Lash, Pardee's executive responsible for land acquisition, to see if he was interested in purchasing land and/or developing homes on the Project. See id. at 1:27-2:18. Lash agreed to allow Plaintiffs to represent Pardee as a potential purchaser, and the Plaintiffs arranged an introductory meeting between Pardee and Harvey Whittemore to discuss Pardee's interest in the Project.¹ See id. at ¶ 8.

After the initial meeting, Pardee and CSI informed Plaintiffs that their services were no longer needed because Pardee and CSI could negotiate the land sales between themselves. See id. at 2:24-3:8. Accordingly, Plaintiff and Pardee began negotiating the Plaintiffs' broker commissions related to the Project and Plaintiffs' introduction of Whittemore and Lash. See id. at 4:9-16.

В. Plaintiffs and Pardee Execute the Commission Agreement.

The end result of those negotiations was a Commission Agreement, which Pardee and James Wolfram executed on September 2, 2004 and Walt Wilkes executed on September 6, 2004. See id. at ¶ 16. The Commission Agreement sets forth the parties' rights concerning Pardee's land purchases on the Project. See generally Commission Agreement Dated September 1, 2004, attached as Exhibit A.

Whittemore was the founder and owner of Coyote Springs Investment, LLC ("CSI"), the entity that owned the Project's land at the time of this introductory meeting.

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The Commission Agreement expressly addressed attorney's fees should the parties resort to litigation to enforce their rights under the contract:

In the event either party brings an action to enforce its rights under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees and costs.

Id. at p .2 (emphasis added).

The Commission Agreement included a merger clause, noting that "all oral statements, representations, and negotiations" were merged into the Commission Agreement, and also a provision prohibiting modification unless in writing signed by all parties. Id.

C. Pardee Purchases Certain Lands and Pays the Plaintiffs' Commissions Pursuant to the Commission Agreement, but the Plaintiffs Demand More.

Soon after the parties executed the Commission Agreement, Pardee purchased relevant land from CSI that was covered by the Commission Agreement. See Findings of Fact and Conclusion of Law at 8:6-9. Pursuant to the Commission Agreement, Pardee paid the Plaintiffs \$2,632,000.00 in commissions based upon the purchases. See id. at 8:19-20. These were the only commissions due under the Commission Agreement, and Pardee has made no other purchases from CSI that would require them to pay Plaintiffs any commissions under the Commission Agreement. See id. at 8:21-9:10 and 10:25-11:3.

Nevertheless, Plaintiffs insisted that they were due additional commissions from Pardee and filed the current case on December 29, 2010. See Complaint, on file with the Court. The Plaintiffs claimed that Pardee owed them over \$1.9 million in damages, including \$1.8 million in purportedly lost commissions, \$146,000 in attorney's fees, and \$6,400 in time and effort expended related to the accounting cause of action. See Plaintiffs' Thirteenth Supplement to NRCP 16.1 Disclosure of Witnesses and Documents at 10:17-11:9, attached as Exhibit B.² Plaintiffs argued that Pardee

² Notably, Plaintiffs served this supplemental disclosure on the last day of trial.

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"reclassif[ied] the land" originally labeled Option Property and that doing so "robbed Plaintiffs of their opportunity to be paid these commissions" pursuant to the Commission Agreement. Id. at 11:2-4.

D. During Trial, Plaintiffs Spend the Majority of Their Time Pursuing This Theory of Additional Commissions Due and Owing.

At trial, Plaintiffs spent numerous hours questioning witnesses about Plaintiffs' commissions under the Commission Agreement and Pardee's purported reclassification of land on the project. For example, Plaintiffs' counsel immediately began questioning Plaintiff James Wolfram about how he earned commissions and how Pardee was to pay him those commissions based on its purchased Option Property. See October 23, 2013 Transcript ("10/23 Trans.") at 75:9-76:20 and 88:16-24, attached as Exhibit C. Wolfram testified that it was not "fair" that Pardee and Coyote Springs Investment, LLC ("CSI") reclassified certain land on the project, which purportedly influenced and reduced Plaintiffs' commissions. See id. at 95:3-17. During this questioning, Plaintiffs' counsel offered parcel maps as demonstrative exhibits to allegedly show how Pardee and CSI reclassified land on the project, and Wolfram stated that Plaintiffs were "most certainly" entitled to additional commissions because of this reclassification. See id. at 125:11-151:17; see also October 24, 2013 Transcript ("10/24 Trans.") at 249:25-250:1, attached as Exhibit D.

Plaintiff Walt Wilkes also testified that Plaintiffs "were entitled to other, more commissions" and that their "understanding [was] we were going to get the whole commission" had Pardee and CSI not purportedly reclassified land. October 30, 2013 Transcript ("10/30 Trans.") at 98:19-20 and 100:3-4, attached as Exhibit E. Wilkes stated that Pardee "tried to take the extra money from [Plaintiffs]" and that Pardee and CSI went "outside of [the boundaries]" in reclassifying certain land. Id. at 102:16-18 and 136:1-8.

Plaintiffs also heavily questioned CSI's founder and former principal, Harvey Whittemore, about the purported reclassification of Option Property on the project.

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Whittemore testified that he believed the case was about "past due brokerage commissions" because it was the "impression that [he] took from [his] deposition" due to Plaintiffs' counsel's questioning. Exh. D, 10/24 Trans. at 10:12-15. During that same day at trial, Plaintiffs' counsel spent almost the entire day asking numerous questions about reclassification of land on the project and the contractual definition of Option Property. See generally id. at 35:14-216:13. Whittemore testified that Pardee and CSI had not conspired to deny Plaintiffs any commissions by reclassifying certain land on the project, but rather that the parties needed "the greatest degree of flexibility to allow the parties to ultimately get the best plan" for the entire project. *Id.* at 83:21-84:4.

Plaintiffs' counsel's opening and closing arguments similarly focused on Plaintiffs' claims to additional commissions on the project. Counsel opened by stating that the case largely "hinge[d]" on whether Pardee's purchases were considered Purchase Property or Option Property, and that the evidence would "show that [Pardee's] commission payments were inaccurate, [and] were not property calculated." Exh. C., 10/23 Trans. at 14:8-15:1 and 20:3-4. Counsel's closing argument again focused on this purported reclassification, as he claimed that "it is . . . a breach of contract to think that [Pardee] can adversely affect [Plaintiffs'] rights to a commission by making a later deal between the parties that would change defined terms and entitlement to money." December 13, 2013 Transcript ("12/13 Trans.") at 153:1-8, attached as Exhibit F. Counsel claimed that he was suggesting to the Court "the legal principle that . . . [Pardee] cannot adversely affect the rights of [Plaintiffs] to a commission." *Id.* at 153:17-154:10.

At all stages of trial, Plaintiffs focused almost exclusively on their purported entitlement to additional commissions from Pardee.

E. After Trial, the Court Awards Plaintiffs Certain of Their Attorney's Fees as Special Damages But Rejects Their Claim to Lost Commissions.

After a multiple-week bench trial, the Court entirely rejected Plaintiffs' claim to additional commissions but did find that Plaintiffs were entitled to an accounting and

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also certain of their attorney's fees as special damages. See generally Findings of Fact and Conclusions of Law, on file with the Court. Although the Court explained that "Pardee as of the present time does not owe any commission to Plaintiffs . . .," it awarded Plaintiffs their "reasonable attorney's fees and costs as special damages" for Pardee's breach of the Commission Agreement Id. at 9:2-4 and 14:23-25; see also Judgment Entered June 3, 2015 (the "Original Judgment") at 2:24-3:2, on file with the Court.

In the Original Judgment, which the Court entered on June 3, 2015, the Court expressly noted that Pardee had not "breached the Commission Agreement in such a way as to deny Plaintiffs any future commissions, and Pardee has paid all commissions due and owing under the Commission Agreement." Original Judgment at 2:20-23. Thus, the Court entered judgment "against Plaintiffs and for Pardee as to Plaintiffs' claim for \$1,800,000 in damages related to lost future commissions under the Commission Agreement." Id. at 2:19-20.

After Plaintiffs moved the Court to set aside the Original Judgment, the Court struck that judgment and instead entered another judgment on May 16, 2016. See Judgment Entered May 16, 2016 (the "Second Judgment"), on file with the Court. Although the Second Judgment incorporates the Court's previous finding that Plaintiffs were not entitled to additional commissions, the Second Judgment does not expressly include any language reflecting Pardee's successful defense of this issue. Instead, the Second Judgment only explains that Plaintiffs succeeded on their causes of action for breach of contract and breach of the implied covenant of good faith and fair dealing. Id. at 2:6-13. The Second Judgment awards Plaintiffs \$6,000 in consequential damages from this breach and also awards Plaintiffs \$135,500 in special damages for "attorney's fees and costs" associated with the same. Id. at 2:11-13.

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ARGUMENT. 11.

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Α. Legal Standard.

NRCP 52(b) permits the trial court to "amend its findings or make additional findings and [] amend the judgment accordingly." NRCP 59(e) allows the trial court to "alter or amend the judgment." Normally, parties seek relief under Rules 52 or 59 "after a bench trial or where summary judgment has been granted." Gutierrez v. Ashcroft, 289 F. Supp. 2d 555, 561 (D.N.J. 2003). These alterations and amendments are most often appropriate to correct manifest legal or factual errors, present newly discovered evidence, prevent manifest injustice or to notify the court of an intervening change in controlling law. See Stevo Design, Inc. v. SBR Marketing, Ltd., 919 F. Supp. 2d 1112, 1117 (D. Nev. Jan. 25, 2013); see also Allstate Insurance Co. v. Herron, 634 F.3d 1101, 1111 (9th Cir. 2011).

The Court Erred in Awarding Plaintiffs' Attorney's Fees as Special B. Damages, And There Have Been Changes To Controlling Law.

Generally, a litigant may not recover attorney's fees "absent authority under a statute, rule or contract." Liu v. Christopher Homes, LLC, 130 Nev. Adv. Op. 17, 321 P.3d 875, 878 (Mar. 27, 2014). A narrow exception to this general rule exists that permits a court to award attorney's fees "as special damages in limited circumstances."

- The Nevada Supreme Court has identified only three limited circumstances that permit a trial court to award attorney's fees as special damages:
 - (1) When a plaintiff becomes involved in a third-party legal dispute because of the defendant's breach of contract or separate tortious conduct;
 - (2) When a plaintiff incurs fees in recovering real or personal property that the defendant acquired through wrongful conduct; or
 - (3) When a plaintiff seeks declaratory or injunctive relief necessitated by the opposing party's bad faith conduct.

See Sandy Valley Assoc. v. Sky Ranch Estates Owners Ass'n, 117 Nev. 948, 957-58, 35 P.2d 964, 970 (2001); see also Liu, 130 Nev. Adv. Op. 17, 321 P.3d at 880.

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In a breach of contract case that does not involve a third-party legal dispute, the plaintiff is not entitled to attorney's fees as special damages because "parties always know that lawsuits are possible when disputes arise" and so "the mere fact that a party was forced to file or defend a lawsuit is insufficient to support an award of attorney fees as damages." See Sandy Valley Assoc., 117 Nev. at 957, 35 P.2d at 969-70. Moreover, allowing attorney's fees as special damages in a routine breach of contract case would contravene the Nevada Supreme Court's statement that "attorney fees are rarely awarded as damages." See id. If courts awarded attorney fees as special damages in routine breach of contract cases, the "narrow exception" will swallow the general rule that attorney's fees are only recoverable under statute, rule or contract.

Additionally, the Nevada Supreme Court's approach reflects the common damages theory from other jurisdictions, in which attorney's fees established by contractual language are not considered special damages. "Special damages are those which are unusual given the type of claim, and thus might surprise the opponent if not specifically pleaded." Fleet Bus. Cred. V. Krapohl Ford Lincoln Mercury Co., 735 N.W.2d 644, 648 (Mich. App. Ct. 2007); see also McNaughton v. Charleston Charter School for Math and Science, Inc., 768 S.E.2d 389, 396 (S.C. Jan. 28, 2015) ("Where a plaintiff seeks special damages in additional to general damages, he must plead and prove the special damages to avoid surprise.") Thus, "attorney fees, when specified by the contract language, are not special damages." Fleet Bus. Cred., 735 N.W.2d at 649. This is true because there is no element of surprise when the contract itself calls for attorney's fees in the event of a breach.

> 1. Plaintiffs have not proven that any of Sandy Valley's or Liu's exceptions apply.

In this matter, it was legally erroneous for the Court to award Plaintiffs' certain attorney's fees as special damages, and the judgment should be amended to eliminate the award of attorney's fees. This is a standard breach of contract case where Plaintiffs alleged that Pardee breached the Commission Agreement by failing to pay them

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commissions owed and keep them reasonably informed of Pardee's purchases on the Project. See Findings of Fact and Conclusions of Law at 11:10-15:3. Plaintiffs did not identify any of the three limited circumstances noted in Sandy Valley and Liu that would permit them to recover attorney's fees as special damages. See generally Plaintiffs' Second Amended Complaint, on file with the Court. This is not an action for recovery of real or personal property. The Plaintiffs have not alleged that they are involved in a third-party dispute because of Pardee's purported breach of the Commission Agreement. Nor did the Plaintiffs seek declaratory or injunctive relief because of any bad faith conduct; instead, Plaintiffs only alleged breach of contract, breach of the implied duty of good faith and fair dealing, and an equitable cause of action for accounting.

Understandably, the Court did not have the benefit of the Liu v. Christopher Homes, LLC case when it initially ruled upon the Plaintiffs' request for certain attorney's fees as special damages.³ A copy of that decision is attached as Exhibit G. Liu is the Nevada Supreme Court's most recent statement on attorney's fees as special damages, and the opinion noted that there was "confusion over Sandy Valley's and Horgan's effect on the law regarding the recovery of attorney fees as special damages." 130 Nev. Adv. Op. 17, 321 P.3d at 877. In removing that confusion, the Liu court noted that "a party to a contract may recover, as special damages, the attorney fees that arise from another party's breach of the contract" only when the breach "causes the former party to incur attorney fees in a legal dispute brought by a third party." Id. at 880 (emphasis added). Thus, the Nevada Supreme Court did not hold that attorney's fees

As the Court may recall, Pardee filed a motion to exclude the Plaintiffs' claim for certain attorneys' fees as special damages on March 1, 2013. See Defendant's Motion in Limine to Exclude Plaintiffs' Claim for Attorneys' Fees as an Element of Damages, attached as Exhibit H. The Court heard that motion on April 16, 2013.

However, the Nevada Supreme Court did not decide Liu until almost a year later, on March 27, 2014. Thus, the Court could not benefit from Liu's protracted discussion of the three narrow circumstances permitting an award of attorney's fees as special damages.

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as special damages were available in routine breach of contract cases. Instead, they are only available when the breach places the non-breaching party in a legal dispute brought by a third party. No such third-party action is present in this matter. Thus Liu clarifies that Plaintiffs cannot recover certain of their attorney's fees as special damages.

Accordingly, without any of Sandy Valley's special circumstances and given the additional clarification that Liu provided and which the Court was not able to rely upon for its initial ruling, Plaintiffs are not entitled to their attorney's fees as special damages under Nevada's narrow exception to the general rule that attorney's fees arise from contract, statute or rule. And because the Court awarded Plaintiffs their attorney's fees as special damages because of Pardee's alleged breach, the judgment must be amended to comply with Sandy Valley and Liu by eliminating the award of Plaintiffs' attorney's fees as special damages.

> 2. Because the parties' addressed attorney's fees in the Commission Agreement, they are not unusual and therefore cannot be special damages.

Moreover, the Plaintiffs' attorney's fees cannot be special damages because they were specifically addressed in the Commission Agreement's plain language. See Commission Agreement, Exhibit A, at p. 2. Thus, the attorney's fees were not "unusual given the [breach of contract] claim" asserted by Plaintiffs. See Fleet Bus. Cred., 735 N.W.2d at 648. As the Nevada Supreme Court clarified in Sandy Valley, "parties always know that lawsuits are possible when disputes arise" and so damages are not "special" unless they provide some element of surprise requiring specific pleading. See Sandy Valley Assoc., 117 Nev. at 957, 35 P.2d at 969-70. Because the Commission Agreement specifically included the attorney's fees provision, there was no need for Plaintiffs to specifically plead them to avoid surprising Pardee and thus the fees cannot be special damages.

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C. The Court Erred in Deleting Language in the Second Judgment Indicating Successful Defense of Plaintiffs' Claims Commissions.

As discussed above, Plaintiffs' claims to additional commissions because Pardee purportedly reclassified Option Property on the project was the case's most substantial issue. Plaintiffs devoted over 90% of the trial to this issue, continually questioning witnesses about Plaintiffs' commissions pursuant to the Commission Agreement and Pardee's purported reclassification of land. See Part I(D), supra. Harvey Whittemore, a third party to the litigation, testified at trial that he believed the case was about Plaintiffs' commissions because Plaintiffs' counsel repeatedly asked him at his deposition about reclassification of the land and the definition of Option Property and Purchase Property. Id. The issue was the central part of Plaintiffs' counsel's opening and closing statements, as counsel repeatedly told the Court that the case was about Pardee's unfair act of denying Plaintiffs' commissions and that the evidence would conclusively establish that Plaintiffs were owed additional commissions from Pardee. Id. After trial, however, the Court entirely rejected Plaintiffs' flawed and predominant theory that they were entitled to additional commissions. Id.

Accordingly, the Second Judgment must accurately reflect the Court's finding on this matter, as Nevada has long recognized that a judgment must conform to the evidence actually offered at trial. See, e.g., Finnegan v. Ulmer, 31 Nev. 523, 104 P. 17, 18 (1909) (noting a party may move the trial court to revise the judgment when the evidence does not sufficiently justify the verdict or other decision); see also Bream v. Nevada Motor Co., 51 Nev. 100, 269 P. 606, 607 (1928) (explaining that evidence must support the judgment); Cardan Overseas, Ltd. v. Harris, 92 Nev. 62, 64-65, 544 P.2d 1202, 1204 (1976) (modifying a judgment "to conform to the evidence which is nonconflicting"). Absent language showing that Pardee prevailed on the issue of additional commissions, the Second Judgment does not conform with the evidence offered at trial and the Court's post-trial conclusion that Pardee did not owe Plaintiffs' any additional commissions. Consequently, the Court should amend the Second

Judgment by re-inserting the language from the Original Judgment, in which it expressly stated that Pardee had not breached the Commission Agreement in such a way as to deny Plaintiffs any future commissions, and that Pardee has paid all commissions due and owing under the Commission Agreement.

111. CONCLUSION.

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NRCP 52 and 59 provide the Court with the ability to amend its factual findings, conclusions of law, and judgment when legal errors have occurred. In this matter, the Court erroneously awarded Plaintiffs their attorney's fees as special damages despite this being a routine breach of contract case that is not within one of Sandy Valley's or Liu's three limited exceptions for awarding fees as special damages. The Court also incorrectly deleted language from the Original Judgment explaining that Pardee successfully defended against Plaintiffs' claims to additional commissions, which was the case's most substantial issue. Therefore Pardee respectfully requests that the Court amend its judgment to eliminate the award of Plaintiffs' attorney's fees as special damages. Pardee also asks that the Court re-insert language clarifying that Pardee prevailed on Plaintiffs' claims to additional commissions.

DATED this 1st day of June, 2016.

MCDONALD CARANO WILSON LLP

/s/ Rory Kay

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of McDonald Carano Wilson LLP and that on the 1st day of June, 2016, I served a true and correct copy of the foregoing PARDEE HOMES OF NEVADA'S MOTION TO AMEND JUDGMENT via e-service through Wiznet as utilized in the 8th Judicial District on the following:

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