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

JACQUELINE FRANKLIN, ASHLEIGH PARK, LILLY SHEPARD, STACIE ALLEN, MICHAELA DEVINE, KARINA STRELKOVA and DANIELLE LAMAR, INDIVIDUALLY, AND ON BEHALF OF A CLASS OF SIMILARLY SITUATED INDIVIDUALS,

Appellants,

VS.

RUSSELL ROAD FOOD AND BEVERAGE, LLC,

Respondents.

Case No. 74332

District Court Case Sep 05 2018 10:53 a.m. Flizabeth A. Brown

Appeal from the E**GletkJotiSupreme Court** District Court, Clark County,

Nevada

#### JOINT APPENDIX – VOLUME III

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1 **MOTN** RYAN M. ANDERSON, ESQ. 2 Nevada Bar No. 11040 LAUREN CALVERT, ESQ. 3 Nevada Bar No. 10534 **MORRIS ANDERSON** 4 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No. 13769 MICHAEL J. RUSING, ESQ. 9 Arizona Bar No. 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllaz.com mrusing@rllaz.com 13 Attorneys for Plaintiffs 14 DISTRICT COURT 15 CLARK COUNTY, NEVADA 16 JACQUELINE FRANKLIN, ASHLEIGH PARK, LILY SHEPARD, STACIE ALLEN, 17 MICHAELA DEVINE, SAMANTHA JONES, CASE NO.: A-14-709372-C KARINA STRELKOVA, DANIELLE LAMAR DEPT. NO.: XXXI 18 individually, and on behalf of Class of similarly situated individuals, 19 Plaintiffs, 20 V. 21 RUSSELL ROAD FOOD AND BEVERAGE, PLAINTIFFS' RENEWED MOTION 22 LLC, a Nevada limited liability company (d/b/a FOR CLASS CERTIFICATION CRAZY HORSE III GENTLEMEN'S CLUB) 23 SN INVESTMENT PROPERTIES, LLC, a Nevada limited liability company (d/b/a CRAZY 24 HORSE III GENTLEMEN'S CLUB), DOE CLUB OWNER, I-X, DOE EMPLOYER, I-X, 25 ROE CLUB OWNER, I-X, and ROE EMPLOYER, I-X, 26 27 Defendants. 28

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1 Plaintiffs, individually and on behalf of all persons similarly situated, hereby move the 2 Honorable Court for an Order Certifying this Action as a Class Action under NRCP 23(b)(3), 3 designating Plaintiffs as the Class Representatives, and Appointing Plaintiffs' Attorneys of Record 4 as Class Counsel. 5 This Motion is based upon the following Memorandum of Points and Authorities and any 6 7 oral argument this Court may wish to entertain at the hearing of this Motion. 8 DATED this 7th day of June, 2017. 9 MORRIS ANDERSON 10 By: /s/ Lauren Calvert 11 RYAN M. ANDERSON, ESQ. Nevada Bar No.: 11040 12 LAUREN CALVERT, ESQ. Nevada Bar No.: 10534 13 716 S. Jones Blvd. Las Vegas, Nevada 89107 14 15 P. ANDREW STERLING, ESQ. Nevada Bar No.: 13769 16 MICHAEL J. RUSING, ESQ. AZ Bar No.: 6617 (Admitted Pro Hac Vice) 17 RUSING LOPEZ & LIZARDI, PLLC 18 6363 N. Swan Road, Ste. 151 Tucson, AZ 85718 19 Attorneys for Plaintiffs 20 21 22 23 24 25 26 27 28

| 1  | NOTICE OF MOTION  |
|----|---|
| 2  | To: ALL PARTIES AND THEIR COUNSEL OF RECORD                                   |
| 3  | YOU WILL PLEASE TAKE NOTICE that the foregoing <b>MOTION</b> will come on for |
| 4  | hearing before the above entitled Court on the day of, 2017, at               |
| 5  | hearing before the above entitled Court on the day of, 2017, at               |
| 6  | m., or as soon thereafter as counsel can be heard.                            |
| 7  | DATED this 7th day of June, 2017.   |
| 8  | MORRIS ANDERSON   |
| 9  | By:/s/ Lauren Calvert   |
| 10 | RYAN M. ANDERSON, ESQ.  |
| 11 | Nevada Bar No.: 11040<br>LAUREN CALVERT, ESQ.                                 |
|    | Nevada Bar No.: 10534   |
| 12 | 716 S. Jones Blvd.  |
| 13 | Las Vegas, Nevada 89107   |
| 14 | P. ANDREW STERLING, ESQ.  |
| 15 | Nevada Bar No.: 13769<br>MICHAEL J. RUSING, ESQ.                              |
|    | AZ Bar No.: 6617 (Admitted Pro Hac Vice)                                      |
| 16 | RUSING LOPEZ & LIZARDI, PLLC  |
| 17 | 6363 N. Swan Road, Ste. 151   |
| 18 | Tucson, AZ 85718  |
| 19 | Attorneys for Plaintiffs  |
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#### MEMORANDUM OF POINTS AND AUTHORITIES

Plaintiffs previously moved this Honorable Court under NRCP 23(a) and 23(b)(3) to certify the following class: "All persons who have worked at the Club as dancers at any time on or after November 2, 2010 and going forward until the entry of judgment in this matter." The Court in its April 6, 2017 order denying Plaintiffs' class certification motion without prejudice recognized "the low threshold with regards to class certification" but nevertheless determined that "the potential class representatives' own statements made as part of their individual depositions, in themselves, do not meet the standard for class representation at this juncture." Order at 3:19-20. *See also id.* at 3:25-4:2 (concluding certain deposition testimony indicates Plaintiffs not "similarly situated to the very class they are seeking to represent.").

The Court in its Order presumably was referencing deposition testimony highlighted in Defendants' Supplemental Brief opposing class certification. Defendants therein noted that Plaintiff Karina Strelkova testified to filing an income tax return for earnings from self-employment whereas Plaintiff Jacqueline Franklin testified that she never filed any income taxes. Def. Supp. Brief at 10:8-11:20. Defendants argued that this difference in tax filing impacts whether or not a particular dancer meets the requirements for independent contractor status set forth in NRS 608.0155(1)(a) (asking whether "the person possesses or has applied for an employer identification number or social security number or has filed an income tax return for a business or earnings from self-employment with the Internal Revenue Service in the previous year"). To address this concern (and to account for the different statute of limitations for each claim) Plaintiffs propose the following amended subclass definitions:

• For Count One (Minimum Wage Amendment claim): All persons who possess a social security number who have worked at the Club as dancers at any time on or after November 2, 2012 and going forward until the entry of judgment in this matter."

• For Count Two (Unjust Enrichment claim): All persons who possess a social security number who have worked at the Club as dancers at any time on or after November 2, 2010 and going forward until the entry of judgment in this matter."

Plaintiffs Park, Lamar, Franklin, Shepard and Strelkova are members of both revised proposed subclasses and thus are similarly situated to the very class they are seeking to represent. *See* Declarations, attached as "Ex. A-1 to A-4." Plaintiffs Moore and Allen are members of the revised proposed subclass for Count Two. *See* Declarations, attached as "Ex. A-5 to A-6." Defendant's motion for summary judgment on the claims of Moore and Allen is currently pending.

This discrepancy with respect to tax filing status revealed in deposition testimony was the only defect precluding class certification identified by the Court in its order. Because the proposed amended class definitions and supporting declarations address this concern completely, Plaintiffs in the interests of efficiency hereby incorporate by reference the original class certification motion ("Ex. B"), reply ("Ex. C"), and supplemental brief ("Ex. D").

For the foregoing reasons, the Court should enter an order certifying under NRCP 23(a) and 23(b)(3) the classes defined herein, and designate Plaintiffs as class representatives and the undersigned as class counsel.

#### **CONCLUSION**

For the foregoing reasons, Plaintiffs respectfully request that this Court enter an order certifying under NRCP 23(b)(3) the class as defined herein in, and designating Plaintiffs as class representatives and the undersigned counsel as class counsel.

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DATED this 7th day of June, 2017. **MORRIS ANDERSON** By: /s/ Lauren Calvert RYAN M. ANDERSON, ESQ. Nevada Bar No. 11040 LAUREN CALVERT, ESQ. Nevada Bar No.: 10534 716 S. Jones Blvd. Las Vegas, Nevada 89107 Attorneys for Plaintiffs 

| 1   | CERTIFICATE OF SERVICE  |
|-----|---|
| 2   | Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee of  |
| 3   | MORRIS ANDERSON, and on the _7th_ day of June, 2017, I served the foregoing <i>PLAINTIFFS</i> '   |
| 4   | RENEWED MOTION FOR CLASS CERTIFICATION as follows:  |
| 5   |   |
| 6   | Electronic Service – By serving a copy thereof through the Court's electronic service system; and/or  |
| 7 8 | U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or                                 |
| 9   | Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile  |
| 10  | number(s) shown below and in the confirmation sheet filed herewith. Consent to service under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by |
| 11  | facsimile transmission is made in writing and sent to the sender via facsimile within   |
| 12  | 24 hours of receipt of this Certificate of Service.   |
| 13  | Gregory J. Kamer, Esq. KAMER ZUCKER ABBOTT  |
| 14  | 3000 W. Charleston Blvd., Suite 3<br>Las Vegas, Nevada 89102  |
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| 18  | Attorneys for Defendants  |
| 19  |   |
| 20  | /s/ Erickson Finch  |
| 21  | An employee/agent of MORRIS//ANDERSON   |
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## **EXHIBIT "A"**

### EXHIBIT "A-1"

### EXHIBIT "A-2"

### EXHIBIT "A-3"

### EXHIBIT "A-4"

#### **DECLARATION OF KARINA STRELKOVA**

- I, KARINA STRELKOVA, Plaintiff in Case No.: A-14-709372-C, currently before the Eighth Judicial District Court, declare as follows:
  - 1. I possess a social security number.
  - 2. I have worked at the Club as a dancer many times after November 2, 2012.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 31 day of May, 2017.

KARINA STRELKOVA

### **EXHIBIT "A-5"**

Page 1 of 1

### **EXHIBIT "A-6"**

# EXHIBIT "B"

| MOTN   | Alun D. Colinia                            |  |
|--|--|--|
| Ryan M. Anderson, Esq. Nevada Bar No.: 11040 Daniel R. Price, Esq.   | CLERK OF THE COURT                         |  |
| Nevada Bar No.: 13564  MORRIS//ANDERSON  |  |  |
| 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107  |  |  |
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| P. Andrew Sterling, Esq.   |  |  |
| Nevada Bar No.: 13769 Michael J. Rusing, Esq.  |  |  |
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| Phone: (520) 792-4800 Email: asterling@rllaz.com   |  |  |
| mrusing@rllaz.com Attorneys for Plaintiffs   |  |  |
| DISTRICT COURT   |  |  |
| CLARK C  | OUNTY, NEVADA                              |  |
| JACQUELINE FRANKLIN, ASHLEIGH<br>PARK, LILY SHEPARD, STACIE<br>ALLEN, MICHAELA DIVINE,<br>VERONICA VAN WOODSEN,      | CASE NO.: A-14-709372-C<br>DEPT. NO.: XXXI |  |
| SAMANTHA JONES, KARINA STRELKOVA, LASHONDA STEWART, DANIELLE LAMAR and DIRUBIN TAMAYO individually, and on behalf of |  |  |
| Class of similarly situated individuals,   |  |  |
| Plaintiffs,  | PLAINTIFFS' MOTION FOR CLASS               |  |
| V.   | CERTIFICATION                              |  |
| RUSSELL ROAD FOOD AND BEVERAGE, LLC, a Nevada limited liability company (d/b/a CRAZY HORSE                           |  |  |
| III GENTLEMEN'S CLUB) SN INVESTMENT PROPERTIES, LLC, a   |  |  |
| Nevada limited liability company (d/b/a CRAZY HORSE III GENTLEMEN'S CLUB), DOE CLUB OWNER, I-X, DOE                  |  |  |
| EMPLOYER, I-X, ROE CLUB OWNER, I-X, and ROE EMPLOYER, I-X,   |  |  |
| Defendants.  |  |  |

#### PLAINTIFFS' MOTION FOR CLASS CERTIFICATION

Plaintiffs, individually and on behalf of all persons similarly situated, hereby move the Honorable Court for an Order Certifying this Action as a Class Action under NRCP 23(b)(3), designating Plaintiffs as the Class Representatives, and Appointing Plaintiffs' Attorneys of Record as Class Counsel.

This Motion is based upon the following Memorandum of Points and Authorities and any oral argument this Court may wish to entertain at the hearing of this Motion.

DATED this 26th day of April, 2016.

#### **MORRIS//ANDERSON**

By: /s/ Daniel R. Price
RYAN M. ANDERSON, ESQ.
Nevada Bar No.: 11040
DANIEL R. PRICE, ESQ.
Nevada Bar No.: 13564
716 S. Jones Blvd.
Las Vegas, Nevada 89107

Nevada Bar No.: 13769 Michael J. Rusing, Esq. Arizona Bar No.: 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 6363 North Swan Road, Suite 151 Tucson, Arizona 85718

Attorneys for Plaintiff

P. Andrew Sterling, Esq.

| 1  |                                  | NOTICE OF MOTION   |
|----|----------------------------------|--|
| 2  | To: ALL PARTII                   | ES AND THEIR COUNSEL OF RECORD   |
| 3  | YOU WILL                         | PLEASE TAKE NOTICE that the foregoing MOTION will come on for            |
| 4  | hearing before the ab            | pove entitled Court on the 31 day of May, 2016, at 9:00                  |
| 5  | $\frac{A}{}$ .m., or as soon the | ereafter as counsel can be heard.  |
| 6  | DATED this                       | <u>26th</u> day of April, 2016.  |
| 7  |                                  | MORRIS//ANDERSON   |
| 8  |                                  | By: <u>/s/ Daniel R. Price</u><br>RYAN M. ANDERSON, ESQ.                 |
| 9  |                                  | Nevada Bar No.: 11040<br>DANIEL R. PRICE, ESQ.                           |
| 10 |                                  | Nevada Bar No.: 13564<br>716 S. Jones Blvd.                              |
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| 12 |                                  | P. Andrew Sterling, Esq.<br>Nevada Bar No.: 13769                        |
| 13 |                                  | Michael J. Rusing, Esq.<br>Arizona Bar No.: 6617 (Admitted Pro Hac Vice) |
| 14 |                                  | RUSING LOPEZ & LIZARDI, PLLC 6363 North Swan Road, Suite 151             |
| 15 |                                  | Tucson, Arizona 85718  |
| 16 |                                  | Attorneys for Plaintiff  |
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#### **MEMORANDUM OF POINTS AND AUTHORITIES**

#### I. INTRODUCTION

This is a proposed class action by exotic dancers against the owners of Crazy Horse III Gentlemen's Club (the "Club"), a Las Vegas strip club, for failure to pay a minimum hourly wage as required by Nevada's constitution (Count 1) and for unjust enrichment (Count 2). The original complaint was filed on November 4, 2014. The operative Third Amended Complaint ("3AC") was filed on October 2, 2015. The applicable statute of limitations is two years for the minimum wage claim and four years for the unjust enrichment claim. *See* NRS 608.260 and 11.190(2)(c). Plaintiffs propose the following class:

All persons who work or have worked at the Club as dancers at any time on or after November 2, 2010 and going forward until the entry of judgment in this action.

This case, which is similar to many employee misclassification cases that have been certified as class actions across the country (including many by exotic dancers against the clubs in which they work), is particularly suited for certification under NRCP 23(b)(3) because (1) questions of law or fact common to the members of the class predominate over any questions affecting only individual members, (2) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, and (3) a class action would not prejudice Defendants' rights in any way. *See Deal v. 999 Lakeshore Association*, 94 Nev. 301, 306, 579 P.2d 775, 778-79 (1978) ("[T]he determination to use the class action is a discretionary function wherein the district court must pragmatically determine whether it is better to proceed as a single action, or many individual actions in order to redress a single fundamental wrong.").

#### II. FACTUAL BACKGROUND<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> "In analyzing whether it should certify a class, the court should generally accept the allegations of the complaint as true. An extensive evidentiary showing is not required." *Meyer v. District Court*, 110 Nev. 1357, 1364, 885 P.2d 622, 626 (1994) (citations omitted).

Defendants are the owners and operators of the Club (3AC at ¶¶3-5). Plaintiffs worked as dancers at Defendants' strip club at various times during the class period (*id.* at ¶8). At no time were dancers paid any wages by Defendants (*id.* at ¶29). To the contrary, Defendants charged their dancers a fee to perform at the club, required dancers to make regular payments to management staff, the disc jockey, and other employees, and assessed fines against the dancers purportedly in order to enforce various club rules (*id.* at ¶¶30-33). This system has enabled Defendants to benefit for years from labor that not only is free, but that pays to work. It is a lucrative business model, but it is illegal and exploitative. The law is clear: exotic dancers are a club's employees and are entitled to all constitutional and statutory rights flowing therefrom, including a minimum wage. See Terry v. Sapphire Gentlemen's Club, 130 Nev. Adv. Op. 87, 336 P.3d 951, 954 (2014), reh'g denied (Jan. 22, 2015) (holding exotic dancers are club's employees as a matter of law and noting this decision "is in accord with the great weight of authority" across the country).

#### III. ARGUMENT

#### A. Rule 23 is Favored and Liberally Construed for Claims of This Nature

The Nevada Supreme Court has noted the valuable function of class actions, and Nevada's strong public policy in favor of them. *See Picardi v. Eighth Judicial Dist. Court of State, ex rel. Cnty. of Clark*, 251 P.3d 723, 727 (Nev. 2011) ("class actions serve a valuable function in Nevada's judicial system by increasing efficiency because the courts do not have to use their limited resources deciding a litany of cases that stem from a single incident and present similar issues.").

A class action is particularly appropriate in cases, like this one, that seek to enforce employment laws. *Monterrubio v. Best Buy Stores*, L.P., 291 F.R.D. 443, 451 (E.D. Cal. 2013) (noting "public policy supports using class actions to enforce statutes that focus on the workplace). *See also St. Marie v. Eastern RR Assn.*, 72 F.R.D. 443, 449 (S.D.N.Y. 1976) ("[T]he risks entailed in suing one's employer are such that the few hardy souls who come forward should be permitted

to speak for others when the vocal ones are otherwise fully qualified"). As such, wage and employee misclassification actions against employers regularly are certified as class actions. *See Ramirez v. Riverbay Corp.*, 39 F.Supp.3d 354, 364 (S.D.N.Y.2014) (collecting cases).

Courts in Nevada and across the country routinely have certified class actions under Rule 23(b)(3) in employment misclassification cases by dancers against strip clubs. See Order Granting Motion to Re-certify Class in Terry v. Sapphire Gentlemen's Club, Case No. A602800 (attached as Exhibit 1). See also Espinoza v. Galardi S. Enterprises, Inc., 2016 WL 127586, (S.D. Fla. Jan. 11, 2016), Flynn v. N.Y. Dolls Gentlemen's Club, 2014 WL 4980380 (S.D.N.Y. Oct. 6, 2014); In re Penthouse Exec. Club Comp. Litig., 2014 WL 185628 (S.D.N.Y. Jan. 14, 2014); Ruffin v. Entm't of the E. Panhandle, 2012 WL 5472165 (N.D. W. Va. Nov. 9, 2012); Trauth v. Spearmint Rhino Cos. Worldwide, Inc., 2012 WL 4755682 (C.D. Cal. Oct. 5, 2012); Hart v. Rick's Cabaret Int'l Inc., 2010 WL 5297221 (S.D.N.Y. Dec. 20, 2010). As the court noted in the Espinoza case, "Defendants have not cited to any decision with different results — denying the Rule 23 class certification motion. And the Court has not been able to uncover one either. To be sure, the above cases are not binding on this Court. But they are persuasive authority." Espinoza, 2016 WL 127586, at \*3.

### B. The Rule 23(a) Prerequisites Of Numerosity, Commonality, Typicality And Adequacy Are Met

#### 1. Numerosity

Rule 23(a)(1) requires that the class be so numerous that joinder of all class members is impracticable. The numerosity requirement is a "generally low hurdle," and "a plaintiff need not show the precise number of members in the class." *Vega v. T–Mobile USA, Inc.*, 564 F.3d 1256, 1267 (11th Cir. 2009). "A putative class of forty or more generally will be found 'numerous.'" *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 847, 124 P.3d 530, 537 (2005). *See also Newberg* § 3:12 ("As a general guideline . . . a class that encompasses fewer than 20 members will

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likely not be certified absent other indications of impracticability of joinder, while a class of 40 or more members raises a presumption of impracticability of joinder based on numbers alone.").

Crazy Horse III, one of the biggest Las Vegas strip clubs, is open 24 hours a day, seven days a week. See http://crazyhorse3.com/faq/ (last visited April 20, 2016). Plaintiffs, based on their personal experiences, conservatively estimate that scores if not hundreds of dancers work at the Club in any given week, and that hundreds if not thousands of dancers have worked there during confirmed class period. This estimate is the Club's website. See the on https://crazyhorse3.lvticket.com/crazy-deals/ (claiming Club offers "[h]undreds of the sexiest dancers in Las Vegas") (last visited April 20, 2016).

The class size alone justifies class certification, but additional factors relating to the impracticability of joinder also support certification. See Hernandez v. Alexander, 152 F.R.D. 192, 194 (D. Nev. 1993) ("factors relevant to the joinder impracticability issue include judicial economy arising from avoidance of a multiplicity of actions, geographic dispersement of class members, size of individual claims, financial resources of class members [and] the ability of claimants to institute individual suits.") (quoting Newberg on Class Actions § 3.06). Here, considerations of judicial economy favor class certification because the key issue of liability is common to all class members. The court also may take judicial notice of the fact that class members may be reluctant individually to sue their putative employer. See Horn v. Associated Wholesale Grocers, 555 F.2d 270 (10th Cir. 1977) (joinder impracticable, in part, because employees were apprehensive about loss of jobs, welfare of their families, and of offending employer as result of taking stand against it). See also Newberg on Class Actions § 3:12 (noting fear of retaliation in employment cases is an additional factor supporting class certification "as such a fear might deter potential plaintiffs from suing individually, making a representative action especially pertinent.") (collecting cases).

#### 2. Commonality and Typicality

The claims of each individual class member need not be identical, but a class action must present "questions of law or fact common to the class," NRCP 23(a)(2), and the class representative's claims or defenses must be "typical of the claims or defenses of the class" NRCP 23(a)(3). As courts have noted, these requirements "tend to merge" because "[b]oth serve as guideposts for determining whether ... the named plaintiff's claim and the class claims are so interrelated that the interests of the class members will be fairly and adequately protected in their absence." *General Telephone Co. v. Falcon*, 457 U.S. 147, 157 n. 13 (1982). "This requirement is liberally construed; the question is whether there is a 'unifying thread' among the claims alleged by members of the class." *Hart v. Rick's Cabaret Int'l Inc.*, 2010 WL 5297221, at \*6 (S.D.N.Y. Dec. 20, 2010) (certifying FRCP 23(b)(3) class of dancers in wage claim against club).

Where, as here, "a general corporate policy is the focus of litigation, class status for those adversely affected by the policy is appropriate." *Meyer v. Eighth Judicial Dist. Court,* 110 Nev. 1357, 1364, 885 P.2d 622, 626 (1994) (concluding that landlord's allegedly illegal pattern of keeping tenants who were late in paying rent out of their apartments satisfied commonality and typicality requirement for class certification). *See also Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 848-49, 124 P.3d 530, 538-39 (2005) (class certification appropriate where "each class member's claim arises from the same course of events and each class member makes similar legal arguments to prove the defendant's liability.").

Courts routinely have held that commonality and typicality are satisfied in employer-employee wage disputes. *See, e.g., Ramirez v. Riverbay Corp., 39 F.Supp.3d 354, 364 (S.D.N.Y.2014)* (noting courts routinely find commonality and typicality "where employees claim that they were denied minimum wage or overtime compensation as a result of a corporate employment policy.") (collecting cases); *Garcia v. E.J. Amusements of New Hampshire, Inc., 98 F.* Supp. 3d 277, 286 (D. Mass. 2015) (finding commonality and typicality where employees alleged

per se illegal wage policies that violated the rights of all class members); *Villalpando v. Exel Direct Inc.*, 303 F.R.D. 588, 606-07 (N.D. Cal. 2014) (finding commonality and typicality where putative class members allege denial of denied wage and hour laws on basis that they were misclassified as independent contractors);

Here, the commonality and typicality requirements clearly are met. Plaintiffs do not seek recovery on the basis of individualized treatment; rather, they allege they, like all members of the proposed class, were victims of the same common course of conduct and "single fundamental wrong." *Deal*, 94 Nev. at 306, 579 P.2d at 778-79. The dancers' claims hinge upon a common question of law, *i.e.*, whether a strip club is the employer of its dancers. The answer to this legal question will be determined with reference to common questions of fact, *i.e.*, "the totality of the circumstances of the working relationship's economic reality." *Terry*, 130 Nev. Adv. Op. 87, 336 P.3d at 960 (reviewing undisputed facts relating to dancers' work to determine that strip club is the employer of its dancers as a matter of law).

#### 3. Adequacy of Representation

NRCP 23(a)(4) requires that "the representative parties will fairly and adequately protect the interests of the class." Courts ask two questions when reviewing this requirement: First, do the proposed class representative and class counsel "have any conflicts of interest with other class members?" *Staton v. Boeing Co.*, 327 F.3d 938, 957 (9th Cir. 2003). Second, will the proposed class representative and class counsel "prosecute the action vigorously on behalf of the class?" *Id.* The adequacy requirement is satisfied where, as here, nothing in record "indicat[es] that Plaintiffs or their counsel have a conflict of interest with the putative class members" and where "the record reveals that Plaintiffs and their counsel have prosecuted this action vigorously on behalf of the class." *Tijero v. Aaron Bros., Inc.*, 301 F.R.D. 314, 322 (N.D. Cal. 2013).

With respect to the first question, there is no suggestion that any conflict of interest may exist. The named plaintiffs, all former dancers at the club, unquestionably are capable of fairly and

adequately representing a class consisting of both former and current employees of the Defendants because "both former and current employees are equally interested in obtaining compensation for the assertedly unlawful practices set forth in the complaint." *Glass v. UBS Fin. Servs., Inc.*, 331 F. App'x 452, 455 (9th Cir. 2009).

With respect to the second question, each Plaintiff understands what is at stake in this lawsuit and is willing and able to perform their duties as class representatives. Plaintiffs' attorneys have extensive experience in employment, class action, and complex business litigation. As demonstrated by their handling of the case thus far, most notably in briefing, arguing, and defeating a motion to dismiss the complaint, Plaintiffs' counsel is competent to undertake this litigation and vigorously will continue to pursue the action on behalf of the class. *See Johnson v. Shreveport Garment Co.*, 422 F. Supp. 526, 535 (W.D. La. 1976), *aff'd*, 577 F.2d 1132 (5th Cir. 1978) ("Counsel need not come to court with a résumé and character references with which to prove his effectiveness; rather, his or her conduct in pretrial matters, discovery and the trial itself will be evidence of his or her capability adequately to represent the class.").

#### C. Certification is Appropriate Under NRCP 23(b)(3)

Class certification is appropriate under NRCP 23(b)(3) if (a) common questions of law or fact predominate over any questions affecting only individual members, and (b) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. NRCP 23(b)(3).

Courts routinely certify class actions by current and former employees against their employer seeking to recover wages under NRCP 23(b)(3) (or its federal analog), including in cases, like this one, involving allegations of employee misclassification. *See, e.g., Villalpando v. Exel Direct Inc.*, 303 F.R.D. 588, 608 (N.D. Cal. 2014) (certifying class under FRCP 23(b)(3) because threshold question regarding employee status susceptible to common proof, the case involves common policies and practices by putative employer, and because individual issues (*e.g.*,

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damages) not so significant as to outweigh benefits of class treatment). *See also Leyva v. Medline Indus. Inc.*, 716 F.3d 510, 513 (9th Cir. 2013) (district court abused discretion in denying class certification under FRCP 23(b)(3) in putative class action by current and former employees against employer seeking to recover wages).

#### 1. Predominance requirement is met

Liability in this case (i.e., the lawfulness of Defendants' policy of not treating its dancers as employees) is an issue common to the class. As other courts previously have found, where the "liability issue is common to the class, common questions are held to predominate over individual ones." Ruffin v. Entm't of the E. Panhandle, 2012 WL 5472165, at \*10 (N.D.W. Va. Nov. 9, 2012) (certifying class under FRCP 23(b)(3) where common liability question whether defendant strip club legally misclassified its dancers as independent contractors). Indeed, one court even declared that the common liability issue of whether class members "were supposed to be paid the minimum wage as a matter of law and were not" is "about the most perfect question[] for class treatment." Iglesias-Mendoza v. La Belle Farm, Inc., 239 F.R.D. 363, 373 (S.D.N.Y.2007). See also Williams-Green v. J. Alexander's Restaurants, Inc., 277 F.R.D. 374, 383 (N.D. Ill. 2011) (certifying FRCP 23(b)(3) class of waiters in class action against employer for tip pool violations where "controlling substantive issue" was propriety of employer's policy); Ansoumana v. Gristede's Operating Corp., 201 F.R.D. 81, 89 (S.D.N.Y. 2001) (finding predominance where central issues were whether plaintiffs were employees as matter of law and consequences of resolution of that issue in relation to minimum wage).

The fact that each dancers' damages will need to be calculated on an individual basis is of no moment. "The amount of damages is invariably an individual question and does not defeat class action treatment." *Blackie v. Barrack*, 524 F.2d 891, 905 (9th Cir.1975). *See also Brinker Rest. Corp. v. Superior Court*, 139 Cal.Rptr.3d 315, 273 P.3d 513, 546 (2012) ("In almost every class action, factual determinations of damages to individual class members must be made. Still we

know of no case where this has prevented a court from aiding the class to obtain its just restitution.").

#### 2. Superiority requirement also is met

The other requirement of NRCP 23(b)(3) is that a class action must be superior to other available methods for fair and efficient adjudication of the controversy. Rule 23(b)(3) provides several criteria for the court to use when considering this question: (A) the interest of members of the class in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and (D) the difficulties likely to be encountered in the management of a class action. See NRCP 23(b)(3)(A)-(D).

As described in Section C.1, above, common questions of law and fact predominate over any other questions and can be resolved for all members of the class in a single adjudication. "When common questions present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis." *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1022 (9th Cir.1998) (internal quotation omitted).

A class action also is superior to piecemeal individual litigation because: (1) each member of the class pursuing a claim individually would burden the judiciary and run afoul of Rule 23's focus on efficiency and judicial economy. See Vinole v. Countrywide Home Loans, Inc., 571 F.3d 935, 946 (9th Cir.2009) ("The overarching focus remains whether trial by class representation would further the goals of efficiency and judicial economy."); (2) a class action concentrates the litigation in this forum where the Defendants' places of business is located and where a large number of putative class members presumably reside; (3) upon information and belief there is no other litigation concerning the controversy already commenced by members of the class; (4) many

potential plaintiffs are current employees of Defendants and thus may be apprehensive about pursuing individual claims; (5) and there are no difficulties likely to be encountered in the management of a class action; and (6) "If plaintiffs cannot proceed as a class, some—perhaps most—will be unable to proceed as individuals because of the disparity between their litigation costs and what they hope to recover." *Local Joint Exec. Bd. of Culinary/Bartender Trust Fund v. Las Vegas Sands, Inc.*, 244 F.3d 1152, 1163 (9th Cir.2001) (class certification under FRCP 23(b)(3) appropriate for class of former employees of hotel casino in claim for back wages).

#### IV. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that this Court enter an order certifying under NRCP 23(b)(3) the class as defined herein in, and designating Plaintiffs as class representatives and the undersigned counsel as class counsel.

DATED this 26th day of April, 2016.

#### **MORRIS//ANDERSON**

By: /s/ Daniel R. Price
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Attorneys for Plaintiff

|           | CERTIFICATE OF SERVICE  |
|-----------|---|
|           | Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee of  |
| MO        | RRIS//ANDERSON, and on the day of April, 2016, I served the foregoing <i>PLAINTIFFS</i> '   |
| МО        | TION FOR CLASS CERTIFICATION as follows:  |
|           | Electronic Service – By serving a copy thereof through the Court's electronic service system  |
|           | U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or   |
|           | Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile number(s) shown below and in the confirmation sheet filed herewith. Consent to service   |
|           | under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by facsimile transmission is made in writing and sent to the sender via facsimile within 24 hours of receipt of this Certificate of Service; and/or |
| (A)       | gory J. Kamer, Esq.<br>MER ZUCKER ABBOTT<br>0 W. Charleston Blvd., Suite 3<br>Vegas, Nevada 89102   |
| МО<br>530 | ery A. Bendavid, Esq.<br>RAN BRANDON BENDAVID MORAN<br>S. 4th Street<br>Vegas, Nevada 89101   |
|           | rneys for Defendants  |
|           |   |
|           | An employee/agent of MORRIS//ANDERSON   |
|           |   |
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# EXHIBIT 1

| ì        | ORDR   |
|----------|--|
| 2        | Thomas F. Christensen (NV Bar No. 2326)  |
| <u>*</u> | Ryan M. Anderson (NV Bar No. 11040)  |
| 3        | CHRISTENSEN LAW  |
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| б        | Attorneys for Plaintiffs ZURI-KINSHASA MARIA TERRY, individually, MARLENE NUNO,                    |
| 7        | individually, MICHELE COSPER, individually, SELENA DENISE PELAEZ individually, JESSICA ANNE MORGAN |
| 8        | individually and on behalf of Class of similarly situated  |
| G        | individuals  |
| 9        |  |
| 10       | DISTRICT COURT   |
|          | CLARK COUNTY, NEVADA   |
| 11       | TIDI VINICII ACA MADIA TIDINI  |
| 12       | ZURI-KINSHASA MARIA TERRY, individually, MARLENE NUNO, individually DEPT.: I                       |
| 12       | MICHELE COSPER, individually SELENA  |
| 13       | DENISE PELAEZ, individually, JESSICA   |
|          | ANNE MORGAN, individually and all on   |
| 14       | behalf of Class of similarly situated individuals,   |
| 15       |  |
| di ne    | Plaintiffs, Order Granting Motion To Re-certify  |
| 16       | v.   |
|          |  |
| 17       |  |
| 18       | SAPPHIRE/SAPPHIRE GENTLEMAN'S )  |
| .j. 4.5  | CLUB, a business organization form unknown;  |
| 19       | SHAC, LLC, an active Nevada Domestic   |
|          | Limited-Liability Company dba SAPPHIRE and ) SAPPHIRE GENTLEMEN'S CLUB; and )                      |
| 20       | DOES 1 through 100, inclusive,   |
| 21       | box i unough too, morasivo,  |
| ~^       | Defendants.  |
| 22       |  |
|          |  |
| 23       | The motion of plaintiffs, class representatives, Zuri-Kinshasa Maria Terry, Marlene                |
| 24       |  |
| E-W      | Nuno, Michelle Cosper, Selena Denise Pelaez, and Jessica Morgan for an order re-                   |
| 25       |  |
|          | certifying them as class representatives, and this case as a class action, came regularly          |
| 26       |  |
| 27       | before this court on December 13, 2010. The Court, considering the moving and reply                |
| _ ,      |  |
| 28       |  |

APP 0455

papers of the plaintiffs, and the opposing papers of the defendants, and good cause appearing therefore, 3 The COURT ORDERS that Plaintiffs' Motion to Re-certify this case as a class 4 action pursuant to NRCP 23(b)(3) is hereby GRANTED. IT IS SO ORDERED. Ű Dated: January 24, 2011 9 10 11 Submitted By: 12 CHRISTENSEN LAW OFFICES, LLC 13 14 Thomas Christonsen, Esq. Nevada Bar No. 2326 Ryan M. Anderson, Esq. Nevada Bar No. 11040 1000 S Valley View Blvd. Las Vegas, NV 89107 19 20 21 22 23 24 25 26

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# EXHIBIT "C"

| 1        | RPLY RYAN M. ANDERSON (NV Bar No. 11040) LAUDEN CALVEDT (NV Bar No. 10534)   | CLERK OF THE COURT   |
|----------|--|--|
| 2        | LAUREN CALVERT (NV Bar No. 10534)  MORRIS // ANDERSON                        | CLERK OF THE COURT   |
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| 4        | Phone: (702) 333-1111<br>Fax: (702) 507-0092                                 |  |
| 5        | ryan@morrisandersonlaw.com<br>lauren@morrisandersonlaw.com                   |  |
| 6        | P. Andrew Sterling (NV Bar 13769)  |  |
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| 11       | Attorneys for Plaintiffs   |  |
| 12       |  | OF THE STATE OF NEVADA<br>R CLARK COUNTY                       |
| 13       | JACQUELINE FRANKLIN et al.,  | CASE NO. A-14-709372-C   |
| 14       | Plaintiffs,  | DEPT. XXI  |
| 15       | VS.  |  |
| 16       | RUSSELL ROAD FOOD AND<br>BEVERAGE, LLC., et al.,                             | PLAINTIFFS' REPLY IN SUPPORT OF MOTION FOR CLASS CERTIFICATION |
| 17       | Defendants.  |  |
| 18<br>19 | Plaintiffs, individually and on behalf                                       | of all persons similarly situated, hereby submit their         |
| 20       | Reply in Support of their Motion for Class Ce                                | rtification.   |
| 21       | ///  |  |
|          | ///  |  |
| 22       | ///  |  |
| 23       | ///  |  |
| 24       |  |  |
|          |  | 1  |

This Reply is based upon the following Memorandum of Points and Authorities and any oral argument this Court may wish to entertain at the hearing of this Motion. DATED this 5th day of December, 2016. **MORRIS//ANDERSON** By: /s/ Lauren Calvert Ryan M. Anderson (NV Bar No. 11040) Lauren Clavert (NV Bar No. 10534) 716 S. Jones Blvd. Las Vegas, NV 89107 **RUSING LOPEZ & LIZARDI, PLLC** P. Andrew Sterling (NV Bar No. 13769) Michael J. Rusing (AZ Bar No. 6617) 6363 N. Swan Road, Ste. 151 Tucson, AZ 85718 Attorneys for Plaintiffs 

#### I. INTRODUCTION

Defendant Russell Road Food and Beverage, LLC (the Club) opposes class certification on two grounds: (1) it asserts there is not enough "actual evidence" to support certification (Oppo. at p.3); and (2) it claims a recent amendment to NRS Chapter 608 (codified in relevant part at NRS 608.0155), if applied in this case, would somehow render it "impossible for any common questions of fact or law to exist because the determination of whether each Plaintiff or potential Plaintiff is or is not an independent contractor requires a unique factual determination that could be comprised of facts wholly different from any other Plaintiff" (Oppo. at p. 25).

The first argument fails to appreciate that a complaint typically furnishes all the evidence required to evaluate class certification and, in any event, has been entirely deflated by subsequent disclosures and admissions (for example, the Club has since confirmed the putative class contains over 4500 dancers going back two years, likely double that number for the four year unjust enrichment claim). The second argument is a nonstarter because even if the new test for independent contractor status in NRS 608.0155 applied to this case (it doesn't), this test, like the economic realities test, easily can be assessed on a class-wide basis where, as here, the Club admits it treated all dancers the same.

Regardless of the test to be applied to determine their legal status, the Club's dancers either are all its employees or none of them are, and this issue most certainly can and should be decided on a class basis. Indeed, as many other courts have held, this particular common liability issue presents "about the most perfect question[] for class treatment." *Iglesias-Mendoza v. La Belle Farm, Inc.*, 239 F.R.D. 363, 373 (S.D.NY.2007). That is why no court ever has refused to certify a class under NRCP 23(b)(3) or its federal analog in employment misclassification cases by dancers against the strip club in which they work. *See Espinoza*, 2016 WL 127586 at \*3 (noting in granting dancers' class certification motion that "Defendants have not cited to any decision with different results - denying the Rule 23 class certification motion. And the Court has not been able to uncover

<sup>&</sup>lt;sup>1</sup> The Club also challenges the proposed class definition. *See* Oppo. at pp. 9-10. That is not grounds for denying class certification; at most it would require the class definition to be refined or for the Court to certify one or more subclasses.

one either.").

#### II. REPLY

### A. There is no requirement under NRCP 23 to "attach evidence" to a class certification motion

NRCP 23 specifically instructs that a court is to address the issue of class certification "as soon as practicable after the commencement of an action brought as a class action." NRCP 23(c)(1). The Club's repeated insistence that this issue cannot be decided without more "actual evidence" fails to recognize that class certification in this case is warranted under NRCP 23 based on the uncontroverted factual allegations in the complaint. *See Meyer*, 110 Nev. at 1364, 885 P.2d at 626 (citations omitted) ("[i]n analyzing whether it should certify a class, the court should generally accept the allegations of the complaint as true. An extensive evidentiary showing is not required."). *See also* Newberg on Class Actions § 24:74 (4th ed.) ("the complaint itself should usually afford the court a sufficient basis on which to make a [class certification] determination, thereby rendering an evidentiary hearing unnecessary.").

The Club entirely overstates the purported "sea change regarding the evidentiary burden required for certifying a class." Oppo. at p. 7 (citing Wal-Mart Stores, Inc. v. Dukes, 564 U.S. 338, 350 (2011)). The U.S. Supreme Court in Dukes noted that "sometimes it may be necessary for the court to probe behind the pleadings before coming to rest on the certification question." Wal-Mart Stores, Inc. v. Dukes, 564 U.S. 338, 350 (2011) (emphasis added). In Dukes, for example, the court was not convinced, based on the pleadings (or, it turns out, on copious amounts of additional evidence), that a nationwide class of 1.5 million employees who wanted to sue "about literally millions of [allegedly discriminatory] employment decisions at once" could demonstrate that there was "some glue holding the alleged reasons for all those decisions together." Id. at 352. Similarly, the Nevada Supreme Court in Shuette v. Beazer Homes Holdings Corp., 121 Nev. 837, 124 P.3d 530 (2005) determined it was necessary to "probe behind the pleadings" in construction defect class actions. The defendant in Beazer Homes constructed and sold about 200 single-family residences in Las Vegas in the 1990s. Beazer Homes, 121 Nev. at 843, 124 P.3d at 535. Three owners of these

homes, individually and as proposed class representatives, filed a complaint against the contractor alleging various constructional defects to their homes. *Id.* The Supreme Court held that the trial court erred in granting class certification because (unlike the misclassification claim at issue here), liability in single-family residence constructional defect cases depends on "variables particular to 'unique' parcels of land" and "these uniqueness factors weigh heavily in favor of requiring independent litigation of the liability to each parcel and its owner." *Id.* at 855, 124 P.3d at 543.

This is not a nationwide sex-discrimination case. It is not a construction defect case involving hundreds of uniquely-constructed houses. It is an employee misclassification case at a single club which, as the complaint alleges and the Club admits, has applied a uniform set of policies and procedures to all dancers at all relevant times. *See* Compl. at ¶129-33; Depo. Trans. of Club Manager at 19:7-11 (attached as **Ex. 1**) ("Q. Is it fair to say during the relevant time period that the club treat all the dancers equally and applies the policies that it has equally to all the dancers? A. Yes."); *id.* at 16:24-17:7 (stating the Club at all relevant times has required dancers to pay a house fee each time they worked). This "actual evidence" is all that is needed to distinguish *Dukes* and *Beazer Homes* and to establish that this case belongs with all the other employment misclassification cases that courts without exception have certified under NRCP 23 or its federal analog.<sup>2</sup> This case, like all the other dancer class actions cited in Plaintiffs' motion and awkwardly ignored by the Club, is not a "more evidence" case.

## B. NRS 608.0155 does not and cannot apply to constitutional claims. Even if it did or could, it would not alter the class certification analysis

<sup>&</sup>lt;sup>2</sup> It is also useful though not necessary to have "actual evidence" of the putative class size. See Zeidman v. J. Ray McDermott & Co., Inc., 651 F.2d 1030, 1038 (5th Cir. 1981) (noting numerosity can be established either by "some evidence or reasonable estimate of the number of purported class members.") (emphasis added) (construing parallel federal rule). Plaintiffs, based on their personal experience dancing in the club, reasonably estimated that "hundreds if not thousands of dancers worked there during the class period" (Mot. at p. 7). It turns out the dancers' estimate was pretty spot on. The Club subsequently confirmed that it employed (or leased space to) over 4,500 individuals between November 2012 and August 2016. See first and last page of Entertainer List (attached as Ex. 2).

# 1. NRS 608.0155 by its plain terms applies only to claims under NRS Chapter 608, not to Minimum Wage Amendment claims

The Nevada Supreme Court in *Terry v. Sapphire Gentlemen's Club*, 130 Nev. Adv. Op. 87, 336 P.3d 951 (2014), *reh'g denied* (Jan. 22, 2015) considered an employment misclassification class action by dancers alleging violations of NRS Chapter 608. The dancers in that case made no claim under the Minimum Wage Amendment, which creates an independent constitutional cause of action for Nevada employees entirely separate from any statutory cause of action under Chapter 608. *See* Nev. Const. Art. 15, sec. 16(B) ("An employee claiming violation of this section may bring an action against his or her employer in the courts of this State to enforce the provisions of this section and shall be entitled to all remedies available under the law or in equity appropriate to remedy any violation of this section.").

The Supreme Court in *Terry* held that NRS 608.010 (the wage statute's definition of "employee") was co-extensive with the term as used in the Fair Labor Standards Act (FLSA), the parallel federal wage law. *Id.* at 953. NRS 608.0155 leaves intact the Supreme Court's adoption of the economic realities test but adds a "conclusive presumption" of independent contractor status for claims arising under Chapter 608 if certain criteria are met. *See* NRS 608.0155(1). But the first six words of NRS 608.0155 (entirely ignored by the Club) unambiguously states that this new test for independent contractor status applies only "[f]or the purposes of this chapter [*i.e.*, Chapter 608]." NRS 608.0155(1) (emphasis added). In other words, NRS 608.0155 clearly indicates that its independent contractor test does not apply "for the purposes of Minimum Wage Amendment claims." *See State v. Catanio*, 120 Nev. 1030, 1033, 102 P.3d 588, 590 (2004) (We must attribute the plain meaning to a statute that is not ambiguous."). If the Nevada legislature wanted the test to apply to constitutional claims it easily could have said so, but did not.

# 2. Even if NRS 608.0155 could be construed to apply to Minimum Wage Amendment claims, the Nevada Supreme Court already has determined that such a statute would be preempted

The Minimum Wage Amendment was proposed by initiative petition and overwhelmingly approved and ratified by Nevada voters in 2004 and again in 2006. *See* Nev. Const. art. 15, § 16. It guarantees a mandatory minimum wage to all employees, broadly defined in the Amendment as

"any person who is employed by an employer as defined herein but does not include an employee who is under eighteen (18) years of age, employed by a nonprofit organization for after school or summer employment or as a trainee for a period not longer than ninety (90) days." Nev. Const. art. 15, § 16(C).

The only Nevada Supreme Court case that has directly considered the breadth of the Minimum Wage Amendment's definition of employee is *Thomas v. Nevada Yellow Cab Corp.*, 130 Nev. Adv. Op. 52, 327 P.3d 518 (2014), *reh'g denied* (Sept. 24, 2014). The question presented in *Thomas* was whether Minimum Wage Amendment's definition of employee preempted an exception for taxicab drivers provided in Nevada's minimum wage statute, NRS 608.250(2)(e). *Id.* at 520. In answering that question in the affirmative, the Supreme Court held that: (a) the definition of employee in the Amendment must be determined with reference to intent of the voting public, not the legislature, (b) "[t]he Minimum Wage Amendment expressly and broadly defines employee, exempting only certain groups", (c) the voters intended that "all employees not exempted by the Amendment . . . must be paid the minimum wage set out in the Amendment", and (d) any statute that purports to interfere with the Amendment's broad definition of employee is "irreconcilably repugnant" to the Amendment and therefore preempted. *Id.* at 521. *See also Terry*, 336 P.3d at 955 (noting the Amendment reflects "this state's voters' wish that more, not fewer, persons would receive minimum wage protections [than were protected by NRS Chapter 608 prior to SB224].").

The Supreme Court in *Thomas* affirmed in striking down a conflicting statute that Nevada's judicial branch is up to the job of effectively interpreting and enforcing constitutional rights, and specifically foreclosed any attempt by the legislature to interfere with the Amendment's broad scope. *See Thomas*, 327 P.3d at 522 ("[T]he principle of constitutional supremacy prevents the Nevada Legislature from creating exceptions to the rights and privileges protected by Nevada's Constitution."). The Nevada legislature did not claim in enacting SB224 that it was interpreting the

<sup>&</sup>lt;sup>3</sup> This Court also noted in its June 25, 2015 order granting in part and denying in part the Club's motion to dismiss that the Minimum Wage Amendment "expanded the minimum wage protections to more Nevadans." Order at p.20.

voters' intent in enacting the Minimum Wage Amendment. The Club has cited no legislative history considering or even mentioning the Minimum Wage Amendment and its independent definition of employee. To the contrary, as the Club notes, the legislature enacted SB224 in response to the Supreme Court's decision in *Terry*, which was a Chapter 608 case not a Minimum Wage Amendment case. *See* Oppo. at p. 11. The statutory language thus appropriately indicates that the new statutory test for independent contractor status set forth in NRS 608.0155 applies only "for the purposes of' Chapter 608. As the Nevada Supreme Court has held, specific statutory exemptions from the Minimum Wage Amendment's broad definition of employee are preempted. A statutory test that, if applied, would accomplish the same result also would be preempted. Even if NRS 608.0155 could potentially be construed to limit the scope of the Minimum Wage Amendment (it cannot) and even if any legislative history suggested that was the legislature's intent (it does not), such an interpretation would be foreclosed by "the canon of constitutional avoidance, which states that every reasonable construction must be resorted to, in order to save a statute from unconstitutionality." *Evans v. State*, 2014 WL 1270606, at \*2 (Nev. Mar. 26, 2014) (quotation omitted).

## 3. Even if NRS 608.0155 applied in this case, its test easily can be assessed on a class-wide basis

To be presumptively labeled an independent contractor for purposes of NRS Chapter 608, a person must satisfy three or more of five criteria enumerated in NRS 608.0155(1)(c). The Club's suggestion that this inquiry cannot be performed on a class-wide basis is unconvincing.

Most obviously, of course, courts have no problem applying the economic realities test on a class-wide basis. That test, which requires a "review of the totality of the circumstances of the working relationship's economic reality" *Terry*, 336 P.3d at 960, is much broader and nuanced than NRS 608.0155.

A closer look at NRS 608.0155(1)(c) reveals nothing so unusual to support the Club's insistence that it creates a per se bar to class treatment of employee misclassification claims against a single putative employer that has admitted it treats all putative employees the same.

The first criterion considers whether "[1] the person has control and discretion over the

means and manner of the performance of any work and [2] the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract." NRS 608.0155(1)(c)(1). The first part of this criterion (control and discretion) is very similar to the control factor in the economic realities test, which was considered by the Nevada Supreme Court on a class-wide basis with no problems. *See Terry*, 336 P.3d at 958 (considering degree of club's control of manner of dancers' performances on class-wide basis). The second part (primary element bargained for) frankly seems impossible to apply. How can a court attempt to discern the "primary intent" of a contracting party? Presumably, however, the Club (and anyone else trying to avoid employer status) will swear the "result of the work" was paramount in its mind when it contracted with all putative employees. This element too thus will or will not be met on a class-wide basis.

The second criterion considers whether "the person has control over the time the work is performed." *Id.* at (1)(c)(2). This criterion does not apply where, as here, "the work contracted for is entertainment." *Id.* 

The third criterion considers whether the dancers are "required to work exclusively for one principal." The dancers concede this is not the case, but again this is because the Club had a common policy on this matter that can be assessed on a class-wide basis.

The fourth criterion considers whether "[t]he person is free to hire employees to assist with the work." Either they could or they couldn't. Again, another class-wide issue capable of class-wide resolution.

The fifth and final criterion considers whether the "person contributes a substantial investment of capital in the business of the person." This subsection specifically instructs the court to make a class-wide assessment. See NRS 608.0155(1)(c)(5) (degree of capital investment to be determined on basis of "equipment commonly used and the expenses commonly incurred in the trade or profession in which the person engages."). This capital investment inquiry also is applied on a class-wide basis in the economic realities test. See Terry, 336 P.3d at 959 (considering

dancers' investment in equipment or materials and concluding, on class-wide basis, that performers' capital investment is *de minimis*).

## C. Though the proposed class definition is proper, the court could create subclasses under NRCP 23(c)(4)

There are two claims in this lawsuit: a legal claim for unpaid wages under the Minimum Wage Amendment (count one) and an equitable claim for unjust enrichment (count two). The wage claim seeks payment of the minimum wage for all hours worked. Compl. ¶43. The unjust enrichment claim seeks restitution of fees and fines the Club extracted from the dancers as a condition of employment. *Id.* at ¶46. The statute of limitations is two years from the filing of the original complaint for count one (*i.e.*, going back to November 2, 2012) and four years for count two (*i.e.*, going back to November 2, 2010). *See* NRS 608.260 and 11.190(2)(c). The temporal scope of the proposed class properly extends back to November 2, 2010 to account for the unjust enrichment claim.

Unlike most wage claims, this case is unusual in that not only did dancers not receive any wages for performing at Defendant's strip club - they also were required to pay a "house fee" to the Club every time they showed up to work. See Ex. 1 at 16:24-17:7. The Club thus has benefitted for years (and continues unjustly to benefit) from labor that not only is free, but that pays to work. Mere payment of wages for each hour worked will not make the dancers whole. Plaintiffs aver with respect to Count One that damages for unpaid wages must account for the negative balance created by the extraction of fees and fines. If, for example, the Club required a dancer to pay \$100 to work a six-hour shift and paid no wages for that work, then the dancer's wage damages for that six hour period should be \$100 + (prevailing minimum hourly wage x 6). Alternatively, however, if the wage damages are limited to just the prevailing minimum hourly wage then the Minimum Wage Amendment would not provide a full and adequate legal remedy and the dancers would look to the unjust enrichment claim to recover the fees and fines they paid to the Club. See 6/25/15 Order (noting "unjust enrichment is appropriately pled as an alternative equitable basis for relief in addition to the claims for legal relief set forth in the other Counts."). See also Certified Fire Prot. Inc. v. Precision Constr., 128 Nev. Adv. Op. 35, 283 P.3d 250, 257 (2012) ("Unjust enrichment

exists when the plaintiff confers a benefit on the defendant, the defendant appreciates such benefit, and there is acceptance and retention by the defendant of such benefit under circumstances such that it would be inequitable for him to retain the benefit without payment of the value thereof.") (quotations and citations omitted).

The Nevada Supreme Court noted in *Terry* that courts across the country "almost without exception [have] found an employment relationship and required nightclubs to pay their dancers a minimum wage." *Terry*, 336 P.3d at 960 (citation and quotation omitted). Despite this known legal backdrop, the Club will not be held to account for payment of back wages beyond November 2, 2012 because of the two year statute of limitations. But the dancers' unjust enrichment claim maintains independent validity as an equitable claim extending back an additional two years.

The class certification motion proposes the following class: "All persons who work or have worked at the Club as dancers at any time on or after November 2, 2010 and going forward until the entry of judgment in this action." Mot. at p. 4. All class members have a wage claim against the Club extending back to November 2, 2012 (count one). All class members also have an unjust enrichment claim against the Club extending back to November 2, 2010 (count two). If all fees and fines are accounted for in calculating back wages under count one, then the unjust enrichment claim will be limited to November 2, 2010 to November 1, 2012.

With this understanding, the Court may determine under NRCP 23(c)(4) to certify the two following subclasses:

Count One: "All persons who work or have worked at the Club as dancers at any time on or after November 2, 2012 and going forward until the entry of judgment in this action."

Count Two: "All persons who work or have worked at the Club as dancers at any time on or after November 2, 2010 and going forward until the entry of judgment in this action."

#### III. CONCLUSION

This case is not without precedent. Whether by design or happenstance, many strip clubs in Nevada and across the country have refused to treat their dancers as employees and many courts have adjudicated dancers' misclassification claims. *See Terry*, 336 P.3d at 954 (holding club's

dancers are employees and noting that "[i]n so holding, this court is in accord with the great weight of authority, which has almost without exception found an employment relationship and required nightclubs to pay their dancers a minimum wage."). It is to those cases this Court should look in determining whether this action is appropriate for class treatment. Plaintiffs' class certification motion should be granted because, as every other court that has considered the precise issue now before this Court has held, the common liability issue presented here, *i.e.*, whether the Club's dancers were supposed to be paid the minimum wage as a matter of law and were not is "about the most perfect question[] for class treatment." *Iglesias-Mendoza v. La Belle Farm, Inc.*, 239 F.R.D. 363, 373 (S.D.N.Y. 2007).

DATED this 5th day of December, 2016.

#### **MORRIS//ANDERSON**

By: /s/ Lauren Calvert

Ryan M. Anderson (NV Bar No. 11040)

Lauren Clavert (NV Bar No. 10534)

716 S. Jones Blvd.

Las Vegas, NV 89107

#### **RUSING LOPEZ & LIZARDI, PLLC**

P. Andrew Sterling (NV Bar No. 13769) Michael J. Rusing (AZ Bar No. 6617) 6363 N. Swan Road, Ste. 151 Tucson, AZ 85718

Attorneys for Plaintiffs

| CERTIFICATE OF SERVICE  |
|---|
| Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee   |
| MORRIS//ANDERSON, and on the 5th day of December, 2016, I served the foregoing  |
| PLAINTIFFS' REPLY IN SUPPORT OF MOTION FOR CLASS CERTIFICATION as follows:  |
| Electronic Service – By serving a copy thereof through the Court's electronic service system; and/or  |
| U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or   |
| Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile  |
| number(s) shown below and in the confirmation sheet filed herewith. Consent to service under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by facsimile transmission is made in writing and sent to the sender via facsimile within |
| 24 hours of receipt of this Certificate of Service.   |
| Gregory J. Kamer, Esq.  |
| KAMER ZUCKER ABBOTT   |
| 3000 W. Charleston Blvd., Suite 3<br>Las Vegas, Nevada 89102  |
| Jeffery A. Bendavid, Esq.   |
| MORAN BRANDON BENDAVID MORAN  |
| 630 S. 4th Street<br>Las Vegas, Nevada 89101  |
|   |
| Attorneys for Defendants  |
| / / F · 1 F · 1   |
| /s/ Erickson Finch An employee/agent of MORRIS//ANDERSON  |
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Page 1
                    DISTRICT COURT
                 CLARK COUNTY, NEVADA
JACQUELINE FRANKLIN,
ASHLEIGH PARK, LILY
SHEPARD, STACIE ALLEN,
MICHAELA DIVINE, VERONICA
VAN WOODSEN, SAMANTHA JONES)
KARINA STRELKOVA, LASHONDA )
STEWART, DANIELLE LAMAR and)
DIRUBIN TAMAYO
individually, and on behalf)
of Class of similarly
situated individuals,
               Plaintiffs,
                               CASE NO. A-14-709372-C
          VS.
                               DEPT. NO. XXXI
RUSSELL ROAD FOOD AND
BEVERAGE, LLC, a Nevada
limited liability company
(d/b/a CRAZY HORSE III
GENTLEMEN'S CLUB) SN
INVESTMENT PROPERTIES, LLC,)
a Nevada limited liability )
company (d/b/a CRAZY HORSE )
III GENTLEMEN'S CLUB), DOE )
CLUB OWNER, I-X, DOE
EMPLOYER, I-X, ROE CLUB
OWNER, I-X, and ROE
EMPLOYER, I-X,
               Defendants.
         VIDEOTAPED DEPOSITION OF KEITH RAGANO
              WEDNESDAY, OCTOBER 5, 2016
                        1:00 P.M.
                 AT 6130 ELTON AVENUE
                   LAS VEGAS, NEVADA
                 MICHELLE R. FERREYRA, CCR No. 876
    REPORTED BY:
```

DALOS Legal Services, LLC 702.260.0976

Page 16 goes back another two years to November of 2010. 1 2 that's a legal issue. But just to let you know, we've -- we've agreed off the record -- and I will just 3 4 state it for the record -- that today we're going to 5 look at is how the club works today, going back to November of 2012. Is that okay? 6 7 Α. Yes. 8 And, again, the -- the key -- the most Q. 9 important thing from your point of view is to help me understand if -- if things have changed during that 10 time or if they stayed the same with respect to 11 12 whatever we're looking at. 13 Α. (Witness nods.) 14 Okay. So in an effort to streamline this Q. 15 and -- and kind of make good use of our time, I think 16 we can -- we can safely say that during that time 17 period, Russell Road has never treated its dancers as employees; is that correct? 18 19 Α. Yes. 20 And so, therefore, they would have never have Q. been issued -- no W-2s would have ever been issued to a 21 dancer for her services; right? 22 23 Α. Correct. Also during that time period, November 2012 24 Q. through the -- the present, is it true that dancers had 25

| <del></del> |   |
|-------------|---|
| 1           | Page 17   |
|             | paid a house fee each time they wished to work at the |
| 2           | club?   |
| 3           | MR. DAVIS: Objection. Form and foundation as          |
| 4           | to each individual named plaintiff.                   |
| 5           | You can answer if you know.                           |
| 6           | THE WITNESS: Yes. They pay a house fee or a           |
| 7           | lease fee to use the building that night.             |
| 8           | BY MR. STERLING:                                      |
| 9           | Q. Do you call it a house fee or a lease fee or       |
| 10          | either?   |
| 11          | A. House fee.   |
| 12          | Q. House fee? Okay.                                   |
| 13          | And that's that house fee policy has been             |
| 14          | in place since at least the 2012 period that we are   |
| 15          | talking about?  |
| 16          | A. Yes.   |
| 17          | Q. When was the club was it founded in 2009;          |
| 18          | is that right or set up?                              |
| 19          | A. The actual Crazy Horse?                            |
| 20          | Q. Yeah. The the the club as it exists                |
| 21          | today, do you know when it was set up or when it      |
| 22          | A. I don't know the exact date.                       |
| 23          | Q. Okay.  |
| 24          | Well, so you you were hired on November 5th           |
| 25          | of 2008. Was that                                     |
|             |   |

DALOS Legal Services, LLC 702.260.0976

|    | Page 19   |
|----|---|
| 1  | Q. During the relevant time period, is                  |
| 2  | there was there any other way for dancers to make       |
| 3  | money at the club?                                      |
| 4  | A. No.  |
| 5  | Q. Now, we'll talk in a minute about the policies       |
| 6  | in more detail that the club has with respect to the    |
| 7  | dancers. But is it fair to say during the relevant      |
| 8  | time period that the club treats all the dancers        |
| 9  | equally and applies the policies that it has equally to |
| 10 | all the dancers; is that a fair statement?              |
| 11 | A. Yes.   |
| 12 | Q. Let's let's talk a little bit about                  |
| 13 | the the company itself and the business side of it      |
| 14 | before we get into the the the actual you               |
| 15 | know, the day-to-day operations. So I think we said     |
| 16 | already the the corporate entity is Russell Road        |
| 17 | Food and Beverage, LLC; right?                          |
| 18 | A. Yes.   |
| 19 | Q. And the club's name is is Crazy Horse III?           |
| 20 | A. Yes.   |
| 21 | Q. And that's out at 3525 West Russell Road?            |
| 22 | A. Yes.   |
| 23 | Q. And is the is there another corporate                |
| 24 | office separate from that location for Russell Road,    |
| 25 | the entity, that you know of?                           |
|    |   |

```
LTWT
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    Attorneys for Russell Road Food and Beverage, LLC
10
                                 DISTRICT COURT
11
                             CLARK COUNTY, NEVADA
12
    JACQUELINE FRANKLIN, ASHLEIGH
    PARK, LILY SHEPARD, STACIE ALLEN,
                                              Case No.: A-14-709372-C
13
    MICHAELA DIVINE, VERONICA VAN
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    WOODSEN, SAMANTHA JONES,
                                              Dept. No.: 31
    KARINA STRELKOVA, LASHONDA,
15
    STEWART, DANIELLE LAMAR, and
    DIRUBIN TAMAYO, individually,
16
    and on behalf of a class of similarly
17
    situated individuals,
18
                Plaintiffs/ Counter Defendants,
    VS.
19
20
    RUSSELL ROAD FOOD AND
    BEVERAGE, LLC, a Nevada limited
21
    Liability company (d/b/a CRAZY
    HORSE III GENTLEMEN'S CLUB),
22
    DOE CLUB OWNER, I-X,
    ROE CLUB OWNER, I-X, and
23
    ROE EMPLOYER, I-X,
24
                Defendants/Counter Claimant.
25
26
          DEFENDANT/ COUNTER CLAIMANT, RUSSELL ROAD FOOD AND
27
     BEVERAGE, LLC'S THIRD SUPPLEMENT TO ITS LIST OF DOCUMENTS AND
```



MORAN BRANDON RENDAVID MORAN ATTORNOOTS AT LAW

28

830 South 4th Street Las Vegas, Vevada 89101 Phone:(702) 384-6424 Fax: (702) 384-6669 WITNESSES PURSUANT TO NRCP. 16.1

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|        | 19.       | Entertainer   | Michaela    | Moore's  | Profile, | Charge  | Summary | and | Dance | Dolla |
|--------|-----------|---------------|-------------|----------|----------|---------|---------|-----|-------|-------|
| Report | , attache | ed hereto and | d bate stan | nped RR0 | 601 thro | ugh RR( | 0605;   |     |       |       |

- Defendant/ Counter Claimant is not in possession of any documents 20. pertaining to Dirubin Tamayo aka Diurbin Tamayo Perez. Defendant/ Counter Claimant has performed an extensive search of available records and has not found any records demonstrating that Plaintiff, Dirubin Tamayo aka Diurbin Tamayo Perez performed at Defendant's Crazy Horse III club at any time after November 4, 2012.
- 21. List of Entertainers who performed at Crazy Horse III Gentlemen's Club from November 4, 2012 to present (disclosed in electronic format on disk provided and Bate Stamped as RR0606);
- Any and all documents provided by Plaintiff/ Counter Defendants' in 22. their Initial Disclosures to their List of Documents and Witnesses pursuant to NRCP 16.1 and all supplements thereto;
- 23. Defendant/ Counter Claimant objects as to authentication and foundation of all documents listed or presented by Plaintiff/ Counter Defendant;
- 24. Defendant/Counter Claimant reserves the right to supplement this list at a later date.

#### **DEFENDANT/COUNTER CLAIMANT LIST OF WITNESSES**

1. Plaintiff/Counter Defendant, JACQUELINE FRANKLIN, c/o RYAN ANDERSON, ESQ. of MORRIS ANDERSON, 716 S. Jones, Las Vegas, Nevada 89107. Plaintiff /Counter Defendant is expected to testify as to the facts and circumstances surrounding the incident alleged in Plaintiffs' Third Amended Complaint on file herein;



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830 SOUTH ATH STREET LAS VECAS, VEVADA 60101 PHONE:(702) 384-6426 Fax: (702) 334-8689

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| testify as to the facts and circumstances surrounding the incident alleged in Plaintiffs | ' Third |
|--|---------|
| Amended Complaint on file herein;  |         |

- 13. Plaintiff/Counter Defendant, MICHAELA MOORE, c/o RYAN ANDERSON, ESQ. of MORRIS ANDERSON, 716 S. Jones, Las Vegas, Nevada 89107. Plaintiff/Counter Defendant is expected to testify as to the facts and circumstances surrounding the incident alleged in Plaintiffs' Third Amended Complaint on file herein;
- 14. All witnesses listed in Plaintiff/Counter Defendants' Initial Disclosures to their List of Documents and Witnesses pursuant to 16.1;
- 15. Defendant/Counter Claimant also reserve the right to call any rebuttal witnesses as a result of any exhibits or witnesses listed or presented by Plaintiff/Counter Defendant; and
- 16. Defendant/Counter Claimant reserves the right to supplement this List of Witnesses at a later date.

DATED this 9<sup>th</sup> day of August 2016.

#### KAMER ZUCKER ABBOTT

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(702) 384-8424
Attorneys for Defendant

### CH3LV

### Entertainers November 4, 2012 - August 4, 2016

|          | First | Last | Stage Name         | Status             | Ent. ID            | Exp. Position                       | Last Performed                       |
|----------|-------|------|--------------------|--------------------|--------------------|-------------------------------------|--------------------------------------|
| 1        |       |      | Merlot             | Inactiva           | 50(11(2            | 10/17/0010 F                        |                                      |
| 2        |       |      | Aspen              | Inactive Inactive  | 5061163<br>6052030 | 10/17/2019 Female 01/22/2016 Female | 6/5/15 3:24 AM                       |
| 3        |       |      | Mariana            | Inactive           | 3066710            | 06/19/2017 Female                   | 12/10/15 8:45 PM                     |
| 4        |       |      | Nia                | Active             | 2854775            | 10/07/2020 Female                   | 11/21/12 2:26 PM<br>8/3/16 2:18 PM   |
| 5        |       |      | Miyokou            | Inactive           | 3070678            | 03/16/2020 Female                   | 5/14/16 7:57 PM                      |
| 6        |       |      | needs name         | Inactive           | 6010977            | 09/25/2013 Female                   | 6/26/13 10:08 PM                     |
| 7        |       |      | Josey              | Inactive           | 6047059            | 07/15/2020 Female                   | 5/7/16 7:54 PM                       |
| 8        |       |      | Logan              | Inactive           | 5993124            | 09/11/2019 Female                   | 10/8/15 4:40 AM                      |
| 9        |       |      | Gucci              | Inactive           | 3020685            | 07/27/2015 Female                   | 12/3/14 12:05 AM                     |
| 10       |       |      | ?                  | Inactive           | 2663467            | 03/23/2020 Female                   | 10/9/15 9:03 PM                      |
| 11       |       |      | Stoli              | Inactive           | 2529441            | 05/18/2017 Female                   | 3/22/13 3:18 AM                      |
| 12       |       |      | Jayleen            | Inactive           | 6012090            | 07/19/2018 Female                   |                                      |
| 13       |       |      | Athena             | Inactive           | 6061588            | 04/18/2021 Female                   | 4/20/16 12:07 AM                     |
| 14       |       |      | Fallon             | Active             | 6052984            | 11/16/2020 Female                   | 8/4/16 1:17 AM                       |
| 15       |       |      | Yohana             | Active             | 6065771            | 05/30/2021 Female                   | 7/23/16 12:39 AM                     |
| 16<br>17 |       |      | Vixen              | Inactive           | 2820847            | 05/28/2018 Female                   | 11/16/13 7:54 PM                     |
| 18       |       |      | Miss Jaija         | Inactive           | 3073366            | 11/16/2017 Female                   |                                      |
| 19       |       |      | Chelsea            | Inactive           | 6040162            | 03/05/2020 Female                   | 3/6/16 4:25 PM                       |
| 20       |       |      | Zen                | Inactive           | 3065445            | 09/21/2017 Female                   | 9/12/14 7:56 PM                      |
| 21       |       |      | Aleida             | Inactive           | 5729945            | 04/17/2019 Female                   | 11/4/14 6:07 PM                      |
| 22       |       |      | Syra<br>Alessandra | Inactive Inactive  | 6059417<br>6025018 | 06/10/2016 Female                   | C/2/14 10.24 DNA                     |
| 23       |       |      | Rilley             | Inactive           | 6039732            | 06/02/2019 Female 02/24/2020 Female | 6/3/14 10:24 PM                      |
| 24       |       |      | Alejandra          | Inactive           | 6025847            | 05/02/2019 Female                   | 2/25/15 7:20 PM<br>6/27/15 12:42 AM  |
| 25       |       |      | Lex                | Inactive           | 6036341            | 12/15/2019 Female                   | 12/4/15 11:32 PM                     |
| 26       |       |      | Malty              | Inactive           | 6035564            | 11/25/2019 Female                   | 12/5/14 8:27 PM                      |
| 27       |       |      | Giselle            | Active             | 6035595            | 12/31/2020 Female                   | 12/3/11 0.27 1111                    |
| 28       |       |      | Loki               | Inactive           | 2613124            | 10/20/2016 Female                   | 3/3/16 10:19 PM                      |
| 29       |       |      | Desire             | Inactive           | 1879227            | 08/20/2015 Female                   | 6/4/15 1:23 AM                       |
| 30       |       |      | Xena               | Inactive           | 6053193            | 11/19/2020 Female                   | 3/18/16 10:22 PM                     |
| 31       |       |      | ?                  | Inactive           | 3081467            | 04/09/2018 Female                   |                                      |
| 32       |       |      | Finesse            | Inactive           | 6009786            | 08/07/2019 Female                   | 12/6/15 4:40 AM                      |
| 33       |       |      |                    | Active             | 2579072            | 03/22/2021 Female                   | 8/3/16 11:20 PM                      |
| 34       |       |      |                    | Active             | 1746206            | 10/12/2016 Female                   | 7/30/16 12:04 AM                     |
| 35       |       | 8    | •                  | Inactive           | 3060067            | 09/16/2018 Female                   | 1/30/16 4:02 AM                      |
| 36<br>37 |       |      | NEEDS TO CH        |                    | 3065177            | 05/16/2017 Female                   | 10/1/13 5:24 AM                      |
| 38       |       |      |                    | Inactive           | 6019125            | 12/27/2018 Female                   | 1/0/16 1 20 1 14                     |
| 39       |       |      |                    | Inactive           | 6044459            | 05/21/2020 Female                   | 4/2/16 1:30 AM                       |
| 40       |       |      | •                  | Inactive<br>Active | 6011433<br>3040083 | 09/10/2018 Female 01/13/2020 Female | 8/19/15 9:16 PM                      |
| 41       |       |      |                    | Inactive           | 6013520            | 08/21/2018 Female                   | 7/31/16 11:12 PM<br>5/14/16 12:11 AM |
| 42       |       |      | •                  | Inactive           | 6045732            | 06/17/2020 Female                   | 6/18/15 10:02 AM                     |
| 43       |       |      |                    | Active             | 6050212            | 06/16/2020 Female                   | 7/23/16 11:25 PM                     |
| 44       |       |      | _                  | Inactive           | 6055660            | 01/07/2021 Female                   | 2/4/16 1:54 PM                       |
| 45       |       |      |                    | Inactive           | 6019343            | 01/02/2020 Female                   | 5/10/15 3:26 AM                      |
| 46       |       |      |                    | Inactive           | 1807852            | 06/25/2015 Female                   | 1/17/14 1:44 PM                      |
| 47       |       |      | Nicole             | Inactive           | 6019390            | 04/03/2014 Female                   | 1/19/14 12:04 AM                     |
| 48       |       |      | Desie              | Inactive           | 6019392            | 04/03/2014 Female                   | 1/4/14 3:57 PM                       |
| 49       |       |      | Mercy              | Inactive           | 6012920            | 08/08/2018 Female                   | 8/11/13 12:45 AM                     |
| 50       |       |      | Gemini             | Inactive           | 2756253            | 12/06/2018 Female                   | 10/23/15 4:58 AM                     |
| 51       |       |      |                    | Inactive           | 6027514            | 06/05/2019 Female                   | 6/6/14 9:16 PM                       |
| 52       |       |      | Telia              | Inactive           | 6034688            | 11/06/2019 Female                   | 5/17/15 1:16 PM                      |
|          |       |      |                    | Page 1             |                    |                                     |                                      |

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|      | First Last | Stage Name  | Status   | Ent. ID | Exp. Position     | Last Performed      |
|------|------------|-------------|----------|---------|-------------------|---------------------|
| 4537 |            | Jenny       | Inactive | 6045938 | 09/22/2015 Female | Last I CHOINICU     |
| 4538 |            | Mai         | Active   | 6053569 | 11/25/2020 Female | 8/3/16 11:33 PM     |
| 4539 |            | Glitter     | Inactive | 3032871 | 06/12/2014 Female | 4/18/14 7:31 PM     |
| 4540 |            | ??          | Inactive | 8261826 | 02/11/2021 Female | T/11/17 7.511/F     |
| 4541 |            | Aspen       | Active   | 6061579 | 04/18/2021 Female | 8/1/16 9:54 PM      |
| 4542 |            | Cherry-Ann  | Inactive | 6012392 | 07/26/2018 Female | 7/29/13 2:35 AM     |
| 4543 |            | Ella        | Inactive | 2890519 | 06/05/2018 Female | 10/11/13 1:53 PM    |
| 4544 |            | Layla-Rose  | Inactive | 3080347 | 03/22/2018 Female | 9/23/13 3:33 AM     |
| 4545 |            | Santana     | Active   | 3060462 | 03/28/2021 Female | 7/23/13 3/33 / HIVI |
| 4546 |            | Tori Taylor | Inactive | 6035937 | 12/05/2019 Female | 1/26/15 11:56 PM    |
| 4547 |            | Royalty     | Inactive | 2764120 | 11/12/2019 Female | 2/11/15 11:30 PM    |
| 4548 |            | Biz         | Inactive | 3041440 | 12/11/2018 Female | 10/25/15 6:34 PM    |
| 4549 |            | ?           | Inactive | 1765340 | 09/12/2018 Female | 10,20,10 0,5 (11,1  |
| 4550 |            | Eureka      | Inactive | 6042704 | 04/20/2020 Female | 7/10/15 9:04 PM     |
| 4551 |            | Yuki        | Inactive | 6033783 | 10/17/2019 Female | 10/17/14 11:29 PM   |
| 4552 |            | Kimbella    | Inactive | 5997837 | 07/02/2014 Female | 4/4/14 12:27 AM     |
| 4553 |            | Naoki       | Inactive | 3062338 | 03/12/2017 Female | 7/1/14 2:57 PM      |
| 4554 |            | Maricela    | Inactive | 6030840 | 08/18/2019 Female | 9/12/14 10:34 PM    |
| 4555 |            | Cleveland   | Inactive | 3062793 | 06/09/2019 Female | 2/28/16 2:37 AM     |
| 4556 |            | Be-Be       | Inactive | 2854376 | 06/24/2019 Female | 12/1/14 11:54 PM    |
| 4557 |            | Lia         | Active   | 6065683 | 09/29/2016 Female | 6/29/16 11:59 PM    |
| 4558 |            | Rain        | Inactive | 2676268 | 04/28/2016 Female |                     |
| 4559 |            | Nixie       | Inactive | 6037959 | 01/22/2020 Female | 1/24/15 9:56 PM     |
| 4560 |            | Adriana     | Inactive | 6034123 | 10/23/2019 Female | 10/24/14 4:00 AM    |
| 4561 |            | Nikki       | Inactive | 6038371 | 04/29/2015 Female | 2/6/15 12:59 PM     |
| 4562 |            | Aiyana      | Inactive | 6038814 | 02/06/2020 Female | 7/16/15 7:56 PM     |
| 4563 |            | Talia       | Inactive | 3079133 | 03/05/2018 Female |                     |
| 4564 |            | Zara        | Inactive | 3022408 | 09/05/2018 Female | 9/6/13 11:51 PM     |
| 4565 |            | Meela       | Inactive | 6049224 | 08/27/2020 Female | 3/20/16 2:10 PM     |
| 4566 |            | Elveria     | Active   | 8100911 | 10/12/2020 Female | 6/18/16 9:14 PM     |
| 4567 |            | Aspen       | Inactive | 6015456 | 10/03/2018 Female | 10/6/13 1:22 AM     |
| 4568 |            | Bree        | Inactive | 6059432 | 03/10/2021 Female | 3/20/16 11:22 AM    |
| 4569 |            | Imogene     | Inactive | 3064927 | 05/10/2017 Female | 2/9/13 8:40 PM      |
| 4570 |            | Lilly       | Inactive | 3010653 | 01/08/2018 Female | 6/15/13 8:52 PM     |
| 4571 |            | Georgia     | Inactive | 6033182 | 10/06/2019 Female | 10/12/14 9:26 PM    |
| 4572 |            | Monique     | Inactive | 6017894 | 11/22/2018 Female | 4/23/16 1:34 PM     |
| 4573 |            | Meg         | Active   | 6052192 | 10/27/2020 Female | 6/7/16 11:31 PM     |
| 4574 |            | Champagne   | Inactive | 1285957 | 07/23/2014 Female | 6/13/14 12:13 AM    |
| 4575 |            | Madden      | Active   | 3076365 | 01/22/2018 Female | 7/23/16 11:58 PM    |
| 4576 |            | Meleena     | Inactive | 6048206 | 08/06/2020 Female | 4/26/16 11:40 PM    |
| 4577 |            | India       | Inactive | 3062948 | 05/08/2018 Female | 8/19/13 4:33 PM     |
|      |            |             |          |         |                   |                     |

# EXHIBIT "D"

Hun D. Chun SB RYAN M. ANDERSON, ESQ. 2 Nevada Bar No.: 11040 **CLERK OF THE COURT** LAUREN CALVERT, ESQ. 3 Nevada Bar No.: 10534 **MORRIS//ANDERSON** 4 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. 9 Arizona Bar No.: 6617 (Admitted Pro Hac Vice) **RUSING LOPEZ & LIZARDI, PLLC** 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllaz.com 13 Attorneys for Plaintiffs 14 **DISTRICT COURT** 15 **CLARK COUNTY, NEVADA** 16 JACQUELINE FRANKLIN, ASHLEIGH PARK, LILY SHEPARD, STACIE ALLEN, MICHAELA 17 DIVINE. CASE NO.: A-14-709372-C VERONICA VAN WOODSEN, SAMANTHA JONES, KARINA STRELKOVA, DEPT. NO.: XXXI 18 LASHONDA STEWART, DANIELLE LAMAR and DIRUBIN TAMAYO individually, and on 19 behalf of Class of similarly situated individuals, 20 Plaintiffs, 21 V. 22 RUSSELL ROAD FOOD AND BEVERAGE, PLAINTIFFS' SUPPLEMENTAL LLC, a Nevada limited liability company (d/b/a 23 **BRIEF IN SUPPORT OF CLASS** CRAZY HORSE III GENTLEMEN'S CLUB) SN **CERTIFICATION MOTION** INVESTMENT PROPERTIES, LLC, a Nevada 24 limited liability company (d/b/a CRAZY HORSE CLUB), GENTLEMEN'S DOE 25 **CLUB** OWNER, I-X, DOE EMPLOYER, I-X, ROE CLUB OWNER, I-X, and ROE EMPLOYER, I-X, 26 27 Defendants. 28

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#### **INTRODUCTION**

This is a proposed class action by exotic dancers against the owners of Crazy Horse III Gentlemen's Club (the "Club"), a Las Vegas strip club. Count One of the extant Third Amended Complaint ("3AC") is a claim under the Minimum Wage Amendment to Nevada's Constitution (Art. XV. sec. 16) to recover the prevailing minimum wage for each hour worked. 3AC at ¶43. Count Two (unjust enrichment) seeks to recover various fees and fines that were improperly imposed on Plaintiffs by the Club as a condition of employment. *Id.* at ¶48. The complaint does not allege any claim under Nevada's wage statute, NRS Chapter 608. Plaintiffs have moved to certify a class of putative employees for both counts under NRCP 23(a) and 23(b)(3). The Court requested this supplemental briefing to address whether NRS 608.0155 (a recent amendment to Nevada's wage statute) has any impact on the class certification analysis.

#### **SHORT ANSWER**

NRS 608.0155, which adds a "conclusive presumption" of independent contractor status for claims arising under Chapter 608 if certain criteria are met, does not alter the fact that both counts in Plaintiffs' complaint should be certified under NRCP 23(a) and 23(b)(3).

With respect to Plaintiffs' Minimum Wage Amendment claim, the Club's suggestion that NRS 608.0155's new test for independent contractor status acts as a de facto "class action killer" and prevents class treatment of Plaintiffs' constitutional wage claim is unconvincing. *See* Cert. Oppo. at 24 (arguing NRS 608.0155 test "requires an independent and individual analysis of each Plaintiff"). In fact, NRS 608.0155 only applies to statutory wage claims, not to constitutional wage claims. Even if NRS 608.0155 could be construed to apply to constitutional wage claims it would be preempted. Even if it did apply to constitutional wage claims and was not preempted, NRS 608.0155 does not purport to apply where, as here, the putative principal denies that the putative contractors perform any work for it and admits it has paid the putative contractors no money. Finally, even if the test were to be applied, the test criteria easily can be assessed on a class-wide basis where, as here, all putative Page 3 of 15

class members had the same job and were subject to the same policies and working conditions. The law in this regard comports with common sense. Regardless of the legal test or tests to be applied, at the end of the day the Club's dancers are either all its employees or none of them are. That question can and should be decided on a class-wide basis. *See Iglesias—Mendoza v. La Belle Farm, Inc.*, 239 F.R.D. 363, 373 (S.D.N.Y.2007) (noting the common liability issue of whether class members "were supposed to be paid the minimum wage as a matter of law and were not" is "about the most perfect question[] for class treatment."); *see also Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1022 (9th Cir. 1998) ("When common questions present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis.").

No provision of NRS Chapter 608 could have any conceivable impact on Plaintiffs' unjust enrichment claim. "Where state common law includes an unjust enrichment action like Nevada's, courts have usually granted class certification." *Sobel v. Hertz Corp.*, 291 F.R.D. 525, 543 (D. Nev. 2013) (collecting cases). *See also Keilholtz v. Lennox Hearth Products Inc.*, 268 F.R.D. 330, 341 (N.D. Cal. 2010) (certifying Rule 23(b)(3) class for unjust enrichment claim because whether defendant was unjustly enriched is "[c]ommon to all class members and provable on a class-wide basis").

#### **ANALYSIS**

#### I. THE CONSTITUTIONAL AND STATUTORY FRAMEWORK

#### A. The Minimum Wage Amendment

The Minimum Wage Amendment was proposed by initiative petition and overwhelmingly approved and ratified by Nevada voters in 2004 and 2006. *See* Nev. Const. art. 15, § 16. It guarantees a mandatory minimum wage to all employees, who are defined in the Amendment as "any person who is employed by an employer as defined herein but does not include [1] an employee who is under eighteen (18) years of age, [2] employed by a nonprofit organization for after school or summer Page 4 of 15

employment or [3] as a trainee for a period not longer than ninety (90) days." *Id.* at sec. 16(C). The Amendment incorporates the definition of employee used by the federal Fair Labor Standards Act ("FLSA") (29 USC §§ 201-219). *See* 29 U.S.C. § 203(c)(1) ("the term 'employee' means any individual employed by an employer."). The Amendment expressly creates a private cause of action separate and distinct from any pre-existing statutory cause of action. *See id.* at sec. 16(B) ("An employee claiming violation of this section may bring an action against his or her employer in the courts of this State to enforce the provisions of this section and shall be entitled to all remedies available under the law or in equity appropriate to remedy any violation of this section..."); see also *Terry v. Sapphire Gentlemen's Club*, 130 Nev. Adv. Op. 87, 336 P.3d 951, 955 (2014) (noting Minimum Wage Amendment claim is separate and distinct from a claim under NRS Chapter 608).

#### B. NRS Chapter 608

An employee's right to a minimum wage in Nevada is guaranteed by the federal FLSA and by the Nevada Constitution. The Nevada legislature in NRS Chapter 608 also has enacted some laws regarding the minimum wage and provided a private cause of action in NRS 608.260 and 608.140. This statutory scheme is effectively obsolete, however, because it is less generous to employees than the guarantees provided by the FLSA and the Nevada Constitution. *See Perry v. Terrible Herbst, Inc.*, 132 Nev. Adv. Op. 75, 383 P.3d 257, 260 (2016) (noting the Minimum Wage Amendment "affords a broader array of remedies than the back-pay claim NRS 608.260 allows."); see also Terry, 336 P.3d at 956 (noting "a broader or more comprehensive coverage of employees [than that provided in the FLSA's definitions] would be difficult to frame."), quoting United States v. Rosenwasser, 323 U.S. 360, 362 (1945).

The Nevada Supreme Court addressed the substantive scope of the Chapter 608's minimum wage provisions in *Terry v. Sapphire Gentlemen's Club*, which was an employment misclassification class action by dancers alleging violations of NRS Chapter 608. *Terry*, 336 P.3d at 953. The dancers in that case made no claim under the Minimum Wage Amendment. *Id.* at 955. The Supreme Court Page 5 of 15

held that NRS 608.010 (the wage law's definition of "employee") incorporated the FLSA's broad definition of employee. *See Terry*, 336 P.3d at 953 (holding that, because "the statutes in question do not signal any intent to deviate from that course, and that for practical reasons the two schemes should be harmonious in terms of which workers are entitled to protection, we herein adopt the Fair Labor Standards Act's 'economic realities' test for employment in the minimum wage context.").

NRS 608.0155, which was enacted after the decision in *Terry*, leaves intact the Supreme Court's adoption of the economic realities test to define "employee" under NRS 608.010 but adds a "conclusive presumption" of independent contractor status for the purposes of Chapter 608 if certain criteria are met. *See* NRS 608.0155(1). However, the fact that "a person is not conclusively presumed to be an independent contractor" under this new test "does not automatically create a presumption that the person is an employee." NRS 608.0155(2). In other words, if a person is not an independent contractor under NRS 608.0155, then employment status for the purposes of Chapter 608 would be determined under NRS 608.010's economic realities test.

#### II. IMPACT OF NRS 608.0155 ON RULE 23(a) ANALYSIS

NRS 608.0155 has no impact on NRCP 23(a)'s threshold analysis. A new legislative test for independent contractor status clearly has no impact on whether the class size is sufficiently numerous (it is) or whether the representative parties will fairly and adequately protect the interests of the class (they will). Nor could this independent contractor test have any impact on the commonality and typicality prerequisites. Commonality and typicality are satisfied because the Club's uniform corporate policy is the focus of this litigation and because each count presents a single common question of law - Count One asks whether dancers are the club's employees under Nevada law; Count Two asks whether the Club has been unjustly enriched by retaining fees and fines extracted from the dancers as a condition of employment. *See Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 848-49, 124 P.3d 530, 538-39 (2005) (holding commonality and typicality met where "each class member's claim arises from the same course of events and each class member makes similar legal Page 6 of 15

arguments to prove the defendant's liability."); *Meyer v. Eighth Judicial Dist. Court*, 110 Nev. 1357, 1364, 885 P.2d 622, 626 (1994) (commonality and typicality met where general corporate policy is focus of litigation); *Villalpando v. Exel Direct Inc.*, 303 F.R.D. 588, 606 (N.D.Cal. 2014) (commonality and typicality met where complaint alleges putative employer implemented systematic misclassification policy).

#### III. IMPACT OF NRS 608.0155 ON RULE 23(b)(3) ANALYSIS

#### A. Count One (Minimum Wage Amendment Claim)

#### 1. Predominance of common questions of law and fact

The predominance prong "tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation." *Beazer Homes*, 121 Nev. at 850, 124 P.3d at 540. "When common questions present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis." *Hanlon*, 150 F.3d at 1022). Conversely, predominance is not met where "individual stakes are high and disparities among class members great." *Shuette*, 121 Nev. at 851, 124 P.3d at 540. "A 'single, central issue' as to the defendant's conduct vis a vis class members can satisfy the predominance requirement even when other elements of the claim require individualized proof." *Payne v. Goodyear Tire & Rubber Co.*, 216 F.R.D. 21, 27 (D. Mass. 2003) (*quoting In re Prudential Ins. Co. of Am. Sales Practices*, 148 F.3d 283, 314 (3d Cir.1998)).

NRS 608.0155 does not impact the predominance analysis under NRCP 23(b)(3) with respect to Plaintiffs' Minimum Wage Amendment claim for the following reasons:

## a. Regardless of whether NRS 608.0155 applies, common questions predominate over individual ones because the central liability issue is common to the class

Liability in this case (*i.e.*, the lawfulness of Defendants' policy of not treating its dancers as employees) is the central legal issue common to the class. As other courts previously have found, where the "liability issue is common to the class, common questions are held to predominate over individual ones." *Ruffin v. Entm't of the E. Panhandle*, 2012 WL 5472165, at \*10 (N.D.W. Va.

Nov. 9, 2012) (certifying class under FRCP 23(b)(3) where common liability question whether defendant strip club legally misclassified its dancers as independent contractors). Indeed, one court even declared that the common liability issue of whether class members "were supposed to be paid the minimum wage as a matter of law and were not" is "about the most perfect question[] for class treatment." *Iglesias–Mendoza v. La Belle Farm, Inc.*, 239 F.R.D. 363, 373 (S.D.N.Y.2007); see also Williams-Green v. J. Alexander's Restaurants, Inc., 277 F.R.D. 374, 383 (N.D. Ill. 2011) (certifying FRCP 23(b)(3) class of waiters in class action against employer for tip pool violations where "controlling substantive issue" was propriety of employer's policy); Ansoumana v. Gristede's Operating Corp., 201 F.R.D. 81, 89 (S.D.N.Y. 2001) (finding predominance where central issues were whether plaintiffs were employees as matter of law and consequences of resolution of that issue in relation to minimum wage). Even if NRS 608.0155 applied to Plaintiffs' constitutional wage claim (it does not) this would merely add another layer of legal analysis. It would not change the fundamental nature of the claim or the fact that the common liability issue predominates over any individual issues.

## b. NRS 608.0155 by its plain language applies only to claims brought under NRS Chapter 608; it does not purport to apply to Minimum Wage Amendment claims

The first six words of NRS 608.0155 clearly indicate that its test for independent contractor status applies only "**[f]or the purposes of this chapter** [i.e., Chapter 608]." NRS 608.0155(1) (emphasis added). In other words, NRS 608.0155 unambiguously indicates that its independent contractor test does not apply for the purposes of Minimum Wage Amendment claims. If the Nevada legislature wanted to ignore the principle of constitutional supremacy and attempt to apply the test to limit the scope of the Minimum Wage Amendment it easily could have said so, but did not.

The Club in its brief opposing class certification attached as an exhibit the minutes of a Senate Committee on Commerce, Labor, and Energy hearing on the bill (SB 224) that contained what would become NRS 608.0155. *See* Class Cert. Oppo. at Ex. A. These minutes are irrelevant. Courts "must attribute the plain meaning to a statute that is not ambiguous." "*State v. Catanio*, 120 Nev. 1030,

1033, 102 P.3d 588, 590 (2004). See also State v. Lucero, 127 Nev. Adv. Op. 7, 249 P.3d 1226, 1228 (2011) ("The starting point for determining legislative intent is the statute's plain meaning; when a statute is clear on its face, a court cannot go beyond the statute in determining legislative intent.") (quotation omitted). As an historical footnote, however, it bears noting that one industry lobbyist clearly stated to the Committee at the outset of the hearing that "[t]he purpose of S.B. 224 is to define independent contractors consistently as found throughout Nevada Revised Statutes." Class Cert. Oppo. Ex. A at p.4 (emphasis added). The lobbyist did not suggest that the purpose of the bill was to legislatively restrict the constitutional right to a minimum wage. Indeed, the minutes contain no mention of the concept of constitutional supremacy and no discussion regarding whether a legislature can restrict key constitutional provisions enacted by voter initiative or abrogate Supreme Court interpretations of those provisions. Cf. Thomas, 327 P.3d at 522 ("The principle of constitutional supremacy prevents the Nevada Legislature from creating exceptions to the rights and privileges protected by Nevada's Constitution.").

c. Even if NRS 608.0155 could be construed to apply to Minimum Wage Amendment claims, the Nevada Supreme Court already has determined that such a statute would be preempted

The Nevada Supreme Court addressed the substantive scope of the Minimum Wage Amendment in *Thomas v. Nevada Yellow Cab Corp.*, 130 Nev. Adv. Op. 52, 327 P.3d 518 (2014), *reh'g* denied (Sept. 24, 2014). The question presented in *Thomas* was whether the Amendment's broad definition of employee preempted a pre-existing legislative exception for taxicab drivers. *Id.* at 520. In answering that question in the affirmative, the Supreme Court held that: (a) "[t]he Minimum Wage Amendment expressly and broadly defines employee, exempting only certain groups," (b) it expressly provides that "all employees not exempted by the Amendment . . . must be paid the minimum wage set out in the Amendment", and (c) any statute that purports to interfere with the Amendment's broad definition of employee is "irreconcilably repugnant" to the Amendment and therefore preempted. *Id.* at 521 (noting "[t]he Amendment's broad definition of employee and very Page 9 of 15

specific exemptions necessarily and directly conflict with the legislative exception for taxicab drivers.").

The Nevada Supreme Court has not expressly held that voters intended the Minimum Wage Amendment's definition of employee to be co-extensive with the identical FLSA definition but strongly has indicated as much in both *Thomas* and *Terry*. The Court in *Terry* noted that the Amendment reflects "this state's voters' wish that more, not fewer, persons would receive minimum wage protections."). *Terry*, 336 P.3d at 955. The Court here was comparing the Amendment to the statutory definition of employee in Chapter 608 which the Court held was co-extensive with the FLSA definition except for six exemptions enumerated in NRS 608.250(2). As the Court indicated in *Thomas*, these six legislative exemptions are preempted by the Minimum Wage Amendment. The clear inference is that the scope of the Amendment is co-extensive with the FLSA except for the three exceptions enumerated in the Amendment. *Thomas* 327 P.3d at 520 ("the text of the Minimum Wage Amendment, by clearly setting out some exceptions to the minimum wage law and not others, supplants the exceptions listed in NRS 608.250(2)").

The Supreme Court in *Thomas* emphatically declared that Nevada's voters intended the Minimum Wage Amendment to broadly protect all workers and appropriately indicated that its scope is co-extensive with the FLSA subject to the three exceptions enumerated in the Amendment. *Thomas* expressly forecloses any past or future attempt by the legislature to constrict the broad definition of employee enshrined by Nevada's voters in the Minimum Wage Amendment. **Specific statutory** exceptions from the Amendment's broad scope are preempted; so too are statutory tests that, if applied, would accomplish the same result.

d. NRS 608.0155 does not purport to apply in situations where the putative principal denies that the putative contractors perform any work for it and admits it has paid the putative contractors no money

Even if this were a case under Chapter 608 and not the Minimum Wage Amendment, the independent contractor test in NRS 608.0155 still would not apply. The text of NRS 608.0155 makes Page 10 of 15

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clear it only applies where there is a contract between the putative employer/principal and the putative employee/contractor for the latter to perform work for the former. Indeed, four of the five test criteria enumerated in NRS 608.0155(1)(c) make absolutely no sense unless there is an underlying contract to perform work. See NRS 608.0155(1)(c)(1) (asking whether "the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract"); id. at (c)(2) (asking whether the putative contractor has "control over the time the work is performed"); id. at (c)(3) (asking whether putative contractor "is required to work exclusively for one principal"); id. at (c)(4) (asking whether putative contractor "is free to hire employees to assist with the work"). The test presumably was meant to apply, for example, if a package delivery company hired, classified and paid its delivery drivers as independent contractors and the drivers claimed they were in fact employees. See e.g., Alexander v. FedEx Ground Package Sys., Inc., 765 F.3d 981, 985 (9th Cir. 2014) (considering whether FedEx drivers, who were "compensated [by FedEx] according to a somewhat complex formula that includes per day and perstop components" were employees or independent contractors). This is the understanding the business lobbyists for the Amendment presented to Senate Committee. See Class Cert Oppo. Ex. A at 7-8 (lobbyist explaining that the independent contractor test in NRS 608.0155 would apply to determine the status of an individual where the individual "signs an agreement to provide services to a company" but there is a "dispute [as to] whether that person is or is not an employee."). The independent contractor test in NRS 608.0155 cannot coherently be applied where, as here, the putative employer/principal denies that the putative employees/contractors performed any work for it and admits it paid them no money.

#### e. The test criteria in NRS 608.0155 can be assessed on a class-wide basis

To be presumptively labeled an independent contractor for purposes of NRS Chapter 608, a person must satisfy three or more of five criteria enumerated in NRS 608.0155(1)(c). Assuming, for the sake of argument, that NRS 608.0155 applied to constitutional wage claims and was not Page 11 of 15

preempted, and further assuming that the Club had contracted with (and paid) its dancers to perform work at the club as independent contractors, the criteria in NRS 608.0155 easily could be assessed on a class-wide basis.

Most obviously, of course, courts have no problem applying the economic realities test on a class-wide basis. That test, which requires a "review of the totality of the circumstances of the working relationship's economic reality," *Terry*, 336 P.3d at 960, is much broader and nuanced than the criteria enumerated in NRS 608.0155. No element of the test in NRS 608.0155 is so unusual as to support the Club's insistence that it creates a per se bar to class treatment of employee misclassification claims against a single putative employer that has admitted it treats all putative employees the same.<sup>1</sup>

The first criterion considers whether "[1] the person has control and discretion over the means and manner of the performance of any work and [2] the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract." NRS 608.0155(1)(c)(1). The first part of this criterion (control and discretion) is very similar to the control factor in the economic realities test, which was considered by the Nevada Supreme Court on a class-wide basis with no problems. *See Terry*, 336 P.3d at 958 (considering degree of club's control of manner of dancers' performances on class-wide basis). The second part (primary element bargained for) frankly seems impossible to apply. How can a court meaningfully attempt to discern the "primary intent" of a contracting party? Presumably, however, the Club (and anyone else trying to avoid employer status) will swear the "result of the work" was paramount in its mind when it contracted with all putative employees. This element too thus will or will not be met on a class-wide basis.

<sup>1</sup> The Club has admitted "during the relevant time period that the club treats all dancers equally and applies the policies that it has equally to all the dancers." *See* Class Cert. Reply, Ex. A at p. 19.

The second criterion considers whether "the person has control over the time the work is performed." *Id.* at (1)(c)(2). Since the Club treated all putative employees the same, this criterion also can be addressed on a class-wide basis (although this criterion does not apply where, as here, "the work contracted for is entertainment"). *Id.* 

The third criterion considers whether the dancers are "required to work exclusively for one principal." The dancers concede this is not the case, but again this is because the Club had a common policy on this matter that can be assessed on a class-wide basis.

The fourth criterion considers whether "[t]he person is free to hire employees to assist with the work." Either they could or they couldn't. Again, another class-wide issue capable of class-wide resolution.

The fifth and final criterion considers whether the "person contributes a substantial investment of capital in the business of the person." This subsection specifically instructs the court to make a general class-wide assessment regarding whether dancers make a "substantial investment of capital" in their purported "dancing business." See NRS 608.0155(1)(c)(5)(degree of capital investment to be determined on basis of "equipment commonly used and the expenses commonly incurred in the trade or profession in which the person engages."). This capital investment inquiry also is applied on a class-wide basis in the economic realities test. See Terry, 336 P.3d at 959 (considering dancers' investment in equipment or materials and concluding, on class-wide basis, that performers' capital investment is de minimis).

#### 2. Superiority of Minimum Wage Amendment Class Action

NRS 608.0155 would have no effect on the superiority analysis with respect to Count One. Regardless of any statutory test for independent contractor status (which, in any event, could easily be assessed on a class-wide basis), a class action wage claim is superior to piecemeal individual litigation because it concentrates the litigation in this forum where the Club is located and where a large number of putative class members presumably reside, there is no other litigation concerning the Page 13 of 15

controversy already commenced by members of the class, and the alternative would involve class members "filing hundreds of individual lawsuits that could involve duplicating discovery and costs that exceed the extent of the proposed class members' individual injuries." *Wolin v. Jaguar Land Rover North America, LLC*, 617 F.3d 1168, 1176 (9th Cir.2010). Class actions routinely are found superior to piecemeal individual litigation in employee misclassification cases. *See, e.g., Dilts v. Penske Logistics, LLC*, 267 F.R.D. 625 (S.D. Cal. 2010).

#### B. Count Two (Unjust Enrichment)

NRS 608.0155 only applies to minimum wage claims under Chapter 608. It has no impact on the predominance or superiority analysis under NRCP 23(b)(3) for Plaintiffs' common law claim for unjust enrichment. Certification of a Rule 23(b)(3) class for the unjust enrichment claim is appropriate because whether Defendant was unjustly enriched is "[c]ommon to all class members and provable on a class-wide basis." *Keilholtz v. Lennox Hearth Products Inc.*, 268 F.R.D. 330, 341 (N.D. Cal. 2010) (applying parallel rule).

#### **CONCLUSION**

NRS 608.0155 has no impact on any aspect of this case, including the class certification analysis. The Court should certify a class of dancers under NRCP 23(b)(3), certify subclasses for each count under NRCP 23(c)(4), and designate Plaintiffs as class representatives and the undersigned counsel as class counsel.

DATED this 31st day of January, 2017.

#### **MORRIS//ANDERSON**

By: /s/ Lauren Calvert

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Steven D. Grierson CLERK OF THE COURT **SUPP** 1 GREGORY J. KAMER, ESQ. 2 Nevada Bar No. 0270 KAITLIN H. ZIEGLER, ESQ. 3 Nevada Bar No. 013625 KAMER ZUCKER ABBOTT 4 3000 W. Charleston Blvd., #3 5 Las Vegas, Nevada 89102 (702) 259-8640 6 JEFFERY A. BENDAVID, ESQ. 7 Nevada Bar No. 6220 8 STEPHANIE J. SMITH, ESO. Nevada Bar No. 11280 9 MORAN BRANDON BENDAVID MORAN 630 South 4th Street 10 Las Vegas, Nevada 89101 11 (702) 384-8424 Attorneys for Russell Road Food and Beverage, LLC 12 DISTRICT COURT 13 CLARK COUNTY, NEVADA 14 JACQUELINE FRANKLIN, ASHLEIGH PARK, LILY SHEPARD, STACIE ALLEN, 15 MICHAELA DIVINE, SAMANTHA JONES, 16 KARINA STRELKOVA, and DANIELLE Case No.: A-14-709372-C LAMAR, individually, and on behalf of a Dept. No.: 31 17 class of similarly situated individuals, 18 Plaintiffs, DEFENDANT, RUSSELL ROAD FOOD 19 AND BEVERAGE, LLC'S SUPPLEMENTAL BRIEF IN vs. 20 SUPPORT OF GRANTING RUSSELL ROAD FOOD AND BEVERAGE, **DEFENDANT'S MOTION FOR** 21 LLC, a Nevada Limited Liability company SUMMARY JUDGMENT AGAINST (d/b/a CRAZY HORSE III GENTLEMEN'S PLAINTIFFS, STACIE ALLEN AND 22 CLUB), SN INVESTMENT PROPERTIES, MICHAELA MOORE 23 LLC, a Nevada limited liability company (d/b/a CRAZY HORSE III GENTLEMEN'S Date: June 1, 2017 24 CLUB), DOE CLUB OWNER, I-X, ROE Time: 9:00 a.m. CLUB OWNER, I-X, and ROE EMPLOYER, 25 I-X, 26 Defendants.

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MORAN BRANDON

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630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 AND RELATED COUNTERCLAIMS

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#### DEFENDANT, RUSSELL ROAD FOOD AND BEVERAGE, LLC'S SUPPLEMENTAL BRIEF IN SUPPORT OF GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AGAINST PLAINTIFFS, STACIE ALLEN AND MICHAELA MOORE

COMES NOW, Defendant, RUSSELL ROAD FOOD AND BEVERAGE, LLC, a Nevada limited liability, dba CRAZY HORSE III GENTLEMEN'S CLUB, (the "Defendant" or "Russell Road"), by and through its attorney of record, GREGORY J. KAMER, ESQ., and KAITLIN H. ZIEGLER, ESQ., of KAMER ZUCKER ABBOTT, and JEFFERY A. BENDAVID, ESQ., and STEPHANIE J. SMITH, ESQ., of MORAN BRANDON BENDAVID MORAN, and hereby submits its Supplemental Brief in Support of Granting Defendant's Motion for Summary Judgment Against Plaintiffs, STACIE ALLEN and MICHAELA MOORE (the "Plaintiffs").

DATED this 15<sup>th</sup> day of June, 2017.

#### MORAN BRANDON BENDAVID MORAN

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#### MEMORANDUM OF POINTS AND AUTHORITIES

#### I. INTRODUCTION

After a hearing on Plaintiffs' Motion for Summary Judgment on Defendant's Counterclaims and Defendant's Motion for Summary Judgment Against Plaintiffs, Michaela Moore and Stacie Allen held on June 1, 2017, this honorable Court ordered Plaintiffs and Defendant to submit supplemental briefs regarding the sole issue of whether the Court held jurisdiction over Plaintiffs' in light of the fact that Plaintiffs were barred by the applicable two (2) year statute of limitation from recovering on their first claim for relief for an alleged violation of Nevada's Minimum Wage Amendment (the "MWA").

As explained below, this Court should grant Russell Road's Motion for Summary Judgment Against Plaintiffs since:

- 1. Plaintiffs' Third Amended Complaint fails to assert any allegation of any amount of damages and further fails to allege that Plaintiffs are entitled to damages in an amount in excess of \$10,000 as required N.R.C.P. 8(a)(2) and applicable Nevada law;
- 2. It appears to a legal certainty that Plaintiffs' Second Claim for Relief is for less than the required jurisdictional amount since Plaintiffs have failed to allege a sufficient amount of damages on the face of their Complaint;
- 3. Plaintiffs cannot recover any amount on their second claim for relief asserting a claim in equity for Unjust Enrichment since Plaintiffs' first claim for relief provided an adequate remedy at law; and
- 4. It appears to a legal certainty that the possible amount that Plaintiffs' could recover under their Second Claim for Relief is for less than the required jurisdictional amount.

#### II. LEGAL STANDARD

The Nevada Constitution provides that district courts do not have original jurisdiction over actions that fall within the original jurisdiction of the justices' courts. *See Nev. Const.* art. 6, § 6. NRS 4.370(1) confers original jurisdiction upon justices' courts over civil actions

for damages or fines, if such damages or fines, without interest, do not exceed \$10,000<sup>1</sup>. See also, Royal Insurance v. Eagle Valley Construction, Inc., 110 Nev. 119, 120, 867 P.2d 1146, 1147 (1994) (attorneys' fees and costs and interest are not included when calculating the amount in controversy for the purpose of establishing jurisdiction).

N.R.C.P. 12(h)(3) provides that "whenever it appears by suggestion of the parties or otherwise that the court lacks jurisdiction of the subject matter, the court shall dismiss the action." (Emphasis Added). See also, Morrison v. Beach City LLC, 116 Nev. 34, 36, 991 P.2d 982, 983 (2000). The burden of proving subject matter jurisdiction is placed on Plaintiffs. See Morrison, 116 Nev. at 36-7 (citations omitted). Plaintiffs can only meet their burden through the submission of "summary judgment type evidence relevant to the amount in controversy," in existence at the time of the filing of their Complaint. See e.g., Singer v. State Farm Mut. Auto. Ins. Co., 116 F.3d 373, 377 (9th Cir. 1997).

As demonstrated below, this Court lacks jurisdiction over Plaintiffs' individual matter since each Plaintiff has failed to demand any amount whatsoever, any amount allegedly in excess of \$10,000.00, and/or it appears to a legal certainty that the maximum recovery for their asserted Unjust Enrichment claim for relief is worth less than the required \$10,000.00. Therefore, Russell Road's Motion for Summary Judgment against Plaintiffs should be granted.



<sup>1</sup> Effective January 1, 2017, the jurisdictional amount has been increased to \$15,000.00. Plaintiffs' Complaint was filed prior to January 1, 2017, and therefore is subject to the \$10,000.00 threshold.

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ORAN BRANDO

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#### III. ARGUMENT

A. Plaintiffs Have Failed to Meet The Required Jurisdictional Amount Because Plaintiffs' Third Amended Complaint Fails to Claim Any Damages In Excess of \$10,000.00.

N.R.C.P. 8(a)(2) requires Plaintiffs to include in their Complaint a demand for judgment for the relief sought by Plaintiffs. If Plaintiffs are seeking to recover an amount in excess of \$10,000.00, Plaintiffs further are required by N.R.C.P. 8(a)(2) to include in their demand the phrase, "in excess of \$10,000.00." If Plaintiffs fail to provide this required assertion or otherwise fail to assert a specific amount that exceeds \$10,000.00, then Plaintiffs have failed to sufficiently allege an amount of recovery in excess of the jurisdictional amount as provided by NRS 4.370(1). See Morrison, 116 Nev. at 37 (recognizing court's ability to determine jurisdiction based solely on amount of damages claimed). See also, Royal Insurance, 110 Nev. at 120 (dismissed claim for lack of subject matter jurisdiction because claimed damages were less than jurisdictional amount required); and e.g., Penrose v. Fritsch, 2014 U.S. Dist. LEXIS 145667, at \*3 (D. Nev. 2014) (Dismissal appropriate if the complaint fails to allege facts on its face sufficient to establish subject matter jurisdiction).

On the face of Plaintiffs' Complaint, this Court lacks jurisdiction over the subject matter. Plaintiffs filed their Third Amended Complaint on October 2, 2015. See Third Amended Complaint at 1. Plaintiffs' Third Amended Complaint fails to allege any facts establishing that this Court has jurisdiction over the subject matter. See generally, Id. Instead, Plaintiffs state the following:

1. This Court has jurisdiction over the subject matter and the person of defendants. Venue is proper in Clark County. Id. at 2.

In no possible manner, does the above declaration asserted by Plaintiffs in their Third Amended Complaint operate to establish that this Court has subject matter jurisdiction. See supra.

Plaintiffs' second claim for relief asserts a claim for relief in equity for Unjust Enrichment. See Id. at 6. This claim for relief makes no demand whatsoever let alone for an amount that exceeds \$10,000.00. See Id. Thus, Plaintiffs' second claim for relief again fails to demand the recovery of an amount that exceeds \$10,000 for any one of the Plaintiffs. See Id.

Plaintiffs' Third Amended Complaint also provides Plaintiffs' "Request for Relief." See Id. at 6. Here, Plaintiffs demand restitution to Plaintiffs of all "fees, fines, and other monies" that were "not otherwise accounted for as damages" for Russell Road's alleged failure to pay wages. Id. Again, however, this prayer for relief fails to request an award in an amount in "excess of \$10,000.00." See Id.

Thus, Plaintiffs' Third Amended Complaint, on its face, fails to assert, at any time, a demand for an award that "exceeds \$10,000.00" as required by N.R.C.P. 8(a)(2). See supra. As such, this Court lacks jurisdiction over the subject matter in this case since Plaintiffs failed to claim or demand the recovery any amount in excess of \$10,000.00. See N.R.C.P. 12(h)(3). See also, Royal Insurance, 110 Nev. at 120; and Morrison, 116 Nev. at 37-38. Therefore, Russell Road's Motion for Summary Judgment against Plaintiffs should be granted.

B. Plaintiffs' Second Claim for Relief Must Be Dismissed Since It Appears To a Legal Certainty That Plaintiffs' Second Claim for Relief Is For Less Than The Jurisdictional Amount As Plaintiffs Have Failed to Allege a Sufficient Amount of Damages On the Face of Their Complaint.

Where the Court is required to look beyond any damages claimed in a complaint to determine whether the claimed damages meet the jurisdictional requirement, Nevada has

adopted the federal courts' "legal certainty" test. *See Morrison*, 116 Nev. at 38, fn. 15 (adopting the federal court's legal certainty test for determining the jurisdictional amount in controversy in Nevada district courts). This test requires that in order to dismiss a matter or claim based on a lack of subject matter jurisdiction, it must appear to a legal certainty that the claim is worth less than the jurisdictional amount. *See* Id. (citing St. Paul Indemnity Co. v. Cab Co., 303 U.S. 283, 288-89, 82 L. Ed. 845, 58 S. Ct. 586 (1938); and Budget Rent-A-Car, Inc., v. Higashiguchi, 109 F.3d 1471, 1473 (9th Cir. 1997).

Under the "legal certainty" test, the amount in controversy ordinarily is determined from the face of the complaint and unless a different rule is required by law, the amount alleged controls if made in good faith. See Pachinger v. MGM Grand Hotel-Las Vegas, Inc., 802 F.2d 362, 363-64 (9th Cir. 1986). In the 9th Circuit, three (3) situations exist where the Court can go beyond the pleadings to determine whether a claim is worth less than the jurisdictional amount: (1) when the terms of a contract limit possible recovery; (2) when a specific rule of law or measure of damages limits the amount of damages recoverable; and (3) when independent facts show that the amount of damages was claimed merely to obtain jurisdiction. See Id. at 364 (quotation omitted).

Here, relying simply on the face of Plaintiffs' Complaint demands dismissal as explained above since Plaintiffs failed to allege pursuant to N.R.C.P. 8(a)(2) any amount of damages and pursuant to N.R.C.P. 8(a)(2), failed to allege that their damages exceed \$10,000.00. See generally, Third Amended Complaint. No determination of whether the Court should "go beyond" the face of the Complaint to establish jurisdiction is required because Plaintiffs did not assert an amount of damages to establish subject matter jurisdiction in this Court. See Id. As such, this Court lacks jurisdiction over the subject matter in this case



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630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 since Plaintiffs failed to claim or demand any damages in excess of \$10,000.00. See N.R.C.P. 12(h)(3). See also, Royal Insurance, 110 Nev. at 120; and Morrison, 116 Nev. at 37-38. Therefore, Russell Road's Motion for Summary Judgment against Plaintiffs should be granted.

C. Plaintiffs' Second Claim for Relief Must Be Dismissed Since Plaintiffs Are Prohibited As a Matter of Nevada Law From Recovering In Equity On Their Second Claim for Relief Because Plaintiffs' First Claim For Relief Afforded Plaintiffs An Adequate Legal Remedy.

Even if the Court "goes beyond" the face of Plaintiffs' Complaint, applicable rules of law limit the amount Plaintiffs' may recover on the second claim for relief because Plaintiffs cannot recover any amount in equity where an adequate legal remedy was available to them. See infra. Under Nevada law, Plaintiffs may not recover in equity where Plaintiffs have a full and adequate remedy at law. See State ex rel. Nenzel v. Second Judicial Dist. Court in & for Washoe County, 49 Nev. 145, 159, 241 P. 317, 322 (1925) (superseded by statute on other grounds). See also, Small v. Univ. Med. Ctr. Of S. Nev., 2016 U.S. Dist. LEXIS 102508 at \*8 (D. Nev. 2016) (Dismissing an unjust enrichment claim in a minimum wage case because federal law provided an adequate legal remedy). "Count Two" of Plaintiffs' Third Amended Complaint attempts to assert a claim in equity against Russell Road for Unjust Enrichment but as an alleged violation of the MWA. See Third Amended Complaint at 3-4 and at 6<sup>2</sup>. Plaintiffs' second claim for relief specifically alleges that the wages allegedly earned by Plaintiffs but not paid by Russell Road constituted a benefit conferred on Russell Road by Plaintiffs. See Id. Plaintiffs, therefore, conclude in their second claim for relief that Russell Road has been unjustly enriched by accepting and retaining this benefit conferred by Plaintiffs. See Id. Consequently, Plaintiffs, as part of their prayer for relief, demand

<sup>&</sup>lt;sup>2</sup> Plaintiffs' second claim for relief specifically incorporates Plaintiffs' general allegations. See Id. at 6.

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MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW

630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 restitution of all "fees, fines, and other monies" that were "not otherwise accounted for as damages" for Russell Road's alleged failure to pay wages.

On its face, Plaintiffs' second cause of action for Unjust Enrichment must be dismissed for lack of subject matter jurisdiction. Plaintiffs' second claim for relief attempts to recover in equity Plaintiffs' alleged unpaid wages and all "fees, fines, and other monies" that were "not otherwise accounted for as damages" for Russell Road's alleged failure to pay wages. See Id. However, the MWA and NRS 608.260 provided Plaintiffs with an adequate and full remedy at law to sue and recover any actual unpaid wages owed. See Nev. Const., Article XV, Sec. 16(B); and NRS 608.260. See also, Perry v. Terrible Herbst, Inc., 132 Nev. Adv. Rep. 75 at \*7, 383 P.3d 257, 260 (2016) (determining that claim for failure to pay Nevada's Minimum Wage under the MWA was in reality a claim for back pay under NRS 608.260 and the method for calculating damages is derived directly from the MWA). Further, Plaintiffs' first claim for relief already asserts a claim under the MWA for the recovery of their allegedly unpaid wages. See Third Amended Complaint at 5.

Here, Plaintiffs cannot recover under their first claim for relief only because they did not perform at Russell Road's Crazy Horse III Gentlemen's Club within the prescribed two (2) year statute of limitation<sup>3</sup> from the date of Plaintiffs' November 4, 2014 Complaint. *See* Charge Summary and Dance Dollar Report for Plaintiffs, attached hereto and incorporated herein as Exhibit "1." *See also, Perry,* 132 Nev. Adv. Rep. 75 at \*12 (determining that claim for failure to pay Nevada's Minimum Wage under the MWA is subject to a two (2) year statute of limitation as set forth in NRS 608.260).

Plaintiffs have also conceded this fact during the hearing on June 1, 2017 for Defendant's Motion for Summary Judgment.

Had Plaintiffs commenced an action against Russell Road within the required two (2) years, an adequate legal remedy was available to Plaintiffs. *See* supra. Plaintiffs failed to do so and are now barred as a matter of law from any recovery under their first claim for relief. *See* Id. As a result, it is impossible for Plaintiffs to recover the same allegedly unpaid wages in equity as part of their second claim for relief for Unjust Enrichment since an adequate legal remedy was available to Plaintiffs and Plaintiffs, therefore, cannot recover on their second claim for relief that asserts an equitable claim of Unjust Enrichment. As such, this Court lacks jurisdiction over the subject matter in this case since Plaintiffs cannot recover any amount in equity pursuant to their second claim for relief. *See* N.R.C.P. 12(h)(3). *See also, Royal Insurance*, 110 Nev. at 120; and *Morrison*, 116 Nev. at 37-38.

Of course, Plaintiffs attempt to avoid this reality by declaring that their second claim for relief is an equitable claim for Unjust Enrichment and only seeks restitution of fees and fines that Russell Road allegedly extracted from Plaintiffs. *See* infra. From the onset of this case, Russell Road has objected to and sought the dismissal of Plaintiffs' second claim for relief for Unjust Enrichment since Plaintiffs' cannot recover in equity where Plaintiffs could recover as a matter of law. *See* Russell Road's Motion to Dismiss at 20-21. Originally, Plaintiffs avoided the dismissal of their second claim for relief on the ground that they had asserted their second claim for relief in the "alternative." *See* Order Granting in Part and Denying in Part Russell Road's Motion to Dismiss at 26.

Since that time, however, Plaintiffs repeatedly have attempted to redefine and newly characterize their second claim for relief as an "independent" claim for relief asserted separately from their first claim for relief. *See* Plaintiffs' Motion to Compel Discovery Responses at 6. *See also*, Reply in Support of Motion for Certification at 10-11. In each



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instance, Russell Road has objected<sup>4</sup> to these attempts since Plaintiffs' second claim for relief asserted in their Third Amended Complaint plainly alleges a violation of the MWA and demands payment of their allegedly unpaid wages. *See* supra.

Regardless, Plaintiffs' most recent contention fails because Plaintiffs have not demonstrated that such "fees and fines" would not be repaid to Plaintiffs as part of any award of damages Plaintiffs could have received under their first claim for relief, which alleged a violation of the MWA. See supra. Certainly, Plaintiffs would contend that they are entitled to the repayment of such "fees and fines" in addition to any minimum wage if it was determined they were employees of Russell Road. See e.g., Third Amended Complaint at 6. Under such circumstances, no amount of "fees and fine" would remain outside of any award of damages granted under Plaintiffs' first claim for relief.

As such, this Court lacks jurisdiction over the subject matter in this case since an adequate legal remedy exists that allows Plaintiffs to recover at law all of their "fees and fines" that Plaintiffs sought to recover in equity under their second claim for relief. *See* N.R.C.P. 12(h)(3). *See also, Royal Insurance*, 110 Nev. at 120; and *Morrison*, 116 Nev. at 37-38. As such, Plaintiffs cannot recover any amount under a theory of Unjust Enrichment. Therefore, Russell Road's Motion for Summary Judgment against Plaintiffs should be granted.

D. This Court Lack Jurisdiction Over Plaintiffs Since It Appears To a Legal Certainty That The Amount That Could be Recovered Is Less Than The Jurisdictional Amount.

This Court lacks subject matter jurisdiction in this matter because it is impossible for each Plaintiff to recover an amount in equity pursuant to their second claim for relief that



4 Russell Road does not waive or forego any of its objections related to Plaintiffs' improper attempts to redefine their second claim for relief. exceeds the required jurisdictional amount of \$10,000.00. See infra. Under Nevada law, recovery under a theory of unjust enrichment is limited to the reasonable value of the services, money, or property unjustly retained. See Asphalt Prods. Corp. v. All Star Ready Mix, 111 Nev. 799, 802, 898 P. 2d 699, 701 (1995). Here, Plaintiffs' most recent characterization of their second claim for relief is that Plaintiffs only seek to recover the "fees and fines" paid to Russell Road. See supra. Plaintiffs' Third Amended Complaint alleges that Russell Road "imposed various monetary fines" on Plaintiffs for their failure to comply with various alleged rules and regulations. Third Amended Complaint at 4. Plaintiffs also allege that Russell Road "imposed various fees" on Plaintiffs such as fees "to work a shift and fees for declining to dance on the stage during a shift." Id.

Although Plaintiffs have asserted these allegations, Plaintiffs have not disclosed any calculation of the amounts of "fees and fines" allegedly assessed against Plaintiffs. *See* Plaintiffs' Initial List of Disclosures and Witness (w/o documents), and amendments thereto, copies of which are attached hereto as Exhibit "2." Further, Plaintiffs <u>have not disclosed any evidence</u> demonstrating that Plaintiffs actually were assessed any "fees and fines" by Russell Road. *See* Id.

To the contrary, Russell Road's previously disclosed Charge Summary and Dance Dollar Report for each Plaintiff identifies the exact amount of alleged "fees and fines" recorded for each Plaintiff. See Exhibit "1." Since the period for Discovery closed on May 19, 2017, no further evidence can be discovered that could determine a different amount of "fees and fines" recorded for each Plaintiff. See Stipulation and Order Extending Discovery Period. Based on these reports, the total amount of "fees and fines" actually exists for each Plaintiff are as follows:

|          | i   |   |
|----------|---|---|
| 1        | A. Plaintiff, Stacie Allen (Beginning 201           | O to Present):                                |
| 2        | House Fees  | \$330.00                                      |
| 3        | Credits and Adjustments:                            | -\$0.00                                       |
| 4        | Off Stage Fees                                      | \$80.00                                       |
| 5        | Fines   | \$00.00                                       |
| 6<br>7   | Retained % of Dance Dollars:                        | <u>\$408.00</u>                               |
| 8        | Total   | \$818.00. Exhibit "1."                        |
| 9        |   |   |
| 10       | B. Plaintiff, Michaela Moore (Beginning             | 2010 to Present):                             |
|          | House Fees  | \$665.00                                      |
| 11<br>12 | Credits and Adjustments:                            | -\$70.00                                      |
| 13       | Off Stage Fees                                      | \$120.00                                      |
| 14       | Fines   | \$00.00                                       |
| 15       | Retained % of Dance Dollars:                        | <u>\$0.00</u>                                 |
| 16       | Total   | <b>\$715.00.</b> Id.                          |
| 17       |   |   |
| 18       | Relying entirely on Plaintiffs' assertion o         | f recovery as set forth in their second claim |
| 19       | for relief and applicable Nevada law, Plaintiffs    | s, as provided above, cannot under a legal    |
| 20       | certainty recover an amount in equity for their     | r respective "fees and fines" in excess of    |
| 21       | \$10,000.00. See supra. As such, this Court la      | acks jurisdiction over the subject matter of  |
| 22       | Plaintiffs' individual cases. See N.R.C.P. 12(h)(   | (3). See also, Royal Insurance, 110 Nev. at   |
| 23       | 120; and <i>Morrison</i> , 116 Nev. at 37-38. There | fore, Russell Road's Motion for Summary       |
| 24       | Indoment against Plaintiffs should be arouted       |   |
| 25       | Judgment against Plaintiffs should be granted.      |   |
| 26       | ///   |   |
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#### IV. CONCLUSION

Based on the arguments provided above, Russell Road respectfully requests that this Court grant its Motion for Summary Judgment as to Plaintiffs.

DATED this 15th day of June, 2017.

#### MORAN BRANDON BENDAVID MORAN

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# Exhibit "1"

# PLAINTIFF MICHAELA DIVINE AKA MOORE

#### CH3LV

#### **Entertainer Charge Summary**

1860311 Zoey

| DATE                    | TYPE               | REASON        | AMOUNT   | Running Total |
|-------------------------|--------------------|---------------|----------|---------------|
| 7/28/2011 1:08:56AM     | Charge             | Off Stage Fee | \$40.00  | \$40.00       |
| 7/28/2011 1:09:04AM     | Payment            |               | \$-40.00 | \$0.00        |
| 7/30/2011 2:01:41AM     | Charge             | House Fee     | \$35.00  | \$35.00       |
| 7/30/2011 2:01:49AM     | Payment            |               | 3-35.00  | \$0.00        |
| 8/13/2011 2:03:12AM     | Charge             | House Fee     | \$35.00  | \$35.00       |
| 8/13/2011 2:03:28AM     | Charge             | Off Stage Fee | \$40.00  | \$75.00       |
| 8/13/2011 2:03:35AM     | Payment            |               | \$-35.00 | \$40.00       |
| 8/13/2011 2:03:35AM     | Payment            |               | \$-40.00 | 90.00         |
| 8/28/2011 2:12:07AM     | Charge             | House Fee     | \$35.00  | \$35,00       |
| 8/28/2011 2:12:16AM     | Payment            |               | \$-35.00 | \$0.00        |
| 9/4/2011 12:49:19AM     | Charg <del>e</del> | House Fee     | \$70.00  | \$70.00       |
| 9/4/2011 12:49:30AM     | Charge             | Off Stage Fee | \$40.00  | \$110.00      |
| 9/4/2011 12:49:46AM     | Payment            |               | \$-70.00 | \$40,00       |
| 9/4/2011 12:49:46AM     | Payment            |               | \$-S.00  | \$35.00       |
| 9/4/2011 11:05:19AM     | Adjustment         | Misring       | \$-35.00 | \$0.00        |
| 9/14/2011 12:36:33AM    | Charge             | House Fee     | \$35.00  | \$35.00       |
| 9/14/2011 3:20:08AM     | Payment            |               | \$-35.00 | \$0.00        |
| 9/29/2011 10:36:20PM    | Charge             | House Fee     | \$35.00  | \$35.00       |
| 9/29/2011 10:36:30PM    | Payment            |               | \$-35.00 | \$0.00        |
| 10/2/2011 10:35:26PM    | Charge             | House Fee     | \$35.00  | \$35.00       |
| 10/2/2011 10:36:02PM    | Payment            |               | \$-35,00 | \$0.00        |
| 10/5/2011 1:08:17AM     | Charge             | House Fce     | \$35.00  | \$35.00       |
| 10/5/2011 1:08:45AM     | Payment            |               | \$-35.00 | \$0,00        |
| 10/7/2011 1:16:02AM     | Charge             | House Fee     | \$35.00  | \$35.00       |
| 10/7/2011 1:16:26AM     | Payment            |               | S-35.00  | \$0.00        |
| 10/9/2011 2:15:22AM     | Charge             | House Fee     | \$35.00  | \$35.00       |
| 10/9/2011 2:15:31AM     | Payment            |               | \$-35,00 | 20.00         |
| 10/17/2011 10:37:11PM   | Charge             | House Fee     | \$35,00  | \$35,00       |
| 10/17/2011   10:42:43PM | Payment            |               | \$-35.00 | \$0.00        |
| 10/19/2011 11:48:27PM   | Charge             | House Fee     | \$35.00  | \$35.00       |
| 10/19/2011 11:48:52PM   | Payment            |               | \$-35,00 | \$0.00        |
| 10/29/2011 3:09:43AM    | Charge             | House Fee     | \$35.00  | \$35.00       |
| 10/29/2011 3:10:11AM    | Charge             | nsp           | \$35,00  | \$70.00       |
| 10/29/2011 3:10:18AM    | Payment            |               | \$-35.00 | \$35,00       |
|                         |                    |               |          | RR0604        |

#### Entertainer Charge Summary

1860311 Zocy

| DATE                  | TYPE       | REASON    |           | AMOUNT   | Running Total |
|-----------------------|------------|-----------|-----------|----------|---------------|
| 10/29/2011 3:10:18AM  | Payment    |           |           | \$-35.00 | \$0.00        |
| 10/31/2011 12:05:19AM | Charge     | House Fee |           | \$35.00  | \$35.00       |
| 10/31/2011 12:05:57AM | Adjustment | nsf       |           | \$-35.00 | \$0.00        |
| 11/2/2011 1:21:41AM   | Charge     | House Fee |           | \$35.00  | \$35.00       |
| 11/2/2011 1:22:01AM   | Payment    |           |           | \$-35,00 | \$0.00        |
| 11/5/2011 1:20:04AM   | Charge     | House Fee |           | \$70.00  | \$70.00       |
| 11/5/2011 1:21:31AM   | Payment    |           |           | \$-70.00 | \$0.00        |
|                       |            |           | Total Due | 80.08    |               |

RR0605

### PLAINTIFF STACIE ALLEN

#### Russell Road F & B

Page 1 of 3

### Entertainer Charge Summary Between

8/28/06 1:00 pm and 8/29/15 12:59 pm

| 1459027     | Carrie Jo  |            |              |           |               |
|-------------|------------|------------|--------------|-----------|---------------|
| DATE        |            | TYPE       | REASON       | AMOUNT    | Running Total |
| 1/2/2007    | 10:07:27PM | Charge     | House Fee    | 00,0E2    | \$30.00       |
| 1/4/2007    | 8:29:45PM  | Charge     | House Fee    | \$30,00   | \$60.00       |
| 1/4/2007    | 8:30:40PM  | Payment    |              | \$-30.00  | \$30.00       |
| 5/4/2007    | 11:28:55PM | Charge     | House Fee    | \$50,00   | 00.082        |
| 8/28/2007   | 8:41:54PM  | Charge     | House Fee    | \$30,00   | \$110.00      |
| 11/8/2007   | 6:11:21PM  | Charge     | House Fee    | \$60.00   | \$170.00      |
| 11/8/2007   | 6:11:26PM  | Payment    |              | \$-10.00  | \$160.00      |
| 11/9/2007   | 7;58;00PM  | Charge     | House Fee    | \$60,00   | \$220.00      |
| 11/9/2007   | 7:58:27PM  | Payment    |              | \$-40.00  | \$180.00      |
| 11/9/2007   | 7:58:27PM  | Payment    |              | \$-20.00  | \$160.00      |
| 11/9/2007   | 11:36:27PM | Adjustment | locals party | \$-50,00  | \$110.00      |
| 11/23/2007  | 8:27:48PM  | Charge     | House Fee    | \$60.00   | \$170.00      |
| 11/23/2007  | 8:28:31PM  | Payment    |              | \$-50.00  | \$120.00      |
| 11/23/2007  | 8:28:31PM  | Payment    |              | \$-10.00  | \$110.00      |
| 12/8/2007   | 6:28:49PM  | Charge     | House Fee    | \$60,00   | \$170.00      |
| 12/8/2007   | 6:28:59PM  | Payment    |              | \$-10.00  | \$160.00      |
| 12/8/2007   | 6:28:59PM  | Payment    |              | \$-50.00  | \$110.00      |
| 12/15/2007  | 8:37:50PM  | Charge     | House Fee    | \$60.00   | \$170.00      |
| 12/15/2007  | 8:39:10PM  | Adjustment | migule       | \$-40.00  | \$130.00      |
| 12/15/2007  | 8:39:30PM  | Payment    |              | \$-10,00  | \$120.00      |
| 12/15/2007  | 8:39:30PM  | Payment    |              | \$-10.00  | \$110.00      |
| 12/15/2007  | 8:40:11PM  | Adjustment | miglue       | \$-110.00 | \$0.00        |
| 12/21/2007  | 9:50:36PM  | Charge     | House lice   | \$60.00   | \$60.00       |
| 12/21/2007  | 9:50:42PM  | Payment    |              | \$-60,00  | \$0.00        |
| 1/3/2008 8  | :29:33PM   | Charge     | House Fee    | \$60.00   | \$60.00       |
| 1/3/2008 8  | :29:38PM   | Payment    |              | S-20.00   | \$40.00       |
| 1/4/2008 9: | :01:36PM   | Charge     | House Fee    | \$60.00   | \$100,00      |
| 1/4/2008 9: | :01:46PM   | Payment    |              | \$-20.00  | 00.082        |
| 1/6/2008 6: | 43:21PM    | Charge     | House Fee    | \$40.00   | \$120.00      |
| 1/6/2008 6: | 43:26PM    | Payment    |              | S-20,00   | 2100.00       |
| 1/7/2008 11 | :29:12PM   | Charge     | House Fee    | \$40,00   | \$140,00      |
| 1/8/2008 2: | 18:22AM    | Payment    |              | \$-20,00  | \$120.00      |
| 6/6/2008 10 | :05:39PM   | Charge     | House Fee    | \$60,00   | \$180.00      |
| 6/6/2008 10 | :05;44PM   | Payment    |              | \$-20.08  | \$160.00      |
| 6/6/2008 10 | :05:44PM   | Payment    |              | S-40.60   | \$120.00      |
|             |            |            |              |           |               |

RR0085

#### Russell Road F & B

Page 2 of 3

### Entertainer Charge Summary Between

8/28/06 1:00 pm and 8/29/15 12:59 pm

| 1459027      | Carrie Jo  |            |                |          |               |
|--------------|------------|------------|----------------|----------|---------------|
| DATE         |            | TYPE       | REASON         | AMOUNT   | Running Total |
| 6/11/2008    | 9:38:25PM  | Charge     | House Fee      | \$60,00  | \$180,00      |
| 6/11/2008    | 9:38:34PM  | Payment    |                | \$-20.00 | \$160.00      |
| 6/11/2008    | 9:38:34PM  | Payment    |                | S-40.00  | \$120.00      |
| 6/12/2008    | 3:00;31AM  | Adjustment | clear out fees | S-120.00 | \$0.00        |
| 6/25/2008    | 12:54:29AM | Charge     | House Fee      | 260.00   | \$60.00       |
| 6/25/2008    | 3:52:38AM  | Payment    |                | \$-60.00 | \$0.00        |
| 6/25/2008    | 9:19:15PM  | Charge     | House Fee      | \$60.00  | \$60.00       |
| 6/25/2008    | 9:19:20PM  | Payment    |                | \$-60.00 | \$0.00        |
| 10/1/2008    | 9:13:23PM  | Charge     | House Fee      | \$40,00  | \$40.00       |
| 10/1/2008    | 9:14:39PM  | Payment    |                | \$-40.00 | \$0.00        |
| 6/9/2009     | 9:54:12PM  | Charge     | House Fee      | \$50.00  | \$50.00       |
| 6/9/2009 1   | 1:42:52PM  | Adjustment | lst night comp | \$-50.00 | 20,00         |
| 6/13/2009    | 1:19:06AM  | Charge     | House Fee      | \$50.00  | \$50.00       |
| 6/13/2009    | 1:19:43AM  | Payment    |                | \$-50.00 | \$0.00        |
| 6/13/2009    | 9:18:39PM  | Charge     | House Fee      | \$50.00  | \$50.00       |
| 6/13/2009    | 9:18:54PM  | Payment    |                | \$-50.00 | 50,00         |
| 6/19/2009    | 9:29:04PM  | Charge     | House Fee      | \$50.00  | \$50.00       |
| 6/19/2009    | 9:29:09PM  | Payment    |                | \$-50.00 | \$0.00        |
| 6/19/2009    | 9:29:39PM  | Charge     | Off Singe Fee  | \$40.00  | \$40.00       |
| 6/20/2009    | 1:56:19AM  | Payment    |                | \$-40.00 | \$0.00        |
| 6/20/2009    | 9:26:22PM  | Charge     | House Ree      | \$50.00  | \$50.00       |
| 6/20/2009    | 9:26:29PM  | Payment    |                | S-50.00  | \$0.00        |
| 6/21/2009 1  | 12:11:54AM | Charge     | Off Stage Fee  | \$40.00  | \$40.00       |
| 6/21/2009 1  | 12:12:04AM | Payment    |                | S-40.00  | \$0.00        |
| 1/29/2011    | 8:44:35PM  | Charge     | House Fee      | 350.00   | \$50.00       |
| 1/29/2011    | 8:45:00PM  | Charge     | Off Stage Fee  | \$40,00  | \$90.00       |
| 1/29/2011    | 8:45:08PM  | Payment    |                | \$-50.00 | \$40.00       |
| 1/29/2011    | 8:45:08PM  | Payment    |                | \$-40.00 | \$0.00        |
| 4/12/2011 1  | 0:37:47PM  | Charge     | Off Stage Fee  | \$40.00  | \$40.00       |
| 4/12/2011 1  | 0:37;54PM  | Payment    |                | \$-40.00 | \$0.00        |
| 5/27/2011 1  | 0:32:12PM  | Charge     | House Fee      | \$70.00  | \$70.00       |
| 5/27/2011 1  | 0:32:23PM  | Payment    |                | \$-50.00 | \$20.00       |
| 5/28/2011 5  | 5:00:59AM  | Payment    |                | S-20.00  | \$0.00        |
| 5/28/2011 1  | 0:50:40PM  | Charge     | House Fee      | \$35.00  | \$35.00       |
| 5/28/2011 10 | 0:50:47PM  | Payment    |                | \$-35,00 | \$0.00        |

RR0086

8/29/2015

#### Russell Road F & B

Page 3 of 3

### Entertainer Charge Summary Between

8/28/06 1:00 pm and 8/29/15 12:59 pm

| 1459027        | Carrie Jo |         |           |           |          |               |
|----------------|-----------|---------|-----------|-----------|----------|---------------|
| DATE           |           | TYPE    | REASON    |           | AMOUNT   | Running Total |
| 6/3/2011 10:5  | 2:35PM    | Charge  | House Fee |           | S70.00   | \$70.00       |
| 6/3/2011 10:53 | 2:44PM    | Payment |           |           | S-70.00  | \$0.00        |
| 6/11/2011 9:4  | 14:29PM   | Charge  | House Fee |           | \$35,00  | \$35.00       |
| 6/11/2011 9:4  | 4:50PM    | Payment |           |           | \$-35,00 | \$0,00        |
| 6/25/2011 9:2  | 0:37PM    | Charge  | House Fee |           | \$35.00  | \$35,00       |
| 6/25/2011 9:2  | 1:19PM    | Payment |           |           | \$-35.00 | \$0.00        |
| 7/9/2011 9:36  | :51PM     | Charge  | House Fee |           | \$35.00  | \$35.00       |
| 7/9/2011 11:28 | 3:46PM    | Payment |           |           | \$-35.00 | 80.00         |
|                |           |         |           | Total Due | \$0.00   |               |

8/29/2015

#### Russell Road F & B

Page 1 of 1

Dance Dollar Report

For

Stacie Allen (1459027) - Carrie In

2005

Amount

\$6,120.00

2007

Amount

\$1,296.00

2008

Amount

\$1,800.00

2013

Amount

\$3,672.00

Grand Totals:

\$12,888.00

RR0088

# Exhibit "2"

| 1   | DDW   |  |
|-----|---|--|
|     | Ryan M. Anderson (NV Bar No. 11040)                                   |  |
| 2   | Daniel R. Price (NV Bar No. 13564)                                    |  |
|     | Morris // Anderson  |  |
| 3   | 716 S. Jones Bívá   |  |
|     | Las Vegas, Nevada 89107   |  |
| 4   | Phone: (702) 333-1111   |  |
|     | Fax: (702) 507-0092   |  |
| 5   | ryan@morrisandersonlaw.com  |  |
|     | daniel@morrisandersonlaw.com  |  |
| 6   |   |  |
|     | P. Andrew Sterling (NV Bar No. 13769)                                 |  |
| 7   | Michael J. Rusing (AZ Bar 6617) (Admitted                             | Pro Hac Vice)  |
|     | RUSING LOPEZ & LIZARDI, PLLC  |  |
| 8   | 6363 North Swan Road, Suite 151                                       |  |
| _   | Tucson, Arizona 85718   |  |
| 9   | Phone: (520) 792-4800   |  |
|     | Fax: (520) 529-4262   |  |
| 10  | rusinglopez@rllaz.com   |  |
|     | Attorneys for Plaintiffs  |  |
| 11  | Diempion couper   | א או אינייני פוער |
| 10  | 1   | OF THE STATE OF NEVADA<br>R CLARK COUNTY   |
| 12  | IN AND FO   | R CLARK COUNTY   |
| 13  | JACQUELINE FRANKLIN, ASHLEIGH   |  |
| 13  | PARK, LILY SHEPARD, STACIE  |  |
| 14  | ALLEN, MICHAELA DIVINE,   | CASE NO.: A-14-709372-C  |
| 17  | VERONICA VAN WOODSEN,   | DEPT. NO.: XXXI  |
| 15  | SAMANTHA JONES, KARINA<br>STRELKOVA, LASHONDA STEWART,                |  |
|     | DANIELLE LAMAR and DIRUBIN  |  |
| 16  | TAMAYO individually, and on behalf of                                 | PLAINTIFFS' INITIAL DISCLOSURE OF  |
|     | Class of similarly situated individuals,                              | DOCUMENTS AND WITNESSES  |
| 17  | 4 Jan   | PURSUANT TO NRCP 16.1  |
|     | Plaintiffs,   |  |
| 18  | ν.  |  |
|     | <b>y.</b>   |  |
| 19  | RUSSELL ROAD FOOD AND   |  |
|     | BEVERAGE, LLC, a Nevada limited                                       |  |
| 20  | liability company (d/b/a CRAZY HORSE                                  |  |
|     | III GENTLEMEN'S CLUB) SN  |  |
| 21  | INVESTMENT PROPERTIES, LLC, a Nevada limited liability company (d/b/a |  |
|     | CRAZY HORSE III GENTLEMEN'S   |  |
| 22  | CLUB), DOE CLUB OWNER, I-X, DOE                                       |  |
|     | EMPLOYER, I-X, ROE CLUB OWNER,  |  |
| 23  | I-X, and ROE EMPLOYER, I-X,   |  |
|     | <b>7</b> 0 1  |  |
| 24  | Defendants.   |  |
|     |   |  |
|     |   | <u>1</u>   |
| - 1 | l e e e e e e e e e e e e e e e e e e e                               | -  |

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### PLAINTIFFS' INITIAL DISCLOSURE OF DOCUMENTS AND WITNESSES PURSUANT TO NRCP 16.1

Plaintiffs by and through their counsel, Ryan M. Anderson and Daniel R. Price of the law firm of MORRIS ANDERSON LAW, and Michael J. Rusing and P. Andrew Sterling of the law firm of RUSING LOPEZ & LIZARDI, P.L.L.C., hereby submit their list of witnesses and documents pursuant to NRCP 16.1.

#### **DOCUMENTS**

#### **INITIAL PRODUCTION:**

#### A. INITIAL EXHIBITS

1-100 Reserved for future use.

Plaintiffs reserve the right to submit as an exhibit any document or tangible item identified by any other party in this action or obtained from any third party. Plaintiffs further reserve the right to amend and/or supplement this list of documents or tangible items as discovery proceeds.

In addition, neither inclusion of any documents or tangible items within this disclosure nor acceptance of documents provided by any other party hereto in a disclosure shall be deemed as a wavier by Plaintiffs of any evidentiary rights Plaintiffs may have with respect to those documents and/or tangible items, including, but not limited to, objections related to authenticity, materiality, relevance, foundation, hearsay, or any other rights as may be permitted pursuant to the Nevada Rules of Evidence.

II.

#### **WITNESSES**

 JACQUELINE FRANKLIN, Plaintiff c/o MORRIS ANDERSON 716 S. Jones Blvd. Las Vegas, Nevada 89107

Ms. Franklin is a Plaintiff in the instant litigation and expected to provide testimony as to the facts and circumstances relative to Plaintiffs' claims and damages in this matter.

| 1  | 2. ASHLEIGH PARK, Plaintiff   |
|----|---|
| 2  | c/o MORRIS ANDERSON<br>716 S. Jones Blvd.   |
| 3  | Las Vegas, Nevada 89107   |
| 4  | Ms. Park is a Plaintiff in the instant litigation and expected to provide testimony as to the facts |
| 5  | and circumstances relative to Plaintiffs' claims and damages in this matter.                        |
| 6  | 3. LILY SHEPHARD, Plaintiff c/o MORRIS ANDERSON   |
| 7  | 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107   |
| 8  | Ms. Shephard is a Plaintiff in the instant litigation and expected to provide testimony as to the   |
| 9  | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                  |
| 10 | 4. STACIE ALLEN, Plaintiff c/o MORRIS ANDERSON  |
| 11 | 716 S. Jones Blvd.  Las Vegas, Nevada 89107   |
| 12 | Ms. Allen is a Plaintiff in the instant litigation and expected to provide testimony as to the      |
| 13 | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                  |
| 14 | 5. MICHAELA DIVINE, Plaintiff   |
| 15 | c/o MORRIS ANDERSON 716 S. Jones Blvd.  |
| 16 | Las Vegas, Nevada 89107   |
| 17 | Ms. Divine is a Plaintiff in the instant litigation and expected to provide testimony as to the     |
| 18 | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                  |
| 19 | 6. VERONICA VAN WOODSEN, Plaintiff<br>c/o MORRIS ANDERSON   |
| 20 | 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107   |
| 21 | Ms. Van Woodsen is a Plaintiff in the instant litigation and expected to provide testimony          |
| 22 | as to the facts and circumstances relative to Plaintiffs' claims and damages in this matter.        |
| 23 |   |
| 24 |   |

| 1  | 7. SAMANTHA JONES, Plaintiff  |
|----|---|
| 2  | c/o MORRIS ANDERSON 716 S. Jones Blvd. Tag Vegga Neveda 80107   |
| 3  | Las Vegas, Nevada 89107  Ms. Jones is a Plaintiff in the instant litigation and expected to provide testimony as to the |
| 4  |   |
| 5  | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                                      |
| 6  | 8. KARINA STRELKOVA, Plaintiff<br>c/o MORRIS ANDERSON   |
| 7  | 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107   |
| 8  | Ms. Strelkova is a Plaintiff in the instant litigation and expected to provide testimony as to                          |
| 9  | the facts and circumstances relative to Plaintiffs' claims and damages in this matter.                                  |
| 10 | 9. LASHONDA STEWART, Plaintiff<br>c/o MORRIS ANDERSON   |
| 11 | 716 S. Jones Blvd. Las Vegas, Nevada 89107  |
| 12 |   |
| 13 | Ms. Stewart is a Plaintiff in the instant litigation and expected to provide testimony as to                            |
| 14 | the facts and circumstances relative to Plaintiffs' claims and damages in this matter.                                  |
| 15 | 10. DANIELLE LAMAR, Plaintiff c/o MORRIS ANDERSON   |
| 16 | 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107   |
| 17 | Ms. Lamar is a Plaintiff in the instant litigation and expected to provide testimony as to the                          |
| 18 | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                                      |
| 19 | 11. DIRUBIN TAMAYO, Plaintiff c/o MORRIS ANDERSON   |
| 20 | 716 S. Jones Blvd.  |
| 21 | Las Vegas, Nevada 89107   |
| 22 | Ms. Tamayo is a Plaintiff in the instant litigation and expected to provide testimony as to the                         |
| 23 | facts and circumstances relative to Plaintiffs' claims and damages in this matter.                                      |
| 24 | ///   |
| I  |   |

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|-----|-----------|
| 2   |           |
| 3   |           |
| 4   |           |
| 5   |           |
| 6   |           |
| 7   | provide   |
| 8   | matter.   |
| 9   |           |
| 10  | purpose   |
| 11  |           |
| 12  | to utiliz |
| 13  |           |
| 14  | 16.1(a)(  |
| 15  |           |
| 16  |           |
| 17  |           |
| 18  |           |
| 19  |           |
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12. Person(s) Most Knowledgeable for RUSSELL ROAD FOOD AND BEVARAGE, LLC, Defendant c/o KAMER ZUCKER ABBOTT 3000 West Charleston Blvd. #3
Las Vegas, NV 89102
and
c/o MORAN BRANDON BENDAVID MORN 630 South 4th Street

Las Vegas, NV 89101

The Person(s) Most Knowledgeable is/are a Defendant(s) in this action and is/are expected to ovide testimony as to the facts and circumstances relative to Plaintiffs' claims and damages in this

Plaintiffs hereby reserve the right to name any other witness as may be necessary for the purpose of rebuttal and/or impeachment.

Plaintiffs further reserve the right to name additional witnesses should they become known and to utilize any witnesses named by Defendant.

Plaintiffs will make disclosure(s) with respect to expert witnesses as provided by NRCP 16.1(a)(2) after such experts are retained.

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### NRCP 16.1(A)(1)(C) COMPUTATION OF DAMAGES

NRCP 16.1(a)(1)(C) states in pertinent part as follows:

"A computation of any category of damages claimed by the disclosing party, making available for inspection and copying under Rule 34 the documents or other evidentiary matter, not privileged or protected from disclosure, on which such computation is based, including materials bearing on the nature and extent of injuries suffered."

Defendant is in possession of all documents and other evidentiary matter on which Plaintiffs' damage computation is based. Plaintiffs' damages include, but are not limited to unpaid wages (prevailing minimum wage for all hours reflected in the log-in and log-out records for each of them during the relevant class period); all funds collected and withheld from Plaintiffs by Defendant

including all fees and fines collected and withheld for any reason; all amounts retained by Defendant for Plaintiffs' redemption of any "Dance Dollars" or any other such in-house vouchers; penalty payment pursuant to 608.040 and 608.050; pre and post judgment interest on such sums at the highest rate permitted by law; and attorney fees and costs.

As discovery has not yet begun, Plaintiffs believe that Defendant possesses much of the documents that will establish Plaintiffs' damages, and Plaintiffs therefore have estimated their damages above. From the facts Plaintiffs do have, the damages are in the millions of dollars. Plaintiffs reserve the right to revise this computation of damages as Plaintiffs continue to ascertain the same through discovery.

Plaintiffs reserve all rights to seek other damages including, but not limited to, general damages, in an amount to be proved at trial.

Plaintiffs reserve the right to supplement this Computation of Damages including any and all other relevant documents and records, which come into their possession during discovery.

IV.

### **DEMONSTRATIVE EXHIBITS**

Plaintiffs may offer at trial, certain exhibits for demonstrative purposes including, but not limited to, the following:

- a. Charts;
- b. Photographs;
- c. Story boards and computer digitized power point images; and
- d. Blow-ups/transparencies/digitized images of records, agreements, photographs and other exhibits.

Plaintiffs reserve the right to supplement these disclosures with any and all other relevant information and documents and records that come into their possession during discovery.

Plaintiffs further reserve the right to use any and all of any other parties' exhibits at the time of trial of this matter.

### OBJECTIONS TO THE AUTHENTICITY OF DOCUMENTS PRODUCED

Pursuant to N.R.C.P. 16.1(c)(3), Plaintiffs may object to the authenticity of any documents produced by the parties without proper authentication from the custodian of records or the opportunity to inspect the originals from which they were produced.

Plaintiffs reserve the right to utilize any and all responses to Interrogatories, Requests for Production and Requests for Admissions from Defendant.

Plaintiffs reserve the right to supplement this list of documents as information becomes available. Plaintiffs further reserve the right to utilize any documents produced by Defendant.

DATED this 13th day of January, 2016.

### MORRIS ANDERSON LAW

By: /s/ Daniel R. Price
RYAN M. ANDERSON, ESQ.
Nevada Bar No. 11040
DANIEL R. PRICE, ESQ.
Nevada Bar No. 13564
716 S. Jones Blvd.
Las Vegas, Nevada 89107

P. Andrew Sterling (NV Bar 13769)
Michael J. Rusing (AZ Bar 6617) (Admitted Pro Hac Vice)
RUSING LOPEZ & LIZARDI, PLLC
6363 North Swan Road, Suite 151
Tucson, Arizona 85718
Attorneys for Plaintiffs

### CERTIFICATE OF SERVICE 1 Pursuant to NRCP 5(b), I certify that I am an employee of MORRIS ANDERSON LAW, 2 and that on this 13th day of January, 2016, I served a copy of the foregoing PLAINTIFFS' INITIAL 3 DISCLOSURE OF DOCUMENTS AND WITNESSES PURSUANT TO NRCP 16.1 by serving a 4 5 true copy thereof via the Court's electronic system upon the following: 6 Gregory J. Kamer, Esq. Kaitlin H. Ziegler, Esq. KAMER ZUCKER ABBOTT 7 3000 W. Charleston Blvd., Suite 3 8 Las Vegas, NV 89102 9 Jeffery A. Bendavid, Esq. MORAN BRANDON BENDAVID MORAN 10 630 S. 4th Street Las Vegas, NV 89101 Attorneys for Defendant Russell Road Food and Beverage, LLC 11 12 13 /s/ Marilyn A. Abel An employee of MORRIS ANDERSON 14 15 16 17 18 19 20 21 22 23 24

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1 SUPP RYAN M. ANDERSON, ESQ. 2 Nevada Bar No.: 11040 LAUREN CALVERT, ESQ. Nevada Bar No.: 10534 MORRIS//ANDERSON 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. Arizona Bar No.: 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllsz.com 13 Attorneys for Plaintiffs DISTRICT COURT 14 15 CLARK COUNTY, NEVADA 16 JACOUELINE FRANKLIN, ASHLEIGH PARŘ, LILY SHEPARD, STACIE ALLEN, 17 VERONICA VAN CASE NO.: A-14-709372-C MICHAELA DIVINE, DEPT. NO.: XXXI WOODSEN, SAMANTHA JONES, KARINA 18 STRELKOVA, LASHONDA STEWART. DANIELLE LAMAR and DIRUBIN TAMAYO 19 individually, and on behalf of Class of similarly situated individuals, 20 Plaintiffs, 21 ٧. 22 PLAINTIFFS' FIRST RUSSELL ROAD FOOD AND BEVERAGE, SUPPLEMENTAL DISCLOSURE OF 23 LLC, a Nevada limited liability company (d/b/a DOCUMENTS AND WITNESSES CRAZY HORSE III GENTLEMEN'S CLUB) 24 PURSUANT TO NRCP 16.1 SN INVESTMENT PROPERTIES, LLC, a Nevada limited liability company (d/b/a CRAZY 25 HORSE III GENTLEMEN'S CLUB), DOE CLUB OWNER, I-X, DOE EMPLOYER, I-X, 26 CLUB OWNER, I-X, and ROE ROE EMPLOYER, I-X, 27 28 Defendants.

Page 1 of 8

# PLAINTIFFS' FIRST SUPPLEMENTAL DISCLOSURE OF DOCUMENTS AND WITNESSES PURSUANT TO NRCP 16.1

Plaintiffs, by and through their counsel, RYAN M. ANDERSON, ESQ., and LAUREN CALVERT, ESQ., with the Law Offices of MORRIS//ANDERSON, and P. ANDREW STERLING, ESQ., and MICHAEL J. RUSING, ESQ., with the Law Offices of RUSING LOPEZ & LIZARDI, PLLC, hereby submits their supplemental list of witnesses and documents pursuant to NRCP 16.1 as follows:

Supplement in Bold:

### **DOCUMENTS**

### **INITIAL PRODUCTION:**

### A. INITIAL EXHIBITS

- 1. Deposition Transcript of Keith Ragano Case No.: 2:2015-cv-01440. (Bates Stamped PLTF0001 PLTF0117)
- 2. Color Photograph Shower Rules. (Bates Stamped PLTF0118)
- 3. Dance Dollar and Payment Receipts. (Bates Stamped PLTF0119 PLTF0128)
- 4. Sheriff's Card Karina Strelkova. (Bates Stamped PLTF0129)

5-100 Reserved for future use.

Plaintiffs reserve the right to submit as an exhibit any document or tangible item identified by any other party in this action or obtained from any third party. Plaintiffs further reserve the right to amend and/or supplement this list of documents or tangible items as discovery proceeds.

In addition, neither inclusion of any documents or tangible items within this disclosure nor acceptance of documents provided by any other party hereto in a disclosure shall be deemed as a wavier by Plaintiffs of any evidentiary rights Plaintiffs may have with respect to those documents and/or tangible items, including, but not limited to, objections related to authenticity, materiality,

| 1                                       | relevance, foundation, hearsay, or any other rights as may be permitted pursuant to the Nevada    |
|---|---|
| 2                                       | Rules of Evidence.  |
| 3                                       | ĬĬ.   |
| 4                                       |   |
| 5                                       | WITNESSES   |
| 6                                       | 1. JACQUELINE FRANKLIN, Plaintiff c/o MORRIS//ANDERSON  |
| 7                                       | 716 S. Jones Blvd.  |
| 8                                       | Las Vegas, Nevada 89107   |
| 9                                       | Ms. Franklin is a Plaintiff in the instant litigation and expected to provide testimony as to the |
| 10                                      | facts and circumstances surrounding this incident and the injuries she received.                  |
| 11                                      | 2. ASHLEIGH PARK, Plaintiff   |
| 12                                      | c/o MORRIS//ANDERSON<br>716 S. Jones Blvd.  |
| 13                                      | Las Vegas, Nevada 89107   |
| 14                                      | Ms. Park is a Plaintiff in the instant litigation and expected to provide testimony as to the     |
| 15                                      | facts and circumstances surrounding this incident and the injuries she received.                  |
| 16                                      | 3. LILY SHEPHARD, Plaintiff   |
| 17                                      | c/o MORRIS//ANDERSON  |
| 18                                      | 716 S. Jones Blvd.<br>Las Vegas, Nevada 89107   |
| 19                                      | Ms. Shephard is a Plaintiff in the instant litigation and expected to provide testimony as to     |
| 20                                      | the facts and circumstances surrounding this incident and the injuries she received.              |
| 21                                      |   |
| 22                                      | 4. STACIE ALLEN, Plaintiff c/o MORRIS//ANDERSON   |
| 23                                      | 716 S. Jones Blvd.  |
| 24                                      | Las Vegas, Nevada 89107   |
| 25                                      | Ms. Allen is a Plaintiff in the instant litigation and expected to provide testimony as to the    |
| 26                                      | facts and circumstances surrounding this incident and the injuries she received                   |
| 27                                      | 5. MICHAELA DIVINE, Plaintiff   |
| 28                                      | c/o MORRIS//ANDERSON 716 S. Jones Blvd.   |
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | Las Vegas, Nevada 89107 Page 3 of 8   |
| 1                                       | 1 age 5 01 6  |

Page 4 of 8

Plaintiffs hereby incorporate all expert witness lists propounded by the Defendant and reserve the right to call rebuttal witnesses to any expert witness called by the Defendant at time of trial. Plaintiffs also reserve the right to name any other witness as may be necessary for the purpose of rebuttal and/or impeachment.

Plaintiffs further reserve the right to name additional witnesses should they become known.

Plaintiffs further reserve the right to utilize any witnesses named by Defendant.

### III.

### NRCP 16.1(A)(1)(C) COMPUTATION OF DAMAGES

NRCP 16.1(a)(1)(C) states in pertinent part as follows:

"A computation of any category of damages claimed by the disclosing party, making available for inspection and copying under Rule 34 the documents or other evidentiary matter, not privileged or protected from disclosure, on which such computation is based, including materials bearing on the nature and extent of injuries suffered."

Defendant is in possession of all documents and other evidentiary matter on which Plaintiffs' damage computation is based. Plaintiffs' damages include, but are not limited to unpaid wages (prevailing minimum wage for all hours reflected in the log-in and log-out records for each of them during the relevant class period); all funds collected and withheld from Plaintiffs by Defendant including all fees and fines collected and withheld for any reason; all amounts retained by Defendant for Plaintiffs' redemption of any and all in-house or any other such vouchers; penalty payment pursuant to 608.040 and 608.050; pre and post judgment interest on such sums at the highest rate permitted by law; attorney fees and costs; and exemplary damages.

As discovery has not yet begun, Plaintiffs believe that Defendant possesses much of the documents that will establish Plaintiffs damages, and Plaintiffs therefore have estimated their damages above. Plaintiffs reserve the right to revise this computation of damages as Plaintiffs continue to ascertain the same through discovery.

Plaintiffs reserve all rights to seek other damages including, but not limited to, general and exemplary damages, in an amount to be proved at trial.

Plaintiffs reserve the right to supplement this Computation of Damages including any and all other relevant documents and records, which come into their possession during discovery.

IV.

### **DEMONSTRATIVE EXHIBITS**

Plaintiffs may offer at trial, certain Exhibits for demonstrative purposes including, but not limited to, the following:

- a. Charts depicting Plaintiffs' damages;
- b. Photographs of Plaintiffs' Witnesses;
- c. Story boards and computer digitized power point images; and
- d. Blow-ups/transparencies/digitized images of records, agreements, photographs and other exhibits.

Plaintiffs reserve the right to supplement these disclosures with any and all other relevant information and documents and records that come into their possession during discovery.

Plaintiffs further reserve the right to use any and all of any other parties' exhibits at the time of trial of this matter.

### OBJECTIONS TO THE AUTHENTICITY OF DOCUMENTS PRODUCED

Pursuant to N.R.C.P. 16.1(c)(3), Plaintiffs may object to the authenticity of any documents produced by the parties without proper authentication from the custodian of records or the opportunity to inspect the originals from which they were produced.

Plaintiffs reserve the right to utilize any and all responses to Interrogatories, Requests for Production and Requests for Admissions from Defendant.

/// ///

Plaintiffs reserve the right to supplement this list of documents as information becomes 1 2 available. Plaintiffs further reserve the right to utilize any documents produced by Defendant. 3 DATED this 21st day of February, 2017. 4 MORRIS//ANDERSON 5 /s/ Lauren Calvert, Esq. 6 RYAN M. ANDERSON, ESQ. Nevada Bar No.: 11040 7 LAUREN CALVERT, ESQ. 8 Nevada Bar No.: 10534 716 S. Jones Blvd. 9 Las Vegas, Nevada 89107 10 P. ANDREW STERLING, ESQ. 11 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. 12 Arizona Bar No.: 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 13 6363 North Swan Road, Suite 151 Tucson, Arizona 85718 14 15 Attorneys for Plaintiffs 16 17 18 19 20 21 22 23 24 25 26 27 28

Page 7 of 8

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1 **SUPP** RYAN M. ANDERSON, ESQ. 2 Nevada Bar No.: 11040 LAUREN CALVERT, ESQ. 3 Nevada Bar No.: 10534 4 **MORRIS//ANDERSON** 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. 9 Arizona Bar No.: 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllaz.com mrusing@rllaz.com 13 Attorneys for Plaintiffs 14 DISTRICT COURT 15 **CLARK COUNTY, NEVADA** 16 JACOUELINE FRANKLIN, ASHLEIGH PARK, LILY SHEPARD, STACIE ALLEN, 17 MICHAELA DIVINE, VERONICA VAN WOODSEN, SAMANTHA JONES, KARINA 18 STRELKOVA, LASHONDA STEWART, DANIELLE LAMAR and DIRUBIN TAMAYO 19 individually, and on behalf of Class of similarly situated individuals, 20

Plaintiffs,

RUSSELL ROAD FOOD AND BEVERAGE,

LLC, a Nevada limited liability company (d/b/a

CRAZY HORSE III GENTLEMEN'S CLUB)

SN INVESTMENT PROPERTIES, LLC, a Nevada limited liability company (d/b/a CRAZY

HORSE III GENTLEMEN'S CLUB), DOE CLUB OWNER, I-X, DOE EMPLOYER, I-X,

ROE CLUB OWNER, I-X, and ROE

Defendants.

V.

EMPLOYER, I-X,

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PLAINTIFFS' SUPPLEMENTAL
BRIEFING OPPOSING DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT AGAINST PLAINTIFFS
MICHAELA MOORE AND STACIE
ALLEN PURSUANT TO N.R.C.P. 56

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### **MEMORANDUM OF POINTS AND AUTHORITIES**

### I. STATEMENT OF FACTS

This is an action by exotic dancers against the owners of Crazy Horse III Gentlemen's Club (the "Club"), a Las Vegas strip club, for failure to pay a minimum hourly wage as required by Nevada's constitution (Count 1) and for unjust enrichment (Count 2). The Club is owned and operated by Defendant Russell Road Food and Beverage, LLC ("Defendant"). The original Complaint was filed on November 4, 2014. Plaintiff Stacie Allen ("Plaintiff Allen") was added to the instant action in the First Amended Complaint, filed on February 19, 2015. Plaintiff Michaela Moore ("Plaintiff Moore") was added to the instant action in the Second Amended Complaint, filed on July 21, 2015. The Third Amended Complaint was filed on October 2, 2015. The essence of the Complaint is that Plaintiffs are employees of the Club, yet at no time were they paid any wages by Defendants. To the contrary, Defendant charged its dancers a fee to perform at the Club, required dancers to make regular payments to management staff, the disc jockey, and other employees, and assessed fines against the dancers purportedly to enforce various club rules.

On April 11, 2017, Defendant filed its Motion for Summary Judgment contending that Plaintiffs Allen and Moore's claims are barred by the applicable statute of limitations and jurisdictional threshold of \$10,000. At the hearing, this Court determined it would allow the parties to submit supplemental briefing limited solely to the issue of whether subject matter jurisdiction exists over Moore and Allen and if their individual damages are less than \$10,000 each. After the hearing, Defendant filed its Motion to Dismiss the case entirely based upon this argument—that each Plaintiff individually has less than \$10,000 in damages and no subject matter jurisdiction exists.

Discovery has closed in this matter. Plaintiffs' motion to certify class was previously denied, and they currently have pending their renewed motion to certify. This renewed motion for

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certification and Defendant's motion to dismiss are scheduled to be heard on the same day. If class certification is granted, the motion to dismiss premised on subject matter jurisdiction becomes moot.

### II. LEGAL STANDARD

Although we have not previously addressed what standards should guide the district court in determining whether the claimed damages meet the jurisdictional requirement, federal courts apply a "legal certainty" test to determine whether a complaint satisfies the amountin-controversy requirement of diversity jurisdiction under 28 U.S.C. § 1332. In order to dismiss a case based on lack of subject matter jurisdiction, it must appear to a legal certainty that the claim is worth less than the jurisdictional amount. A claim in excess of the requisite amount, made in good faith, satisfies the jurisdictional requirement. A court should be cautious about dismissing a complaint for failing to meet the jurisdictional requirement: "Under the 'legal certainty' test, it should be emphasized, the plaintiff must establish merely that it does not appear to a legal certainty that the claim is below the jurisdictional minimum. Thus, under this standard, courts must be very confident that a party cannot recover the jurisdictional amount before dismissing the case for want of jurisdiction." 15 Moore's § 102.106[1]. We adopt the federal courts' legal certainty test for determining the jurisdictional amount in controversy in Nevada district courts.

*Morrison v. Beach City LLC*, 116 Nev. 34, 38, 991 P.2d 982, 984 (2000) (internal citations omitted) (emphasis added).

In assessing the amount in controversy for threshold jurisdiction purposes, the court assumes the plaintiff will establish liability in all respects. *Campbell v. Vitran Express, Inc.*, 471 Fed. Appx. 646 (9th Cir. 2012). Compensatory damages, punitive damages, injunction and other equitable relief as well as attorneys' fees, if authorized or mandated by statute, are included. *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696, 700 (9th Cir. 2007); *see also Goldberg v. CPC International Inc.*, 678 F.2d 1365, 1367 (9th Cir. 1982) ("attorneys' fees can be taken into account in determining the amount

in controversy if a statute authorizes fees to a successful litigant.)<sup>1</sup> More to the point, where discretionary or mandatory pursuant to statue, attorneys' fees are properly "included in the amount in controversy in a class action." *Lowdermilk v. U.S. Bank*, 479 F.3d 994, 1000 (9th Cir. 2007), citing *Gibson v. Chrysler Corp.*, 261 F.3d 927, 942-43 (9th Cir.2001). Pursuant to the MWA, an employee "who prevails in any action to enforce this section shall be awarded his or her reasonable attorney's fees and costs."

The period of time for which a court reviews the jurisdictional requirement is as of filing, and dismissal of certain claims thereafter cannot destroy jurisdiction. *See Edwards v. Emperor's Garden Rest.*, 122 Nev. 317, 330 n. 38, 130 P.3d 1280, 1288 n. 38 (2006) ("When the district court denied injunctive relief, however, it did not thereby lose its jurisdiction to consider Edwards' claims for monetary damages," which were well below the district court's jurisdictional threshold); *see also United Steel v. Shell Oil Co.*, 602 F.3d 1087, 1091-92 (9th Cir. 2010); *Cunningham Charter Corp. v. Learjet, Inc.*, 592 F.3d 805, 807 (7th Cir. 2010), citing *St. Paul Mercury Indem. v. Red Cab Co.*, 303 U.S. 283, 293-95 (1938) ("jurisdiction once properly invoked is not lost by developments after a suit is filed,") (Posner, J.); *Metz v. Unizan Bank*, 649 F.3d 492, 500-01 (6th Cir. 2011) ("if jurisdiction exists as the time an action is commenced, such jurisdiction may not be divested by subsequent events"). This holds true for a putative class action. *Metz*, 649 F.3d at 500 ("By defining a class action as any civil action 'filed under' Federal Rule of Civil Procedure 23 or similar state statute or rule, it is the time of filing that matters for determining jurisdiction").

<sup>&</sup>lt;sup>1</sup> As a general rule, attorneys' fees are excludable in determining the amount in controversy because, normally, the successful party does not collect his attorneys' fees in addition to or as part of the judgment. There are however, two logical exceptions to this rule: one where the fees are provided for by contract, and two, where a statute mandates or allows the payment of such fees. *Gait G/S v. JSS Scandinavia*, 142 F.3d 1150, 1155-56 (9th Cir.1998); *see also*14 C. Wright A. Miller, Federal Practice and Procedure, § 3712, at 507 (1976).

"Behind the principle that jurisdiction once obtained normally is secure is a desire to minimize expense and delay. If at all possible, therefore, a case should stay in the system that first acquired jurisdiction. It should not be shunted between court systems; litigation is not ping-pong..." *Cunningham*, 592 F.3d at 807. Nevertheless, rather than dismissing a case, if an action is filed in the district court and a district judge determines that the action is properly within the jurisdiction of the justice court pursuant to N.R.S. 4.370, the district judge may transfer original jurisdiction of the action to the justice's court. N.R.S. 3.221. Thus, even in the event this Court finds jurisdiction is properly within justice court for Moore and Allen, original jurisdiction should be transferred there rather than dismissing their suits.

There are only three situations that "clearly meet the legal certainty standard: 1) when the terms of a contract limit the plaintiff's possible recovery; 2) when a specific rule of law or measure of damages limits the amount of damages recoverable; and 3) when independent facts show that the amount of damages was claimed merely to obtain" threshold jurisdiction." *Naffe*, 789 F.3d at 1040 (quotation omitted). Only the third scenario has been raised by Defendant.

Nevada case law demonstrates the importance of class actions in cases where individuals would be otherwise unable to obtain redress because their claims are too small. *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 846, 124 P.3d 530, 537 (2005). Class actions serve a valuable function where a litany of small claims stem from a singular wrong by encouraging efficiency. *Picardi v. Eighth Judicial Dist. Court*, 127 Nev. 106, 251 P.3d 723 (2011). Nevada case law supports this policy, especially when providing multiple plaintiffs, who individually have valid but small claims, with an adequate remedy. *D.R. Horton v. Eighth Judicial Dist. Court*, 125 Nev. 449, 215 P.3d 697 (2009).

In *El Rancho*, Plaintiff and Defendant engaged in 26 separate transactions under 26 different sales contracts. *El Rancho*, *Inc. v. New York Meat & Provision Co.*, 88 Nev. 111, 116, 493 P.2d

1318, 1322 (1972). Several sales contracts were for an amount less than \$300 (the threshold amount for the district court then), and the question was presented whether the district court had jurisdiction as to those. *Id.* The Court held Plaintiffs are "entitled to aggregate the separate claims so that the jurisdictional amount for the district court is obtained." *Id.*, citing *Hartford M. Co. v. H.L. & C. Co.*, 61 Nev. 17, 107 P.2d 132, 114 P.2d 1093 (1941); 13 Cal.Jur.2d 578, Courts § 75 (1954). Nevada's federal district courts likewise hold that plaintiffs can aggregate individual claims to satisfy the amount in controversy requirement. *See U.S. Home Corporation v. Parker-Hansen et al*, 12:11-CV-426 (D. Nev. 2012); *Greystone Nevada, LLC, et. al. v. Anthem Highlands Community Association*, 2:11-cv-1424 (D. Nev. 2011).

Even where aggregation would not be traditionally available, "when several plaintiffs unite to enforce a single title or right in which they have a common and undivided interest, it is enough if their interests collectively equal the jurisdictional amount." *Pinel v. Pinel*, 240 U.S. 594, 596 (1916). Such is the case here, where Plaintiffs seek to ultimately enforce the Nevada Constitution and Minimum Wage Act following systematic employee misclassification. *See Terry v. Sapphire*, 130 Nev. Adv. Op. 87, 336 P. 3d 951 (2014) and *Dancer I-VII v. Golden Coin, Ltd.*, 124 Nev. 28, 32-34, 176 P.3d 271, 274-75 (2008), wherein dancers maintained class actions premised on employee misclassification, despite many having claims under the jurisdictional threshold.

That an individual class member may not receive damages in an amount greater than the jurisdictional minimum threshold is speculative and not case-ending. As in *Golden Coin*, if a plaintiff becomes an unwilling or inappropriate to serve as a class representative, a substitute is permitted to protect "the interests of the class, which has a separate and distinct legal status from that of the representative." *Id.*, 124 Nev. at 34. Even under stringent jurisdictional analysis under CAFA, federal courts may adjudicate claims for less than \$75,000 as long as at least one class

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member satisfies the "legal certainty test" at the \$75,000 threshold. *See Exxon Mobil, Inc. v. Allapattah Servs., Inc.*, 545 U.S. 546, 559 (2005).

Therefore, a putative class action cannot be dismissed prior to the deadline for class certification where the putative class's damages, or at least one class representative's damages, would meet the jurisdictional threshold. Where it is merely apparent (not conclusively proven) that as of the time of filing there is not legal certainty that the claim is below the jurisdictional minimum, a class representative's individual damages later reduced are not dispositive.

Assuming Plaintiffs will establish liability, as the Court must do under the legal certainty test, compensatory damages will be awarded and attorney's fees are mandated. The Court assess this as of the filing of the Complaint, and if jurisdiction attached at that time, it cannot be lost by subsequent actions. Ashleigh Park, as sole named plaintiff, alleged in the Complaint filed on November 4, 2014, that on behalf of herself and a class of other similarly situated persons, thought to be in excess of 3,000 persons (Comp. at ¶ 10), Defendant misclassified dancers at its club as independent contractors, failed to pay a minimum wage and was unjustly enriched. Plaintiff sought damages in excess of \$10,000 (Comp. at ¶40) and attorney's fees. Plaintiffs' First Amended Complaint, filed February 19, 2015, named additional class representatives, but alleged the same bases of liability; number of potential class members; damages in excess of \$10,000 for the class (ACOM at ¶54); and attorney fees. Even if Plaintiffs did not allege the \$10,000 threshold amount in the third amended complaint, it is obvious that \$10,000 divided by the minimum wage of \$8.25 results in approximately 1,212 hours (or about thirty 40-hour weeks) to have been worked since November 6, 2012, exclusive of wait-time penalties, attorney's fees or unjust enrichment damages, spread across 3,000 possible claimants.

Defendant admits the current-named class representatives alone meet this number of hours without even considering the other thousands of affected class members. *See* MTD at 14. Jurisdiction

attaches on this basis alone. The joint maximum amount of penalties pursuant to NRS 608.040 exceeds \$10,000 as well for the named plaintiffs. See MTD at 16. Lastly, the amount of damages resulting from the unjust enrichment claim apart from wages, as calculated by Defendant, exceeds \$10,000 for the named plaintiffs. MTD pp. 20-25. Moreover, Plaintiffs Franklin and Strelkova each meet the \$10,000 threshold independently. Id. The district court undisputedly has original jurisdiction over their claims, which permits the motion for class certification to proceed regardless of the amount of damages of other plaintiffs. If granted, the individualized damages of class members cannot thereafter defeat jurisdiction over class members' claims so long as they fall within the definition of the class (or sub-class).

None of these calculations account for the mandatory award of attorney's fees. Plaintiffs think it sufficient to take judicial notice of the docket in this matter to surmise that the \$10,000 threshold has been exceeded and that such is not unusual in an employment misclassification, given the innate complexities.

#### III. **CONCLUSION**

For the foregoing reasons, Plaintiffs respectfully request that this Court enter an Order Denying Defendant's Motion for Summary Judgment Against Plaintiffs Michaela Moore and Stacie Allen in this matter.

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1 DATED this 15th day of June, 2017. 2 **MORRIS ANDERSON** 3 By: /s/ Lauren Calvert RYAN M. ANDERSON, ESQ. 4 Nevada Bar No.: 11040 5 LAUREN CALVERT, ESQ. Nevada Bar No.: 10534 6 716 S. Jones Blvd. Las Vegas, Nevada 89107 7 8 P. ANDREW STERLING, ESQ. Nevada Bar No.: 13769 9 MICHAEL J. RUSING, ESQ. AZ Bar No.: 6617 (Admitted Pro Hac Vice) 10 **RUSING LOPEZ & LIZARDI, PLLC** 11 6363 N. Swan Road, Ste. 151 Tucson, AZ 85718 12 Attorneys for Plaintiffs 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

| 1   | CERTIFICATE OF SERVICE   |
|---|--|
| 2   | Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee of   |
| 3   | MORRIS ANDERSON, and on the 15th day of June, 2017, I served the foregoing <i>PLAINTIFFS</i> '   |
| 5   | SUPPLEMENTAL BRIEFING OPPOSING DEFENDANT'S MOTION FOR SUMMARY  |
| 6   | JUDGMENT AGAINST PLAINTIFFS MICHAELA MOORE AND STACIE ALLEN PURSUANT   |
| 7   | TO N.R.C.P. 56 as follows:   |
| 8<br>9  | Electronic Service – By serving a copy thereof through the Court's electronic service system; and/or   |
| 10  | U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or  |
| 11<br>12<br>13  | Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile number(s) shown below and in the confirmation sheet filed herewith. Consent to service under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by facsimile transmission is made in writing and sent to the sender via facsimile within 24 hours of receipt of this Certificate of Service. |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li></ul> | Gregory J. Kamer, Esq. KAMER ZUCKER ABBOTT 3000 W. Charleston Blvd., Suite 3 Las Vegas, Nevada 89102   |
| 18<br>19<br>20  | Jeffery A. Bendavid, Esq. MORAN BRANDON BENDAVID MORAN 630 S. 4th Street Las Vegas, Nevada 89101   |
| 21  | Attorneys for Defendants   |
| 22  |  |
| 23  | /s/ Erickson Finch An employee/agent of MORRIS//ANDERSON   |
| 24  |  |
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| 27  |  |
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1 **OPPM** RYAN M. ANDERSON, ESQ. 2 Nevada Bar No. 11040 LAUREN CALVERT, ESQ. 3 Nevada Bar No. 10534 4 **MORRIS ANDERSON** 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No. 13769 MICHAEL J. RUSING, ESQ. 9 Arizona Bar No. 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllaz.com Attorneys for Plaintiffs 13 **DISTRICT COURT** 14 **CLARK COUNTY, NEVADA** 15 JACQUELINE FRANKLIN, ASHLEIGH 16 PARK, LILY SHEPARD, STACIE ALLEN, MICHAELA DIVINE. VERONICA VAN CASE NO.: A-14-709372-C 17 WOODSEN, SAMANTHA JONES, KARINA DEPT. NO.: XXXI STRELKOVA, LASHONDA STEWART. 18 DANIELLE LAMAR and DIRUBIN TAMAYO individually, and on behalf of Class of similarly 19 situated individuals. 20 Plaintiffs. **PLAINTIFFS' OPPOSITION TO** 21 V. **DEFENDANT/COUNTERCLAIMANT** 22 RUSSELL ROAD FOOD AND RUSSELL ROAD FOOD AND BEVERAGE. BEVERAGE, LLC'S MOTION TO LLC, a Nevada limited liability company (d/b/a 23 **DISMISS PLAINTIFFS' COMPLAINT** CRAZY HORSE III GENTLEMEN'S CLUB) PURSUANT TO N.R.C.P. 12(b)(1) AND SN INVESTMENT PROPERTIES, LLC, a 24 Nevada limited liability company (d/b/a CRAZY N.R.C.P. 12(h)(3) HORSE III GENTLEMEN'S CLUB), DOE 25 CLUB OWNER, I-X, DOE EMPLOYER, I-X, ROE CLUB OWNER, I-X, and ROE 26 EMPLOYER, I-X, 27 Defendants.

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1 Plaintiffs, individually and on behalf of all persons similarly situated, hereby file their 2 Opposition to Defendant/Counterclaimant Russell Road Food and Beverage, LLC's Motion to 3 Dismiss Plaintiffs' Complaint Pursuant to N.R.C.P. 12(b)(1) and N.R.C.P. 12(h)(3). 4 This Opposition is based upon the following Memorandum of Points and Authorities and 5 any oral argument this Court may wish to entertain at the hearing of this Motion. 6 DATED this 19th day of June, 2017. 7 8 **MORRIS ANDERSON** 9 By: /s/ Lauren Calvert RYAN M. ANDERSON, ESQ. 10 Nevada Bar No. 11040 11 LAUREN CALVERT, ESQ. Nevada Bar No. 10534 12 716 S. Jones Blvd. Las Vegas, Nevada 89107 13 P. ANDREW STERLING, ESQ. 14 Nevada Bar No. 13769 15 MICHAEL J. RUSING, ESQ. AZ Bar No. 6617 (Admitted Pro Hac Vice) 16 RUSING LOPEZ & LIZARDI, PLLC 6363 N. Swan Road, Ste. 151 17 Tucson, AZ 85718 18 Attorneys for Plaintiffs 19 20 21 22 23 24 25 26 27 28

### MEMORANDUM OF POINTS AND AUTHORITIES

### I. INTRODUCTION

This is an action by exotic dancers against the owners of Crazy Horse III Gentlemen's Club (the "Club"), a Las Vegas strip club, for failure to pay a minimum hourly wage as required by Nevada's constitution (Count 1) and for unjust enrichment (Count 2). The Club is owned and operated by Defendant Russell Road Food and Beverage, LLC ("Defendant"). The original Complaint was filed on November 4, 2014. The Third Amended Complaint was filed on October 2, 2015. The essence of the Complaint is that Plaintiffs are employees of the Club yet at no time were they paid any wages by Defendants. To the contrary, Defendant charged its dancers a fee to perform at the Club, required dancers to make regular payments to management staff, the disc jockey, and other employees, and assessed fines against the dancers purportedly to enforce various club rules.

On April 11, 2017, Plaintiffs and Defendant filed their cross-motions for summary judgment, the decision and order of which is still pending. At the hearing on these cross-motions, the Court determined it would allow the parties to submit supplemental briefing limited solely to the issue of whether subject matter jurisdiction exists over Plaintiffs Moore and Allen if their individual damages are less than the \$10,000 threshold. The Court indicated that it would decline to grant summary judgment as to the unjust enrichment claims of the plaintiffs, despite Defendant's continual statute of limitation argument. After the hearing, Defendant filed the instant Motion to Dismiss based solely upon this same argument—that Plaintiffs individually have less than \$10,000 in damages and no subject matter jurisdiction exists.

Discovery has closed in this matter. Plaintiffs' motion to certify class was previously denied, and they currently have pending their renewed motion to certify. This renewed motion for certification and Defendant's motion to dismiss are scheduled to be heard on the same day. It is not disputed that at least one of Plaintiffs' class representatives meets the jurisdictional threshold and

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has standing to maintain the action. If class certification is granted, the motion to dismiss premised on subject matter jurisdiction becomes moot because there is no legal support for the proposition that class members qualifying under the class definition cannot recover damages less than \$10,000.00.

### II. LEGAL STANDARD

Defendant moves to dismiss the complaint of Plaintiffs for lack of subject matter jurisdiction. A complaint will not be dismissed pursuant to Rule 12 unless it appears beyond a doubt that the plaintiff could prove no set of facts which, if accepted by the trier of fact, would entitle him to relief. *Breliant v. Perferred Equities Corp.*, 109 Nev. 842, 858 (1993). All factual allegations of the complaint must be accepted as true. *Capital Mortgage Holding v. Hahn*, 101 Nev. 314, 315 (1985). The Court "must construe the pleading liberally and draw every fair intendment in favor of the [non-moving party]." *Vacation Village. Inc. v. Hitachi America. Ltd.*, 110 Nev. 481, 484 (1994).

Although we have not previously addressed what standards should guide the district court in determining whether the claimed damages meet the jurisdictional requirement, federal courts apply a "legal certainty" test to determine whether a complaint satisfies the amountin-controversy requirement of diversity jurisdiction under 28 U.S.C. § 1332. In order to dismiss a case based on lack of subject matter jurisdiction, it must appear to a legal certainty that the claim is worth less than the jurisdictional amount. A claim in excess of the requisite amount, made in good faith, satisfies the jurisdictional requirement. A court should be cautious about dismissing a complaint for failing to meet the jurisdictional requirement: "Under the 'legal certainty' test, it should be emphasized, the plaintiff must establish merely that it does not appear to a legal certainty that the claim is below the jurisdictional minimum. Thus, under this standard, courts must be very confident that a party cannot recover the jurisdictional amount before dismissing the case for want of jurisdiction." 15 Moore's § 102.106[1]. We adopt the federal courts' legal certainty test for determining the jurisdictional amount in controversy in Nevada district courts.

Morrison v. Beach City LLC, 116 Nev. 34, 38, 991 P.2d 982, 984 (2000) (internal citations omitted) (emphasis added).

In assessing the amount in controversy for threshold jurisdiction purposes, the court assumes the plaintiff will establish liability in all respects. *Campbell v. Vitran Express, Inc.*, 471 Fed. Appx. 646 (9th Cir. 2012). Compensatory damages, punitive damages, injunction and other equitable relief as well as attorneys' fees, if authorized or mandated by statute, are included. *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696, 700 (9th Cir. 2007); *see also Goldberg v. CPC International Inc.*, 678 F.2d 1365, 1367 (9th Cir. 1982) ("attorneys' fees can be taken into account in determining the amount in controversy if a statute authorizes fees to a successful litigant.) More to the point, where discretionary or mandatory pursuant to statue, attorneys' fees are properly "included in the amount in controversy in a class action." *Lowdermilk v. U.S. Bank*, 479 F.3d 994, 1000 (9th Cir. 2007), citing *Gibson v. Chrysler Corp.*, 261 F.3d 927, 942-43 (9th Cir.2001). Pursuant to the MWA, an employee "who prevails in any action to enforce this section shall be awarded his or her reasonable attorney's fees and costs."

The period of time for which a court reviews the jurisdictional requirement is as of filing, and dismissal of certain claims thereafter cannot destroy jurisdiction. *See Edwards v. Emperor's Garden Rest.*, 122 Nev. 317, 330 n. 38, 130 P.3d 1280, 1288 n. 38 (2006) ("When the district court denied injunctive relief, however, it did not thereby lose its jurisdiction to consider Edwards' claims for monetary damages," which were well below the district court's jurisdictional threshold); *see also United Steel v. Shell Oil Co.*, 602 F.3d 1087, 1091-92 (9th Cir. 2010); *Cunningham Charter Corp. v. Learjet, Inc.*, 592 F.3d 805, 807 (7th Cir. 2010), citing *St. Paul Mercury Indem. v. Red Cab Co.*, 303 U.S. 283, 293-95 (1938) ("jurisdiction once properly invoked is not lost by developments after

<sup>&</sup>lt;sup>1</sup> As a general rule, attorneys' fees are excludable in determining the amount in controversy because, normally, the successful party does not collect his attorneys' fees in addition to or as part of the judgment. There are however, two logical exceptions to this rule: one where the fees are provided for by contract, and two, where a statute mandates or allows the payment of such fees. *Gait G/S v. JSS Scandinavia*, 142 F.3d 1150, 1155-56 (9th Cir.1998); *see also*14 C. Wright A. Miller, Federal Practice and Procedure, § 3712, at 507 (1976).

a suit is filed,") (Posner, J.); *Metz v. Unizan Bank*, 649 F.3d 492, 500-01 (6th Cir. 2011) ("if jurisdiction exists as the time an action is commenced, such jurisdiction may not be divested by subsequent events"). This holds true for a putative class action. *Metz*, 649 F.3d at 500 ("By defining a class action as any civil action 'filed under' Federal Rule of Civil Procedure 23 or similar state statute or rule, it is the time of filing that matters for determining jurisdiction").

"Behind the principle that jurisdiction once obtained normally is secure is a desire to minimize expense and delay. If at all possible, therefore, a case should stay in the system that first acquired jurisdiction. It should not be shunted between court systems; litigation is not ping-pong..." *Cunningham*, 592 F.3d at 807. Nevertheless, rather than dismissing a case, if an action is filed in the district court and a district judge determines that the action is properly within the jurisdiction of the justice court pursuant to N.R.S. 4.370, the district judge may transfer original jurisdiction of the action to the justice's court. N.R.S. 3.221. Thus, even in the event the Court finds jurisdiction is properly within justice court, original jurisdiction should be transferred there rather than dismissal of the suit.

There are only three situations that "clearly meet the legal certainty standard: 1) when the terms of a contract limit the plaintiff's possible recovery; 2) when a specific rule of law or measure of damages limits the amount of damages recoverable; and 3) when independent facts show that the amount of damages was claimed merely to obtain" threshold jurisdiction." *Naffe*, 789 F.3d at 1040 (quotation omitted). Only the third scenario has been raised by Defendant.

Nevada case law demonstrates the importance of class actions in cases where individuals would be otherwise unable to obtain redress because their claims are too small. *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 846, 124 P.3d 530, 537 (2005). Class actions serve a valuable function where a litany of small claims stem from a singular wrong by encouraging efficiency. *Picardi v. Eighth Judicial Dist. Court*, 127 Nev. 106, 251 P.3d 723 (2011). Nevada case law supports

this policy, especially when providing multiple plaintiffs, who individually have valid but small claims, with an adequate remedy. *D.R. Horton v. Eighth Judicial Dist. Court*, 125 Nev. 449, 215 P.3d 697 (2009).

In *El Rancho*, Plaintiff and Defendant engaged in 26 separate transactions under 26 different sales contracts. *El Rancho, Inc. v. New York Meat & Provision Co.*, 88 Nev. 111, 116, 493 P.2d 1318, 1322 (1972). Several sales contracts were for an amount less than \$300 (the threshold amount for the district court then), and the question was presented whether the district court had jurisdiction as to those. *Id.* The Court held Plaintiffs are "entitled to aggregate the separate claims so that the jurisdictional amount for the district court is obtained." *Id.*, citing *Hartford M. Co. v. H.L. & C. Co.*, 61 Nev. 17, 107 P.2d 132, 114 P.2d 1093 (1941); 13 Cal.Jur.2d 578, Courts § 75 (1954). Nevada's federal district courts likewise hold that plaintiffs can aggregate individual claims to satisfy the amount in controversy requirement. *See U.S. Home Corporation v. Parker-Hansen et al*, 12:11-CV-426 (D. Nev. 2012); *Greystone Nevada, LLC, et. al. v. Anthem Highlands Community Association*, 2:11-cv-1424 (D. Nev. 2011).

Even where aggregation would not be traditionally available, "when several plaintiffs unite to enforce a single title or right in which they have a common and undivided interest, it is enough if their interests collectively equal the jurisdictional amount." *Pinel v. Pinel*, 240 U.S. 594, 596 (1916). Such is the case here, where Plaintiffs seek to ultimately enforce the Nevada Constitution and Minimum Wage Act following systematic employee misclassification. *See Terry v. Sapphire*, 130 Nev. Adv. Op. 87, 336 P. 3d 951 (2014) and *Dancer I-VII v. Golden Coin, Ltd.*, 124 Nev. 28, 32-34, 176 P.3d 271, 274-75 (2008), wherein dancers maintained class actions premised on employee misclassification, despite many having claims under the jurisdictional threshold.

That an individual class member may not receive damages in an amount greater than the jurisdictional minimum threshold is speculative and not case-ending. As in *Golden Coin*, if a

plaintiff becomes an unwilling or inappropriate to serve as a class representative, a substitute is permitted to protect "the interests of the class, which has a separate and distinct legal status from that of the representative." *Id.*, 124 Nev. at 34. Even under stringent jurisdictional analysis under CAFA, federal courts may adjudicate claims for less than \$75,000 as long as at least one class member satisfies the "legal certainty test" at the \$75,000 threshold. *See Exxon Mobil, Inc. v. Allapattah Servs., Inc.*, 545 U.S. 546, 559 (2005). Alternatively, in the event certain absent class members do not meet the amount in controversy requirement, rather than dismiss the class, the court should dismiss the members affected. *Central Wesleyan College v W.R. Grace & Co.*, 6 F3d 177, 186(3) (4th Cir. 1993). In the event all class members cannot meet the jurisdictional amount in the class as defined, it is within the inherent power of the court to permit the class definition to be changed so as to include only those members over which the court has jurisdiction.

### III. LEGAL ARGUMENT

A putative class action cannot be dismissed prior to the deadline for class certification where the putative class's damages, or at least one class representative's damages, would meet the jurisdictional threshold. Where it is merely apparent (not conclusively proven) that as of the time of filing there is not legal certainty that the claim is below the jurisdictional minimum, a class representative's individual damages later reduced are not dispositive.

Assuming Plaintiffs will establish liability, as the Court must do under the legal certainty test, compensatory damages will be awarded and attorney's fees are mandated. The Court assesses this as of the filing of the Complaint, and if jurisdiction attached at that time, it cannot be lost by subsequent actions. Ashleigh Park, as sole named plaintiff, alleged in the Complaint filed on November 4, 2014, that on behalf of herself and a class of other similarly situated persons, thought to be in excess of 3,000 persons (Comp. at ¶ 10), Defendant misclassified dancers at its club as independent contractors, failed to pay a minimum wage and was unjustly enriched. Plaintiff sought

damages in excess of \$10,000 (Comp. at ¶40) and attorney's fees. Plaintiffs' First Amended Complaint, filed February 19, 2015, named additional class representatives, but alleged the same bases of liability; number of potential class members; damages in excess of \$10,000 for the class (ACOM at ¶54); and attorney fees. Even if Plaintiffs did not allege the \$10,000 threshold amount in the third amended complaint, they did so in their original and amended complaint. It is also obvious that \$10,000 divided by the minimum wage of \$8.25 results in approximately 1,212 hours (or about thirty 40-hour weeks) to have been worked since November 6, 2012, exclusive of wait-time penalties, attorney's fees or unjust enrichment damages, spread across 3,000 possible claimants. Plaintiff Franklin alone clocked-in for 1,086.59 hours. *See* Defendant's produced log-in/log-out documents at RR0607. This is oddly missing from Defendant's motion. *See* MTD at 14, omitting Franklin.

Defendant admits the current-named class representative Plaintiffs alone meet this number of hours without even considering the other thousands of affected class members (or Plaintiff Franklin). *See* MTD at 14. Jurisdiction attaches on this basis alone. The joint maximum amount of penalties pursuant to NRS 608.040 exceeds \$10,000 as well for the named plaintiffs. *See* MTD at 16. Lastly, the amount of damages resulting from the unjust enrichment claim apart from wages, as calculated by Defendant, exceeds \$10,000 for the named Plaintiffs. MTD at 20-25.

Unlike the anti-aggregation cases cited by Defendant (where, e.g., former employees suing an employer for wrongful discharge and breach of contract under their individual contracts must each individually satisfy the jurisdiction amount requirement), this case does not present "a mere joinder of distinct causes of action by distinct parties." To the contrary, the class is so numerous that joinder of class members is impracticable. Their singular interest against a singular defendant derives from their common rights held in group status.

Even without aggregation, Plaintiffs Franklin and Strelkova each meet the \$10,000 threshold independently. MTD at 20-25. Although skipped over in Defendant's motion to dismiss, Franklin worked 1,085.59 hours, entitling her to \$8,964.37 in minimum wages, plus the \$1,980 penalty fee under NRS 608.040, as calculated by Defendant (*see* MTD at 15), for a total of \$10,944.37 for her wage claim alone. For Franklin's unjust enrichment claim solely, house and stage fees assessed by the Club against Franklin were \$10,795, not including the mandatory tip outs she was required to pay Club employees. *See* RR0607 at ln. 170. Her damages for the two claims exceed \$20,000 based on Defendant's documentation alone. Plaintiff Strelkova would be entitled to \$7,515.75 on her wage claim, per Defendant (MTD at 16), and she was assessed fees of \$6,135, not including the mandatory tip outs. *See* RR0613. Her two claims undeniably exceed \$13,000. The district court thus undisputedly has original jurisdiction over these claims, which permits the motion for class certification to proceed regardless of the amount of damages of other plaintiffs. If granted, the award of damages to an individual class member cannot thereafter defeat jurisdiction over the case or class members' claims so long as they fall within the definition of the class (or sub-class).

None of the calculations above or in Defendant's motion account for the mandatory award of attorney's fees. Plaintiffs think it sufficient to take judicial notice of the docket in this matter to find that the \$10,000 threshold has been exceeded via attorney's fees independently and that such is not unusual in an employment misclassification class action, given the innate complexities. Additionally, none of the calculations above or in Defendant's motion take into account the mandatory tip outs required of Plaintiffs as a condition of their employment to the DJ, house mom, floor host, VIP host, managers, cashiers and valets. These additional amounts coupled with the damages admitted by Defendant make clear that Plaintiffs have established "merely that it does not appear to a legal certainty that the claim is below the jurisdictional minimum." Defendant has not met its burden to prevail on a motion to dismiss.

### 1 IV. **CONCLUSION** 2 For the foregoing reasons, Plaintiffs respectfully request that this Court enter an Order 3 Denying Defendant/Counterclaimant Russell Road Food and Beverage, LLC's Motion to Dismiss 4 Plaintiffs' Complaint Pursuant to N.R.C.P. 12(b)(1) and N.R.C.P. 12(h)(3) in this matter. 5 DATED this 19th day of June, 2017. 6 MORRIS//ANDERSON 7 8 By: /s/Lauren Calvert RYAN M. ANDERSON, ESQ. 9 Nevada Bar No.: 11040 LAUREN CALVERT, ESQ. 10 Nevada Bar No.: 10534 11 716 S. Jones Blvd. Las Vegas, Nevada 89107 12 P. ANDREW STERLING, ESQ. 13 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. 14 AZ Bar No.: 6617 (Admitted Pro Hac Vice) 15 **RUSING LOPEZ & LIZARDI, PLLC** 6363 N. Swan Road, Ste. 151 16 Tucson, AZ 85718 17 Attorneys for Plaintiffs 18 19 20 21 22 23 24 25 26 27 28

| 1                                      | <u>CERTIFICATE OF SERVICE</u>   |
|--|---|
| 2                                      | Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee of  |
| 3                                      | MORRIS ANDERSON, and on the 19th day of June, 2017, I served the foregoing <i>PLAINTIFFS</i> '  |
| 5                                      | OPPOSITION TO DEFENDANT/COUNTERCLAIMANT RUSSELL ROAD FOOD AND   |
| $\begin{bmatrix} 5 \\ 6 \end{bmatrix}$ | BEVERAGE, LLC'S MOTION TO DISMISS PLAINTIFFS' COMPLAINT PURSUANT TO   |
| 7                                      | <i>N.R.C.P.</i> 12(b)(1) <i>AND N.R.C.P.</i> 12(h)(3) as follows:   |
| 8                                      | Electronic Service – By serving a copy thereof through the Court's electronic   |
| 9                                      | service system; and/or  |
| 10                                     | U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or                                 |
| 11                                     | Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile  |
| 12                                     | number(s) shown below and in the confirmation sheet filed herewith. Consent to service under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by |
| 13                                     | facsimile transmission is made in writing and sent to the sender via facsimile within 24 hours of receipt of this Certificate of Service.                       |
| 14<br>15                               |   |
| 16                                     | Gregory J. Kamer, Esq.  KAMER ZUCKER ABBOTT   |
| 17                                     | 3000 W. Charleston Blvd., Suite 3<br>Las Vegas, Nevada 89102  |
| 18                                     | Jeffery A. Bendavid, Esq.   |
| 19                                     | MORAN BRANDON BENDAVID MORAN 630 S. 4th Street  |
| 20                                     | Las Vegas, Nevada 89101   |
| 21                                     | Attorneys for Defendants  |
| 22                                     | /a/ Evicka on Einele  |
| 23                                     | /s/ Erickson Finch An employee/agent of MORRIS//ANDERSON  |
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1 **MSJD** RYAN M. ANDERSON, ESQ. 2 Nevada Bar No.: 11040 LAUREN CALVERT, ESQ. 3 Nevada Bar No.: 10534 **MORRIS ANDERSON** 4 716 S. Jones Blvd. 5 Las Vegas, Nevada 89107 Phone: (702) 333-1111 6 Email: lauren@morrisandersonlaw.com 7 P. ANDREW STERLING, ESQ. 8 Nevada Bar No.: 13769 MICHAEL J. RUSING, ESQ. 9 Arizona Bar No.: 6617 (Admitted Pro Hac Vice) RUSING LOPEZ & LIZARDI, PLLC 10 6363 North Swan Road, Suite 151 11 Tucson, Arizona 85718 Phone: (520) 792-4800 12 Email: asterling@rllaz.com mrusing@rllaz.com 13 Attorneys for Plaintiffs 14 DISTRICT COURT 15 CLARK COUNTY, NEVADA 16 JACQUELINE FRANKLIN, ASHLEIGH PARK, LILY SHEPARD, STACIE ALLEN, 17 MICHAELA DEVINE, SAMANTHA JONES, CASE NO.: A-14-709372-C KARINA STRELKOVA, DANIELLE LAMAR DEPT. NO.: XXXI 18 individually, and on behalf of Class of similarly situated individuals, 19 Plaintiffs, 20 V. 21 RUSSELL ROAD FOOD AND BEVERAGE, PLAINTIFFS' MOTION FOR 22 LLC, a Nevada limited liability company (d/b/a SUMMARY JUDGMENT ON CRAZY HORSE III GENTLEMEN'S CLUB) 23 **EMPLOYEE STATUS** SN INVESTMENT PROPERTIES, LLC, a Nevada limited liability company (d/b/a CRAZY 24 HORSE III GENTLEMEN'S CLUB), DOE CLUB OWNER, I-X, DOE EMPLOYER, I-X, 25 ROE CLUB OWNER, I-X, and ROE 26 EMPLOYER, I-X, 27 Defendants. /// 28

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| 1  | NOTICE OF MOTION   |  |  |
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| 2  | To: ALL PARTIES AND THEIR COUNSEL OF RECORD                                      |  |  |
| 3  | YOU WILL PLEASE TAKE NOTICE that the foregoing <b>MOTION</b> will come on for    |  |  |
| 4  |  |  |  |
| 5  | hearing before the above entitled Court on the 25 day of July , 2017, at 9:30 am |  |  |
| 6  | m., or as soon thereafter as counsel can be heard.                               |  |  |
| 7  | DATED this 19th day of June, 2017.   |  |  |
| 8  | MORRIS ANDERSON  |  |  |
| 9  | By:/s/ Lauren Calvert  |  |  |
| 10 | RYAN M. ANDERSON, ESQ.   |  |  |
| 11 | Nevada Bar No.: 11040<br><b>LAUREN CALVERT, ESQ.</b>                             |  |  |
| 12 | Nevada Bar No.: 10534  |  |  |
|    | 716 S. Jones Blvd.   |  |  |
| 13 | Las Vegas, Nevada 89107  |  |  |
| 14 | P. ANDREW STERLING, ESQ.   |  |  |
| 15 | Nevada Bar No.: 13769<br>MICHAEL J. RUSING, ESQ.                                 |  |  |
| 16 | AZ Bar No.: 6617 (Admitted Pro Hac Vice)   |  |  |
| 10 | RUSING LOPEZ & LIZARDI, PLLC   |  |  |
| 17 | 6363 N. Swan Road, Ste. 151<br>Tucson, AZ 85718                                  |  |  |
| 18 | Tucson, AZ 83/18   |  |  |
| 19 | Attorneys for Plaintiffs   |  |  |
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### MEMORANDUM OF POINTS AND AUTHORITIES

### I. INTRODUCTION

This is an employee misclassification case. Plaintiffs, dancers at Defendants' Las Vegas strip club, claim they are the Club's employees within the meaning of the Minimum Wage Amendment to the Nevada Constitution, Nev. Const. Art. XV, sec. 16. (the MWA). Defendants (the Club) make all of its dancers sign an "Entertainers Agreement" which purports, as other Clubs have done, to characterize dancers as licensees who must pay to rent space in the club to conduct their own allegedly independent business with their "clients" (the club patrons). See, e.g. Reich v. Circle C. Investments, Inc., 998 F.2d 324, 329 (5th Cir. 1993) ("We reject the defendants' creative argument that the dancers are mere tenants who rent stages, lights, dressing rooms, and music from [the club]"). But the undisputed facts here show the Club is not a landlord leasing space to independent businesswomen in a facility the Club just happens to license and run as a strip club; nor are they providing services to the Club as independent contractors. Rather, as the Nevada Supreme Court and numerous other courts around the country uniformly have held, exotic dancers are employees of the strip clubs in which they work as a matter of law and Plaintiffs now move for summary judgment on that issue.

#### II. RELEVANT PROCEDURAL HISTORY

Plaintiffs' complaint was filed in November 2014. On April 6, 2017 this Court entered an order denying plaintiffs' motion for class certification without prejudice and determining that NRS 608.0155, a recently enacted test for independent contractor status, "applies to actions to recover unpaid wages asserted under Nevada's Minimum Wage Amendment." 4/6/2017 Order at 2:19-20. Two other motions currently are pending before the Court: (1) Plaintiffs' renewed motion for class certification, and (2) Defendants' motion to dismiss the complaint for failure to satisfy the statutory amount in controversy requirement.

### III. STATEMENT OF UNDISPUTED MATERIAL FACTS ("SOF")

- 1. The Club required dancers to obey a list of Entertainer Guidelines and Entertainer Rules.

  Def's Responses to Plaintiffs' First Set of Interrogatories at Response to Rog 2 and documents

  RR0048-54 and RR0122-139 (attached as Exhibit 1).
- 2. The Club enforced its guidelines and rules by assessing fines against dancers, placing them on inactive status, or termination. Ex. 1 at Response to Rog 3 and documents RR0048-54 and RR0122-139.
- 3. The club could fine or deactivate dancers for missing a stage call, not checking out properly, not leaving the floor within five minutes after checking out, and/or discouraging Club patrons' purchase of alcohol from the Club. Ex. 1 at Response to Rogs 3 and 4 and documents RR0053, RR0128, RR0130, RR0132, and RR0135-136.
- 4. The Club required dancers to sign an "Entertainers Agreement" that purported to define the relationship between the dancers and the Club. Def's Responses to Plaintiffs' First Set of Request for Production of Documents at Response to Request No. 5 and documents RR0043-47 (attached as Exhibit 2).
- 5. At all relevant times, the Club controlled and paid for all expenses relating to operating the facility, including paying rent, utilities, special promotions, obtaining licensing, bar and kitchen inventory, hiring and paying staff, and repair and maintenance. Dancers were not required to contribute money towards the payment of those expenses. Videotaped Deposition of Keith Ragano at 110:6-111:20 (attached as Exhibit 3).
- 6. At all relevant times, the Club controlled whether to charge patrons who wished to access the Club a cover charge, and controlled the amount of such charges. Ex. 3 at 110:12-14; Ex. 1 at document RR0054.
- 7. The Club did not require its dancers to possess any formal dance training. Ex. 3 at 95:4-7.

- 8. The Club did not treat its dancers as employees and did not issue W-2s or 1099s to dancers for their services. Ex. 3 at 16:17-23 and 18:16-20.
- 9. The Club set the pricing for dancers' performances. Ex. 1 at document RR0054.
- 10. The Club required dancers to pay a "house fee" to dance at the Club. Ex.3 at 16:24-17:11.
- 11. The Club did not allow dancers to seat guests; all guests would be seated by Club directors or other Club personnel. Ex.1 at Response to Interrogatory No. 2, document RR0053 at ¶¶12 and 15.
- 12. The Club set up one or more stages and implemented a rotation system whereby dancers would be called up to perform on stage. Ex. 3 at 58:25-62:7.
- 13. Dancers who did not want to perform on stage were required to pay \$40 to the Club to be taken off the stage rotation. Ex. 3 at 65:13-66:1.
- 14. The Club required its dancers to check in when they arrived and to check out when they left. Ex. 1 at Response to Interrogatory No. 2, document RR0053 at ¶5 and documents RR0127-128 and RR0136.
- 15. The Club established and maintained designated "VIP" areas. Ex. 1 at 109:2-9.
- 16. To use the VIP room the Club required Dancers to check in and be escorted by a host. Ex. 3 at 109:2-9; Ex. 1 at Response No. 2 and documents RR0052 and rR0053 at ¶12.
- 17. Dancers could not take patrons into the VIP room unless the patron paid fees set by the Club and made minimum drink purchases from the Club. Ex. 1 at Response No. 2 and documents RR0054 and RR0139.
- 18. Dancers were required to comply with a dress code set by the Club that included coverage of large tattoos. Ex. 1 at Response Nos. 2 and 6 and document RR0053 at ¶8.

### IV. ARGUMENT

- 1. The Court's interlocutory order regarding the application of NRS 608.0155 to limit MWA claims was clearly erroneous and should be modified<sup>1</sup>
  - A. A mere statute cannot, consistent with the principle of constitutional supremacy, remove any individual from the broad scope of the MWA's protections

In its April 2017 order denying class certification, this Court determined that NRS 608.0155, a recently-enacted statutory test for independent contractor status, "applies to actions to recover unpaid wages asserted under Nevada's Minimum Wage Amendment." 4/6/2017 Order at 2:19-20. The Order did not provide any reasoning but the Club argued as follows:

NRS 608.0155 operates not to establish an [impermissible] exception to the definition of "employee" provided by Nevada's Minimum Wage Amendment, but to provide the elements necessary for establishing a conclusive presumption that an individual is an independent contractor prior to any determination of whether an individual is an employee engaged in an employment relationship under Nevada law. *See* NRS 608.255(3). If that conclusive presumption applies to an individual, then that individual cannot be an "employee" as defined by Nevada's Minimum Wage Amendment and therefore, is not entitled to the rights granted employees provided therein. This analysis must occur <u>prior</u> to any analysis of whether an individual is an employee as defined by Nevada's Minimum Wage Amendment. Thus, an individual who is presumed conclusively to be an Independent Contractor <u>is not an employee excepted from the requirements of Nevada's Minimum Wage Amendment</u>, but is not an employee in the first place who by Nevada law is not engaged in an employment relationship. Therefore, he or she cannot be granted the rights set forth in Nevada's Minimum Wage Amendment.

Def. Supp. Brief on SB 224 at 20:26-21:17 (emphasis in original). The Court should modify its ruling on this issue because Defendants' reasoning (which cites no legal authority) and, therefore, the Court's conclusion on this issue, is clearly erroneous.

Whether a statute creates an exception to the scope of the MWA's definition of employee (as in *Thomas*) or an exclusionary test to be applied before considering the scope of that definition

<sup>&</sup>lt;sup>1</sup> An interlocutory order "is subject to revision at any time before the entry of judgment adjudicating all the rights and liabilities of all the parties." NRCP 54(b). *See also United States v. Martin*, 226 F.3d 1042, 1048–49 (9th Cir.2000) (stating that, until final judgment is entered, trial court has "inherent jurisdiction to modify, alter, or revoke" interlocutory decisions) (construing analogous federal rule).

(as here) is irrelevant. According to the well-established principle of constitutional supremacy, the key question in determining the limits of the legislature's power to affect the scope of the MWA in both cases is whether, if the statute was ignored, a person would be an employee as defined by the MWA. If the answer to that question is yes, then the statutory exception and/or exclusionary test necessarily is unconstitutional to the extent it purports to remove that person from the scope of the MWA's protections, whether by prior exclusion or subsequent exception. *See Thomas* at 522 ("If the Legislature could change the Constitution by ordinary enactment, 'no longer would the Constitution be 'superior paramount law, unchangeable by ordinary means.' It would be 'on a level with ordinary legislative acts, and, like other acts, ... alterable when the legislature shall please to alter it.'") (quoting City of Boerne v. Flores, 521 U.S. 507, 529 (1997) (alteration in original) (quoting Marbury v. Madison, 5 U.S. 137 (1803)). See also Strickland v. Waymire, 126 Nev. 230, 241, 235 P.3d 605, 613 (2010) ("The constitution may not be construed according to a statute enacted pursuant thereto; rather, statutes must be construed consistent with the constitution — and rejected if inconsistent therewith.") (emphasis added).

As discussed below, the MWA's broad definition of employee incorporates the economic realities test used in the FLSA, the parallel federal minimum wage law, and the Club's dancers are employees under that test. As such, the Court's determination that NRS 608.0155 could apply to the dancers' MWA claim to deny them employee status guaranteed by Nevada's constitution is clearly erroneous. A mere statute cannot, consistent with the principle of constitutional supremacy, remove any individual from the broad scope of the MWA's protections.

B. The MWA's definition of employee incorporates the economic realities test used in the FLSA, the parallel federal minimum wage law

The MWA (enacted by voter initiative) defines "employee" as

any person who is employed by an employer as defined herein but does not include [1] an employee who is under eighteen (18) years of age, [2] employed by a nonprofit organization for after school or summer employment or [3] as a trainee for a period not longer than ninety (90) days.

Nev. Const. Art. XV, sec. 16(C). The Nevada Supreme Court has yet to squarely address what Nevada voters intended this definition to mean, but has provided clear guidance on how to go about the job:

To determine a constitutional provision's meaning, we turn first to the provision's language. In so doing, we give that language its plain effect, unless the language is ambiguous. If a constitutional provision's language is ambiguous, meaning that it is susceptible to two or more reasonable but inconsistent interpretations, we may look to the provision's history, public policy, and reason to determine what the voters intended. . . . Whatever meaning ultimately is attributed to a constitutional provision may not violate the spirit of that provision.

*Miller v. Burk*, 124 Nev. 579, 590–91, 188 P.3d 1112, 1119–20 (2008) (quotations and citations omitted).

In applying the *Miller* methodology, the first step is to ask whether the MWA definition of employee is ambiguous. Three well-established canons of construction and several hints from the Nevada Supreme Court (the ultimate authority on what the Nevada Constitution means) suggest it is not <sup>2</sup>

First, anyone familiar with familiar with the last eighty or so years of American labor law immediately will recognize that the MWA definition of employee is identical to the well-known definition in the federal Fair Labor Standards Act of 1938, 29 USC §§ 201-219. *See* 29 U.S.C. § 203(e)(I) ("the term 'employee' means any individual employed by an employer"). Both definitions may be tautological, but the FLSA definition is a well-known term of art, and for decades it

<sup>&</sup>lt;sup>2</sup> Canons of statutory construction apply to the interpretation of a constitutional provision. *Harvey v. Dist. Ct.*, 117 Nev. 754, 763, 32 P.3d 1263, 1269 (2001).

consistently has been interpreted by courts with reference to the economic realities test.<sup>3</sup> "Generally, when a legislature [or voters] uses a term of art in a statute [or initiative], it does so with full knowledge of how that term has been interpreted in the past, and it is presumed that the legislature [or voters] intended it to be interpreted in the same fashion." *Beazer Homes Nevada, Inc. v. Dist. Ct.*, 120 Nev. 575, 587, 97 P.3d 1132, 1139–40 (2004) (emphasis added).

Second, where, as here, a state statute or constitutional provision parallels language in a federal counterpart, Nevada courts look to federal precedent interpreting the federal statute for guidance. *See, e.g., Century Steel, Inc. v. State, Div. of Indus. Relations, Occupational Safety & Health Section*, 122 Nev. 584, 589, 137 P.3d 1155, 1159 (2006) (holding when "state and federal acts are substantially similar and the state statute does not reflect a contrary legislative intent" courts will "adopt the construction placed on the federal statute by federal courts").

Third, the MWA unquestionably is a remedial constitutional provision. *See Terry*, 336 P.3d at 955 (noting MWA was enacted by Nevada voters to ensure that "more, not fewer, persons would receive minimum wage protections"). When construing remedial provision, "a broad and liberal construction is required, in order that the purposes designed by them shall be most completely served." *Warren v. De Long*, 59 Nev. 481, 97 P.2d 792, 795 (1940) (emphasis added).

These three canons of interpretation all suggest the MWA's definition is not ambiguous, and that the only reasonable interpretation is that Nevada voters intended that the MWA would protect the same people protected by the parallel federal minimum wage law.

Reinforcing this conclusion is the fact that the Nevada Supreme Court clearly has indicated in *Terry* and *Thomas* that the scope of the MWA should be broadly construed. In *Terry* the Court in a unanimous opinion noted that the MWA was enacted by Nevada voters to ensure that "more, not

<sup>&</sup>lt;sup>3</sup> The genesis of the economic reality test for employee status typically is traced back to *United States v. Silk*, 331 U.S. 704 (1947).

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fewer, persons would receive minimum wage protections." *Terry*, 336 P.3d at 955 (emphasis added). The Court's conclusion in its April 2017 Order that NRS 608.0155 might apply to MWA claims to remove people from the scope of its protections clearly conflicts with this pronouncement from Nevada's highest court. Also, although the Court in *Terry* primarily was tasked with interpreting the Chapter 608 definition of employee (NRS 608.010), and not the MWA, it nonetheless provides a perfect roadmap for how it would interpret the MWA definition. In fact, the Chapter 608 definition if anything would be less likely to be aligned with the FLSA definition because, unlike the MWA, the Chapter 608 definition of employee does not parallel the FLSA definition. See NRS 608.010 ("Employee' includes both male and female persons in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed."). Despite this difference in language, the Supreme Court still adopted the FLSA definition for NRS 608.010 due to the strong public policy and efficiency concerns outlined in this brief. There is no reason it would not do the same when it is called upon to interpret the MWA. Then in *Thomas* the Court struck down a legislative carve-out for taxi drivers from the broad MWA definition of employee because "[t]he Minimum Wage Amendment expressly and broadly defines employee, exempting only certain groups." Thomas at 327 P.3d at 521. "Taxi drivers" is not one of those enumerated groups. Neither is "whoever the legislature chooses to define as an independent contractor."

Even if the MWA definition of employee were ambiguous, this Court next should examine "the provision's history, public policy, and reason to determine what the voters intended." *Miller*, 124 Nev. at 590–91, 188 P.3d at 1119–20.

As noted above, the historical and public policy connections are immediately apparent because the MWA definition of employee is identical to the well-known FLSA definition. Interpreting the MWA definition to be consistent with the FLSA definition furthers public policy

concerns and is faithful to the spirit of the provision because the MWA, like the FLSA, is a remedial law that must be broadly construed in light of its remedial purpose. *Terry* at 956. *See also Warren v. De Long*, 59 Nev. 481, 97 P.2d 792, 795 (1940) ("For statutes so highly remedial, a broad and liberal construction is required, in order that the purposes designed by them shall be most completely served.").

Finally, in determining, for similar reasons, that the definition of employee in NRS 608.010 also should incorporate the FLSA economic realities test, the Nevada Supreme Court noted it would make no sense and sow considerable confusion to have different rules for who qualifies as an employee under state and federal wage laws. *See Terry* at 957 ("having no substantive reason to break with the federal courts on this issue, judicial efficiency implores us to use the same test as the federal courts).

The MWA's history, considerations of public policy and reason thus conclusively establish that the MWA's definition of employee must be construed in the same manner as the identical definition in the parallel federal minimum wage law (*i.e.*, by reference to the economic realities test). There is no other plausible interpretation. To needlessly restrict or alter the definition would sow confusion and not comport with "the spirit of the provision." *Miller*, 124 Nev. at 590–91, 188 P.3d at 1119–20.

### C. The Club's dancers are its employees under the MWA's economic realities test

(1) Substantial persuasive authority indicates strip club dancers are employees under the MWA's economic realities test

The MWA incorporates FLSA's "economic reality" test to determine employment status. Courts in applying this test consider various factors, such as: (1) the degree of the alleged employer's right to control the manner in which the work is to be performed; (2) the alleged employee's opportunity for profit or loss depending upon his managerial skill; (3) the alleged employee's investment in equipment or materials required for his task, or his employment of helpers; (4) whether

the service rendered requires a special skill; (5) the degree of permanence of the working relationship; and (6) whether the service rendered is an integral part of the alleged employer's business. *Real v. Driscoll Strawberry Associates, Inc.*, 603 F.2d 748, 754 (9th Cir. 1979). "Neither the presence nor the absence of any individual factor is determinative." *Donovan v. Sureway Cleaners*, 656 F.2d 1368, 1370 (9th Cir.1981). Contractual labels and the subjective intent of the parties are not relevant factors in this analysis. *Driscoll*, 603 F.2d at 755. "When a disposition in either direction can be justified, the Court must err in favor of a broader reading of 'employee." *Hanson v. Trop, Inc.*, 167 F.Supp.3d 1324, 1328 (N.D. Ga. 2016) (*citing Usery v. Pilgrim Equip. Co., Inc.*, 527 F.2d 1308, 1311 (5th Cir. 1976).

Before embarking on an examination of the economic realities factors as applicable to the facts of this action, it is important to note that many courts have addressed the question of whether an exotic dancer is an employee under the economic realities test, and almost.

'[w]ithout exception, these courts have found an employment relationship and required the nightclub to pay its dancers a minimum wage.' *Harrell v. Diamond A Entm't, Inc.*, 992 F.Supp. 1343, 1347–48 (M.D.Fla.1997) (*citing e.g. Reich v. Circle C. Invs., Inc.*, 998 F.2d 324 (5th Cir.1993) (finding dancers are employees under the FLSA); *Reich v. Priba Corp.*, 890 F.Supp. 586 (N.D.Tex.1995) (same); *Martin v. Priba Corp.*, 1992 WL 486911 (N.D.Tex. Nov.6, 1992) (same)); *see also Morse v. Mer Corp.*, No. 1:08–cv–1389–WLT–JMS, 2010 WL 2346334 (S.D.Ind. June 4, 2010) (same); *Jeffcoat v. Alaska Dep't of Labor*, 732 P.2d 1073 (Alaska 1987) (finding entertainers to be employees under state labor laws based on FLSA); *Doe v. Cin–Lan, Inc.*, No. 08–cv–12719, 2008 WL 4960170 (E.D.Mich. Nov. 20, 2008) (granting entertainer's motion for preliminary injunction, holding that entertainer was substantially likely to succeed on claim that she is an employee under FLSA).

Clincy v. Galardi S. Enterprises, Inc., 808 F. Supp. 2d 1326, 1343 (N.D. Ga. 2011) (granting plaintiff's motion for partial summary judgment on employee status) (cited with approval in Terry).<sup>4</sup>

<sup>&</sup>lt;sup>4</sup> See also Lester v. Agment LLC, 2016 WL 1588654 (N.D. Ohio Apr. 20, 2016); Foster v. Gold & Silver Private Club, Inc., 2015 WL 8489998 (W.D. Va. Dec. 9, 2015); McFeeley v. Jackson St. Entm't LLC, 47 F.Supp.3d 260 (D.Md. 2014); Whitworth v. French Quarter Partners, LLC, No. 6:13-CV-6003, 2014 WL 12594213 (W.D. Ark. June 30, 2014); Stevenson v. Great Am. Dream, Inc., No. 1:12-CV-3359-TWT, 2013 WL 6880921 (N.D. Ga. Dec. 31, 2013); Butler v.

- (2) The economic reality factors lopsidedly favor a finding that the Club's dancers are employees as a matter of law
  - (a) Dancers do not exert control over a meaningful part of the business

The Club disclaims any control over its dancers in order to avoid its obligations as an employer. But the Nevada Supreme Court in *Terry* was entirely unimpressed with another club's similar disclaimer of control. The Court noted dancers at Sapphire, like those at Defendants' Club, could "choose" whether or not to perform lap dances and could "choose" not to perform a stage rotation by paying a fee but concluded that

by forcing them to make such 'choices,' Sapphire is actually able to 'heavily monitor the performers, including dictating their appearance, interactions with customers, work schedules, and minute to minute movements when working' while ostensibly ceding control to them." This reality undermines Sapphire's characterization of the 'choices' it offers performers and the freedom it suggests that these choices allow them; the performers are, for all practical purposes, 'not on a pedestal but in a cage.'

Terry at 959 (2014) (quoting Sheerine Alemzadeh, Baring Inequality: Revisiting the Legalization Debate Through the Lens of Strippers' Rights, 19 Mich. J. Gender & L. 339, 347 (2013)). See also Harrell, 992 F. Supp.. at 1349 ("The mere fact that [the club] has delegated a measure of discretion to its dancers does not necessarily mean that its dancers are elevated to the status of independent contractors.") (cited with approval in *Terry*).

The Nevada Supreme Court has made clear that strip club owners cannot evade their legal obligations as an employer by disclaiming control over the dancers who work for them. *See Terry* at 959 (rejecting Club's efforts to disclaim control as "a framework of false autonomy"). *See also Reich v. Circle C. Investments, Inc.*, 998 F.2d 324, 327 (5th Cir. 1993) (rejecting strip club's "effort on appeal to downplay [the club's] control") (cited with approval in *Terry*); *Mednick v. Albert* 

*PP & G, Inc.*, No. CIV.A. WMN-13-430, 2013 WL 5964476 (D. Md. Nov. 7, 2013); *Thornton v. Crazy Horse, Inc.*, 2012 WL 2175753 (D.Alaska June 14, 2012); *Thompson v. Linda and A. Inc.*, 779 F.Supp.2d 139 (D.D.C.2011); *Mason v. Fantasy, LLC*, 2015 WL 4512327 (D. Colo. July 27, 2015); *Verma v. 3001 Castor, Inc.*, No. CIV.A. 13-3034, 2014 WL 2957453 (E.D.Pa. June 30, 2014); *Hart v. Rick's Cabaret Int'l, Inc.*, 967 F. Supp. 2d 901 (S.D.N.Y. 2013).

Enters., Inc., 508 F.2d 297, 303 (5th Cir. 1975) ("An employer cannot saddle a worker with the status of independent contractor, thereby relieving itself of its duties [as an employer] by granting him some legal powers where the economic reality is that the worker is not and never has been independently in the business in which the employer would have him operate."). As other courts have noted in rejecting similar efforts by other clubs to disclaim control, "[t]he real question is whether the dancer exerts control over a 'meaningful' part of the business." Harrell, 992 F.Supp. at 1349 (cited with approval in Terry). And courts consistently find that strip clubs, and not their dancers, control all meaningful aspects of the exotic dance business.

As in those other cases, numerous undisputed facts and admissions comfortably establish that the Club's wields significant control over the most meaningful parts of the erotic dance business:

- The Club required dancers to obey a list of Entertainer Guidelines and Entertainer Rules (SOF 1)
- The Club enforced its guidelines and rules by assessing fines against dancers, placing them on inactive status, or termination (SOF 2)
- The Club could fine or deactivate dancers for missing a stage call, not checking out properly, not leaving the floor within five minutes after checking out, and/or discouraging Club patrons' purchase of alcohol from the Club. (SOF 3)
- The Club did not allow dancers to seat guests; all guests would be seated by Club directors or other Club personnel (SOF 11)
- The Club set up one or more stages and implemented a rotation system whereby dancers would be called up to perform on stage (SOF 12)
- The Club required its dancers to check in when they arrived and to check out when they left (SOF 14)
- The Club set up and controlled access to a VIP area within the club (SOF 15)

- Dancers could not take patrons into the VIP room unless the patron paid fees set by the
   Club and made minimum drink purchases from the Club (SOF 17)
- Dancers were required to comply with a dress code set by the Club that included coverage of large tattoos (SOF 18)
- The Club required dancers to remove all clothing but a G-string on the first song on stage and to leave their clothing off for every song on stage thereafter (SOF 19)
- The Club required dancer interactions with club patrons to include a personal thank you, invitation to return to the Club, and a "goodbye." Dancers were required to intercept patrons who were leaving to the Club and "not let anybody [they] danced for get out the door without a final thank you and smile." (SOF 20)
- Dancers were not permitted to run tabs on dances and were not permitted to ask patrons
  who paid with Dance Dollars to reimburse them for the 10% redemption fee mandated
  by the Club (SOF 22)
- The Club assigned work shifts for each dancer (SOF 23)
- The Club made final decisions concerning music played for dancers' performances to ensure that the format and genre was in accordance with the Club's desired image (SOF 24)

These undisputed facts, which are similar to the undisputed facts in *Terry* and in the numerous other dancer cases, unquestionably "overshadow[] the smaller freedoms [the club] allowed its dancers." *Harrell*, 992 F. Supp. at 1350 (cited with approval in *Terry*). Here, as in these other dancer cases,

[t]he club controls all the advertising, without which the entertainers could not survive. Moreover, the defendants created and controlled the atmosphere and surroundings at [the club], the existence of which dictates the flow of customers into the club. An entertainer can be considered an independent contractor only if she 'exerts such control over a meaningful part of the business that she stands as a

separate economic entity.' In this case, the entertainer's economic status is inextricably linked to those conditions over which defendants have complete control.

*Priba Corp.* 890 F. Supp. at 592 (cited with approval in *Terry*).

The control factor cuts in favor of economic dependence.

## (b) The dancers' opportunities for profit or loss does not depend on managerial skill

The second factor evaluates the workers' opportunities for profit or loss dependent on their managerial skill. As one court explained, "entertainers do not control the key determinants of profit and loss of a successful enterprise . . . Any profit to the entertainers is more analogous to earned wages than a return for risk on capital investment." *Priba Corp.*, 890 F. Supp. at 593. *See also Reich v. Circle C. Investments, Inc.*, 998 F.2d 324, 328 (5th Cir. 1993) ("Given its control over determinants of customer volume, [the Club] exercises a high degree of control over a dancer's opportunity for 'profit.""). As yet another court convincingly reasoned:

Defendant would have us believe that a dancer . . . could hang out her own shingle, pay nothing in overhead, no advertising, no facilities, no bouncers, and draw in a constant stream of paying customers. A dancer at [the club] riskes little more than a daily 'tip out' fee, the cost of her costumes, and her time. That a dancer may increase her earnings by increased 'hustling' matters little. As is the case with the zealous waiter at a fancy, four star restaurant, a dancer's stake, her take and the control she exercises over each of these are limited by the bounds of good service; ultimately it is the restaurant that takes the risks and reaps the rewards.

*Harrell*, 992 F.Supp. at 1352 (cited with approval in *Terry*). Here, as in these other cases, the Club controls and pays for all expenses relating to marketing and operating the venue, including paying rent, utilities, special promotions, obtaining licensing, bar and kitchen inventory, and repair and maintenance (SOF 5). Accordingly, the undisputed fact that the Club controlled its dancers' opportunity for profit and loss also weighs in favor of finding employee status.

### (c) Exotic dancing does not require a special skill

As the Nevada Supreme Court and many other courts have found, little specialized skill is required to be a nude dancer. *See* cases cited in section B(1), above. The Club did not require its Page 20 of 27

dancers to possess any formal dance training or certification (SOF 7). Viewing the evidence in the light most favorable to the Club, the lack of specialized skills required for the job (or any skills, for that matter, other than looking good in a bikini) weighs strongly in favor of finding employee status.

## (d) The fact that the dancer-club relationship lacks a high degree of permanence carries little persuasive value

Clubs hire dancers on an at-will basis and dancers are able to work at other clubs. Accordingly, viewing the evidence in the light most favorable to the Club, this factor weighs against employee status. But "this factor carries little persuasive value in the context of topless dancers and the clubs at which they perform, and cannot alone tilt the scales in [the club's] favor." *Terry* at 960. *See also Thompson v. Linda And A.*, Inc., 779 F.Supp.2d 139, 150 (20110) ("Many of the courts that have found exotic dancers to be employees . . . did so despite finding the employment relationship lacked a high degree of permanence.") (citing cases).

## (e) The services rendered by exotic dancers are an integral part of the Club's business

Defendants operate a licensed exotic dance establishment and market itself as a strip club. As such, it is "a self-evident conclusion that nude dancers form an integral part of [the club's] business." *Linda & A.*, 779 F.Supp.2d at 150. *See also Terry* at 960 ("Given that Sapphire bills itself as the 'World's Largest Strip Club,' and not, say, a sports bar or night club, we are confident that women strip-dancing there are useful and indeed necessary to its operation."). This factor, too, points strongly towards employee status.

## (f) Consideration of all factors indicate the Club's dancers are its employees as a matter of law

Viewing the evidence in the light most favorable to the Club, the economic reality factors unquestionably indicate that the Club's dancers are its employees as a matter of law. The only factor that does not clearly weigh in favor of employee status is the permanence of the working relationship, and numerous other courts, including the Nevada Supreme Court, have found exotic

dancers to be employees despite the typically impermanent nature of the work force in this industry. *See* cases cited in section B(1), above. "[T]he economic reality is that the dancers are not in business for themselves but are dependent upon finding employment in the business of others." *Circle C. Invs.*, 998 F.2d at 329 (cited with approval in *Terry*). As such, Plaintiffs are employees within the meaning of the MWA and are entitled to all rights and privileges flowing therefrom, including a minimum wage and the right to not have to pay to work.

- 2. Even if the Court chooses to apply NRS 608.0155 to limit the scope of the MWA, the result would not change
  - A. The NRS 608.0155 test for independent contractor status is not met where, as here, there is no underlying contract to perform work

NRS 608.0155 is a recent statutory amendment and no court appears to have attempted to apply it. However, the text of NRS 608.0155 makes clear its purpose as a threshold test is to determine whether a worker providing services should be presumptively classified (and thus paid) as an independent contractor and that, as such, it can only be applied where there is a contract between two parties for one to perform work for the other. Consistent with this purpose, four of the five criteria enumerated in NRS 608.0155(1)(c) make absolutely no sense unless there is an underlying contract between two parties to perform work. See NRS 608.0155(1)(c)(1) (asking whether "the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract"); id. at (c)(2) (asking whether principal has given putative contractor "control over the time the work is performed"); id. at (c)(3) (asking whether putative contractor "is required to work exclusively for one principal"); id. at (c)(4) (asking whether the putative contractor "is free to hire employees to assist with the work"). The test could be coherently applied, for example, if a package delivery company hired and paid its delivery drivers as independent contractors and the drivers claimed they were in fact employees, as was the case in Alexander v. FedEx Ground Package Sys., Inc., 765 F.3d 981 (9th Cir. 2014). The test also

could coherently be applied if the Club classified and paid its dancers as independent contractors, which it has never done (SOF 8). Thus, even if the NRS 608.0155 test for independent contractor status applied to MWA claims, the test would not be met here and the Court would move on, as instructed by NRS 608.0155(2), to determine that the dancers are employees under the MWA's economic realities test.

## B. Even assuming, for argument's sake, that the NRS 608.0155 test could coherently be applied to the club-dancer relationship, its requirements still would not be met

An individual is an independent contractor under NRS 608.0155 only if they are "required by the contract with the principal to hold any necessary state business registration or local business license and to maintain any necessary occupational license, insurance or bonding." NRS 608.0155(1)(b). If dancers were providing their services to the Club as independent contractors then they would be required by law to obtain a state business registration. *See* NRS 76.100(1) ("[a] person shall not conduct a business in this State unless and until the person obtains a state business registration."). If dancers were leasing space in the Club to engage in their own erotic dance business, then each individual dancer also would have to be licensed as an erotic dance establishment. *See* Las Vegas Municipal Code 6.35.040 and the Clark County Code 6.160.040 (both classifying a business as an erotic dance establishment "when one or more dancers displays or exposes, with less than a full opaque covering, that portion of the female breast lower than the upper edge of the areola").

The requisite showing under NRS 608.0155(1)(b) is not met here because the Entertainer Agreement (the contract between the parties) - which contains a robust integration clause - does not require dancers "to hold any necessary state business registration or local business license." Because NRS 608.0155(1)(b) is not met the statute's independent contractor inquiry is at an end and the Court would move on, as instructed by NRS 608.0155(2), to determine that the dancers are the Club's employees under MWA's economic realities test.

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Looking, as an academic exercise, to the other criteria in NRS 608.0155 for independent contractor status, it also is clear the Club could not meet its burden of satisfying the requisite three out of the five criteria or "sub-factors" listed in NRS 608.0155(1)(c). The only factor that would be met (if there were the requisite contract to perform work) is section (c)(3) (dancers not required to work exclusively for one principal).

The first sub-factor asks whether the putative contractor has "control and discretion over the means and manner of the performance of any work and the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract." NRS 608.0155(1)(c)(1). As discussed in Section B(2)(a), above, the Club's selfinterested disclaimer of control is unconvincing. The Club exerts significant control over its dancers while they are on the job by, for example, enforcing guidelines and rules by assessing fines against dancers and/or firing them (SOF 2), setting up one or more stages and implementing a rotation system whereby dancers would be called up to perform on stage (SOF 12) and establishing and controlling access to a designated "VIP" room (SOF 15). As other courts have found on these facts, which are similar to the undisputed facts supporting the conclusion reached by the Nevada Supreme Court in *Terry* and by numerous other courts, the reality of the dancers' situation "undermines [the club's] characterization of the 'choices' it offers performers and the freedom it suggests that these choices allow them; the performers are, for all practical purposes, 'not on a pedestal, but in a cage." Terry, 336 P.3d at 959 (quoting Frontiero v. Richardson, 411 U.S. 677, 684 (1973)). Additionally, the second part of NRS 608.0155(1)(c)(1) requires that "the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract." Regardless of the extent of control, this sub-factor clearly cannot be met because, according to the contract the Club drafted and made its dancers sign, the dancers do not perform any

work for the Club but merely lease space in which to perform their own independent business (SOF 4).

The second sub-factor asks whether "the person has control over the time the work is performed." NRS 608.0155(1)(c)(2). This sub-factor cannot be met because dancers perform no work for the Club and, in any event, this provision expressly states it does not apply "if the work contracted for is entertainment." NRS 608.0155(1)(c)(2). Even if the Club had contracted with its dancers to provide dancing services, section (c)(2) in that case simply would not apply.

The fourth sub-factor asks whether the dancers are "free to hire employees to assist with the work." NRS 608.0155(1)(c)(4). The Entertainer Agreement the Club made each dancer sign, which contains a robust integration clause, clearly states that dancers "may not assign or delegate any of his or her rights of [sic] obligations hereunder without first obtaining the prior written consent of The Crazy Horse III." (SOF 4).

The fifth sub-factor asks whether the dancers contribute "a substantial investment of capital in the business of the person." NRS 608.0155(1)(c)(5). Here, it is undisputed that dancers are required to make no capital investment in the Club facilities, rent, advertising, maintenance, food, beverage, other inventory or staffing efforts (all of which is provided by the Club) (SOF 5). As the Nevada Supreme Court has noted, it is facially implausible to suggest that the amount of money a dancer must spend on skimpy costumes and makeup could ever amount to a substantial investment of capital or otherwise indicate that dancers are independent entrepreneurs. *See Terry*, 336 P.3d at 959 (noting "performers' financial contributions are limited to . . . their costume and appearance-related expenses and house fees" and thus "are far more closely akin to wage earners toiling for a living, than to independent entrepreneurs seeking a return on their risky capital investments") (quoting Reich v. Circle C. Invs., Inc., 998 F.2d 324, 328 (5th Cir.1993)).

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### V. CONCLUSION

The Club's owners have made a lot of money off its dancers by treating them as independent businesswomen who "choose" to rent space in its facility, which just happens to be set up and heavily marketed as a strip club. It is a lucrative business model, but it is illegal and exploitative. NRS 608.0155 does not apply to MWA claims and, even if it did, the outcome would not change. Plaintiffs are entitled to judgment as a matter of law as to their employee status because the undisputed facts in the record clearly establish that the economic reality of the relationship between the Club and its dancers is identical to the economic reality of dependence conclusively identified in so many other dancer misclassification cases.

DATED this 19th day of June, 2017.

### **MORRIS ANDERSON**

By: /s/ Lauren Calvert
RYAN M. ANDERSON, ESQ.

Nevada Bar No.: 11040

LAUREN CALVERT, ESQ.

Nevada Bar No.: 10534 716 S. Jones Blvd.

Las Vegas, Nevada 89107 Attornevs for Plaintiffs

| 1      | CERTIFICATE OF SERVICE  |  |  |  |
|--------|---|--|--|--|
| 2      | Pursuant to NRCP 5, NEFCR 9 and EDCR 8.05, I hereby certify that I am an employee of  |  |  |  |
| 3      | MORRIS ANDERSON, and on the 19th day of June, 2017, I served the foregoing <i>PLAINTIFFS</i> '  |  |  |  |
| 4<br>5 | MOTION FOR SUMMARY JUDGMENT ON EMPLOYEE STATUS as follows:  |  |  |  |
| 6      | Electronic Service – By serving a copy thereof through the Court's electronic service system; and/or  |  |  |  |
| 7<br>8 | U.S. Mail—By depositing a true copy thereof in the U.S. mail, first class postage prepaid and addressed as listed below; and/or                                 |  |  |  |
| 9      | Facsimile—By facsimile transmission pursuant to EDCR 7.26 to the facsimile  |  |  |  |
| 10     | number(s) shown below and in the confirmation sheet filed herewith. Consent to service under NRCP 5(b)(2)(D) shall be assumed unless an objection to service by |  |  |  |
| 11     | facsimile transmission is made in writing and sent to the sender via facsimile within 24 hours of receipt of this Certificate of Service.                       |  |  |  |
| 12     | Gregory J. Kamer, Esq.  |  |  |  |
| 13     | KAMER ZUCKER ABBOTT   |  |  |  |
| 14     | 3000 W. Charleston Blvd., Suite 3<br>Las Vegas, Nevada 89102  |  |  |  |
| 15     | Jeffery A. Bendavid, Esq.   |  |  |  |
| 16     | MORAN BRANDON BENDAVID MORAN 630 S. 4th Street  |  |  |  |
| 17     | Las Vegas, Nevada 89101   |  |  |  |
| 18     | Attorneys for Defendants  |  |  |  |
| 19     |   |  |  |  |
| 20     | /s/ Erickson Finch An employee/agent of MORRIS//ANDERSON  |  |  |  |
| 21     |   |  |  |  |
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# EXHIBIT "1"

| 1        | ANS  |                           |  |
|----------|--|---------------------------|--|
|          | JEFFERY A. BENDAVID, ESQ.  |                           |  |
| 2 [      | Nevada Bar No. 6220  |                           |  |
| 3        | MORAN BRANDON BENDAVID MORAN<br>630 South 4 <sup>th</sup> Street | N.                        |  |
| 4        | Las Vegas, Nevada 89101  |                           |  |
| 5        | (702) 384-8424   |                           |  |
| 6        | GREGORY J. KAMER, ESQ. Nevada Bar No. 0270                       |                           |  |
| 7        | KAITLIN H. ZIEGLER, ESQ.   |                           |  |
| 8        | Nevada Bar No. 013625  |                           |  |
| ັ        | KAMER ZUCKER ABBOTT  |                           |  |
| 9        | 3000 W. Charleston Blvd., #3<br>Las Vegas, Nevada 89102          |                           |  |
|          | (702) 259-8640   |                           |  |
| 10       | Attorneys for Russell Road Food and Beverage                     | $\sim LLC$                |  |
| 11       | Tittorneys for Russell Roda I oou and Deverage                   | , bbc                     |  |
|          | DISTRIC  | Γ COURT                   |  |
| 12       | CLARK COUN   |                           |  |
| 13       |  | •                         |  |
|          | JACQUELINE FRANKLIN, ASHLEIGH                                    | )                         |  |
| 14       | PARK, LILY SHEPARD, STACIE ALLEN,                                | ) Case No.: A-14-709372-C |  |
| 5        | MICHAELA DIVINE, VERONICA VAN                                    | )                         |  |
|          | WOODSEN, SAMANTHA JONES,   | ) Dept. No.: 31           |  |
| 16       | KARINA STRELKOVA, LASHONDA,                                      | )                         |  |
| _        | STEWART, DANIELLE LAMAR, and                                     |                           |  |
| 7        | DIRUBIN TAMAYO, individually,                                    | )                         |  |
| 8        | and on behalf of a class of similarly                            | )                         |  |
|          | situated individuals,  | )                         |  |
| 9        | Dlaintiffa   | )                         |  |
| .0       | Plaintiffs, vs.  | )                         |  |
| .0       | V 3.   | )                         |  |
| 1        | RUSSELL ROAD FOOD AND  | )                         |  |
| <u>,</u> | BEVERAGE, LLC, a Nevada limited                                  | )                         |  |
| 2        | Liability company (d/b/a CRAZY                                   | )                         |  |
| 3        | HORSE III GENTLEMEN'S CLUB),                                     | )                         |  |
| -        | DOE CLUB OWNER, I-X,   | )                         |  |
| 4        | ROE CLUB OWNER, I-X, and   | )                         |  |
| _        | ROE EMPLOYER, I-X,   | )                         |  |
| 5        | ···· · · · · · · · · · · · · · · · · ·                           | ,<br>)                    |  |
| 6        | Defendants.  | )                         |  |
| 7        | AND RELATED COUNTERCLAIMS  | )                         |  |
| 8        |  | )                         |  |
| ·°       |  |                           |  |
| - 11     |  |                           |  |

MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW 630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101

PHONE:(702) 384-8424

FAX: (702) 384-6568

## DEFENDANT, RUSSELL ROAD FOOD AND BEVERAGE, LLC'S ANSWERS AND OBJECTIONS TO PLAINTIFFS' FIRST SET OF INTERROGATORIES

- TO: Plaintiffs, Jacqueline Franklin, Ashleigh Park, Lily Shepard, Stacie Allen, Michaela Divine, Veronica Van Woodsen, Samantha Jones, Karina Strelkova, Lashonda Stewart, Danielle Lamar, and Dirubin Tamayo (collectively, the "Plaintiff"); and
- TO: Ryan M. Anderson, Esq., and Daniel R. Price, Esq., Morris//Anderson, Attorneys for Plaintiffs.

COMES NOW, Defendant, RUSSELL ROAD FOOD AND BEVERAGE, LLC, a Nevada limited liability, dba CRAZY HORSE III GENTLEMEN'S CLUB (the "Defendant"), by and through its attorneys of record, JEFFERY A. BENDAVID, ESQ., of MORAN BRANDON BENDAVID MORAN, GREGORY J. KAMER, ESQ., and KAITLIN H. ZIELGER, ESQ., of KAMER ZUCKER ABBOTT, and hereby submits pursuant to N.R.C.P. 33, DEFENDANT'S ANSWERS AND OBJECTIONS TO PLAINTIFFS' FIRST SET OF INTERROGATORIES.

### **GENERAL OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS**

- 1. Defendant objects to the instructions and definitions accompanying Plaintiff's Interrogatories to the extent they seek to expand or modify Defendant's obligations under the Nevada Rules of Civil Procedure.
- 2. Defendant objects to Plaintiff's definition of and instructions regarding the terms "You" and "Your" as it pertains to the pursuit of information that is privileged from discovery by the attorney-client communications privilege, the attorney work product doctrine, and the consulting-only expert privilege.
- 3. Defendant objects to Plaintiff's definition of and instructions regarding the terms "You" and "Your" as it pertains to the pursuit of information concerning the owners and principals of Defendant, who are not named Defendants in this matter and as a matter of



MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW

630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 Nevada law cannot be liable to Plaintiff for the claims asserted by Plaintiff in Plaintiff's Complaint against Defendant.

- 4. Defendant objects to Plaintiff's definition of and instructions regarding the term "Dancer," as it pertains to any individual who performed at Defendant's Crazy Horse III club as an erotic dancer who is not a named party to this action. The information provided by Defendant in response to Plaintiff's Interrogatories shall only involve those "Dancers" who performed at Defendant's Crazy Horse III club as an exotic dancer who are individually named as a Plaintiff in this matter.
- 5. Defendant objects to the Interrogatories to the extent they seek information protected, privileged, or otherwise exempt from discovery pursuant to applicable state statutes, the Nevada Rules of Civil Procedure, or any other applicable rule, decision, or law. Specifically and without limitation, Defendant objects to the disclosure of any information protected by the attorney-client privilege, work product doctrine, consulting-only expert privilege, trade secret privilege, or any other applicable privilege, doctrine, or exemption that would make the information immune or exempt from discovery. Nothing contained in these objections is intended to be nor should be considered a waiver of the attorney-client privilege, the work product doctrine, consulting-only expert privilege, trade secret privilege, or any other applicable privilege or doctrine, and to the extent that any Interrogatory may be construed as calling for disclosure of information and the identity of documents protected by such privileges or doctrines, a continuing objection to each and every Interrogatory is hereby made.
- 6. Defendant objects to the Interrogatories to the extent they are irrelevant, immaterial, not reasonably calculated to lead to the discovery of relevant and admissible

evidence, and are unduly burdensome and oppressive because they seek information on matters unrelated to the subject matter of the present lawsuit.

- 7. Defendant objects to the Interrogatories to the extent they seek information available from public sources and, as such, subject Defendant to undue burden and oppression.
- 8. Defendant objects to the Interrogatories to the extent they seek disclosure of confidential commercial, financial, and/or proprietary information without establishing the relevancy of such information to the issues raised in this litigation.
- 9. Defendant objects to the phrase "relevant time period," to the extent that Plaintiff's pursuit of information within the time period of November 4, 2010 to present as specified in Plaintiff's Definition AND Instruction No. 1. Specifically, Defendant objects to the Interrogatories to the extent they seek the disclosure of information outside the two (2) year statute of limitation prescribed by NRS 608.260, which the Court previously has deemed applicable in its Order filed on June 25, 2015. The information provided by Defendant in response to Plaintiff's Interrogatories shall only involve those events, actions, instances, times, and dates occurring within the prescribed two (2) year statute of limitation.
- 10. Defendant objects, as irrelevant, to the Interrogatories to the extent that Plaintiff seeks information from Defendant on behalf of those similarly situated as Plaintiff's Third Amended Complaint fails to make a prima facie showing in her Third Amended Complaint of the prerequisites of N.R.C.P. 23, and therefore has failed to meet her initial burden to demonstrate that the discovery sought are likely to produce persuasive information substantiating her class action allegations.



11. Defendant objects to Plaintiff's Interrogatories to the extent that Plaintiff seeks information that would invade the privacy of any individual or entity not a party to this action.

### **ANSWERS AND OBJECTIONS TO SPECIFIC INTERROGATORIES**

### **INTERROGATORY NO. 1:**

Identify by name, address, telephone number and ownership interest, each person or entity with an ownership interest in the club known as Crazy Horse at any time between November 4, 2010 and the present. For each entity with an ownership interest:

- a. Define whether it is a corporation, partnership, sole proprietorship, or joint venture;
- b. For each entity that is a corporation, identify the state in which incorporated, the date on which incorporated, your principal place of business, the names and addresses of all officers, and when the corporation was licensed to do business in the State of Nevada;
- c. For each entity that is a partnership, identify the names and addresses of each partner, whether general or limited, and the official business address of the partnership;
- d. For each entity that is a sole proprietorship, identify the name and address of each owner; and
- e. For each entity that is a joint venture, identify the name address of each joint venturer.

### ANSWER TO INTERROGATORY NO. 1:

Defendant objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015,



information concerning Defendant's ownership. However, Defendant's Members are not parties to Plaintiff's Complaint and both of Plaintiff's remaining claims are asserted only against Defendant.

Further, Defendant is a Nevada limited liability company managed by a designated Manager. As such, Defendant's Members do not manage Defendant as a matter of Nevada law. In addition, NRS 86.371 expressly declares that neither Defendant's Managers nor its Members can be liable for any of the liabilities of Defendant, which absolutely includes the claims against Defendant asserted in Plaintiff's Complaint.

As such, Plaintiff's Interrogatory is irrelevant and no actual, admissible evidence concerning Plaintiff's claims asserted only against Defendant can be discovered from the disclosure of the ownership information sought by Plaintiff's Interrogatory.

In addition, Plaintiff already knows, by name, that Defendant, that Russell Road Food and Beverage, LLC, owns and operates Crazy Horse III.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

### **INTERROGATORY NO. 2:**

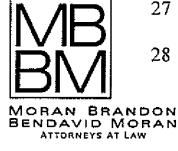
Describe in detail all work rules, regulations, restrictions and the like which applied to Dancers during the relevant time period. To the extent any of these regulations changed over time, describe which regulations were in effect for which period of time.



### **ANSWER TO INTERROGATORY NO. 2:**

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning "all work rules, regulations, restrictions, and the like" that applied to the Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly were formerly performed at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.

Defendant further objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on November 4, 2014. However, Plaintiff's Interrogatory seeks information from Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.



Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks information regarding the Defendant's work rules, regulations, and restrictions commencing from November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding Defendant's rules, regulations, and restrictions could not lead to the discovery of actual, admissible evidence.

Defendant further objects to this Interrogatory as overbroad and unduly burdensome as Plaintiff's Interrogatory constitutes a blockbuster Interrogatory seeking all possible "work rules, regulations, restrictions, and the like, which applied to Dancers during the relevant time period." As a matter of law, such a blockbuster Interrogatory as served by Plaintiff is overbroad and imposes and undue burden on Defendant. See e.g., In re Datacom Sys., 2014 Bankr. Lexis 5348 \*43 (D. Nev. Bkr. July 25, 2014) (citing Bat v. A.G. Edwards & Sons, Inc., 2005 U.S. Dist. LEXIS 47995 \*11 (D. Colo. Nov. 18, 2005); and Hilt v. SFC, Inc., 170 F.R.D. 182, 186-87 (D. Kan. 1997).

"work rules, regulations, restrictions and the like" characterizes or implies that Plaintiff was subject to such "work rules, regulations, restrictions and the like" because they were employees of Defendant who performed "work" for Defendant at Defendant's Crazy Horse III club. All of the Plaintiffs named in this matter were independent contractors who performed erotic dances at Crazy Horse III. None of the



630 South 4th Street LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 Plaintiff's named in this matter were employees of Defendant who were subject to any "work rules, regulations, restrictions, and the like." Accordingly, Defendant objects to this Interrogatory and the phrase, "work rules, regulations, restrictions, and the like" to the extent that either characterizes or implies that Plaintiff was an employee of Defendant subject to such "work rules, regulations, restrictions, and the like" as a result of any alleged employment with Defendant.

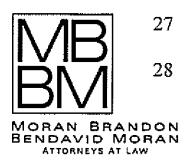
Without waiving the above objections, please reference Crazy Horse III Gentleman's Club Entertainer Guidelines, which Defendant has previously disclosed to Plaintiff as part of Defendant's Initial List of Documents and Witnesses previously served on Plaintiff pursuant to N.R.C.P. 16.1, bate stamped as RR0048 through RR0054.

Please also reference the Documents posted in work place areas, which Defendant has previously disclosed to Plaintiff as part of Defendant's First Supplement to its Initial List of Documents and Witnesses, bate stamped as RR0122 through RR0139.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

### **INTERROGATORY NO. 3:**

Describe in detail how violations of the work rules described in the immediately preceding interrogatory were enforced, e.g. were fines levied, lay-offs, etc. To the extent there were changes in how work rules were enforced over time, describe how work rules were enforced over time, describe how work rules were enforced.



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### **ANSWER TO INTERROGATORY NO. 3:**

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning how alleged violations of Defendant's "work rules" were enforced against Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly were formerly performed at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.

Defendant further objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on November 4, 2014. However, Plaintiff's Interrogatory seeks information from Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks information regarding Defendant's work rules, regulations, and restrictions commencing from November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding Defendant's rules, regulations, and restrictions could not lead to the discovery of actual, admissible evidence.

Defendant further objects to this Interrogatory to the extent that the phrase "work rules" characterizes or implies that Plaintiff was subject to such "work rules" because they were employees of Defendant who performed "work" for Defendant at Defendant's Crazy Horse III club. All of the Plaintiffs named in this matter were independent contractors who performed erotic dances at Crazy Horse III. None of the Plaintiff's named in this matter were employees of Defendant who were subject to any "work rules." Accordingly, Defendant objects to this Interrogatory and the phrase, "work rules" to the extent that either characterizes or implies that Plaintiff was an employee of Defendant subject to such "work rules" as a result of any alleged employment with Defendant.

Without waiving the above objections, please reference Crazy Horse III Gentleman's Club Entertainer Guidelines previously provided as part of Defendant's Initial List of Documents and Witnesses previously served on Plaintiff pursuant to N.R.C.P. 16.1, bate stamped as RR0048 through RR0054. These guidelines speak for



themselves as to the manner in which any violations of described in the immediately preceding interrogatory.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

#### **INTERROGATORY NO. 4:**

Describe in detail and by specific Dancer, what fees, fines, and other payments were charged by YOU to Dancers during the relevant time period. To the extent any of these fees changed over time, describe which fees were in effect for which period of time.

#### **RESPONSE TO INTERROGATORY NO. 4:**

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning "what fees, fines, and other payments" were charged to Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly were formerly at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.

Defendant further objects as this Interrogatory and the information sought constitute an invasion of privacy of the individuals identified in this Interrogatory who are not party to this action. Plaintiff has failed to demonstrate a compelling need for the discovery of such information that outweighs the privacy rights of the individuals not party to this action. See e.g., Sargant v. HG Staffing, LLC, 2014 U.S. Dist. LEXIS

56580 \*9-10 (D. Nev. April 22, 2014) (citing *Artis v. Deere & Co.*, 276 F.R.D. 348, 352 (N.D. Cal 2011) (quotation omitted)).

Defendant further objects to Plaintiff's Interrogatory as an invasion of privacy to the extent that Plaintiff's request demands the disclosure of confidential and sensitive financial and tax information of individuals not party to this action. The production of such confidential and sensitive financial and tax information constitutes an improper invasion of privacy after balancing Plaintiff's need for information against the asserted privacy interest of such individuals. See Id. See also, e.g., Nguyen v. Baxter Healthcare Corporation, 275 F.R.D. 503, 512-13, 2011 U.S. Dist. LEXIS 64134 \*33-34 (C. D. Cal. 2011).

Defendant further objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant concerning Plaintiff beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on November 4, 2014. However, Plaintiff's Interrogatory seeks information from Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks



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MORAN BRANDON NDAVID MORAN ATTORNEYS AT LAW

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information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks information regarding "what fees, fines, and other payments," were charged by Defendant to Plaintiff commencing from November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding "what fees, fines, and other payments," were charged by Defendant to Plaintiff could not lead to the discovery of actual, admissible evidence.

Without waiving the above objections, Defendant charges each performer a "house fee" to perform at its Crazy Horse III club, which is assessed and paid by each dancer who intends to perform on each respective day. Defendant also charges each dancer a fee if an individual dancer elects to be removed from the stage dance rotation.

Defendant does not assess any fines against the dancers, except that dancers may be subject to a fine for failing to check out properly as stated per the document posted in dancers "dressing room" and/or "back stage" area, previously disclosed to Plaintiff as part of Defendant's First Supplement to Defendant's Initial List of Documents and Witnesses, and bate stamped as RR0128. Further, Defendant has assessed a fee to those individual dancers for their failure to appear and perform their obligated stage dance.

In addition, Defendant has previously disclosed to Plaintiff the total fees assessed each individual Plaintiff as part of Defendant's Initial List of Documents and Witnesses previously served on Plaintiff pursuant to N.R.C.P. 16.1, as follows:

- 1. Entertainer Jacqueline S. Franklin's Profile, Charge Summary and Dance Dollar Report, and bate stamped at RR0055 through RR0068;
- 2. Entertainer Ashleigh M. Park's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0069 through RR0075;
- 3. Entertainer Lily C. Shepard's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0076 through RR0082;
- 4. Entertainer Stacie Allen's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0083 through RR0088;
- 5. Entertainer Veronika T. Woodsen's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0089 through RR0095;
- 6. Entertainer Samantha F. Jones' Profile and Charge Summary, bate stamped RR0096 through RR0098;
- 7. Entertainer Karina Strelkova's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0099 through RR0108;
- 8. Entertainer Lashonda Stewart's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0109 through RR0112; and
- 9. Entertainer Danielle L. Lamar's Profile, Charge Summary and Dance Dollar Report, and bate stamped RR0113 through RR0120.

In addition, Defendant has performed an extensive search of Defendant's available records and has not found any records demonstrating that Plaintiff, Michaela

Divine and Plaintiff, Dirubin Tamayo auditioned or performed at Defendant's Crazy Horse III club at any time after November 4, 2012.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

#### **INTERROGATORY NO. 5:**

Describe in detail who set Dancers' work schedules at Crazy Horse and how schedules were set.

#### **ANSWER TO INTERROGATORY NO. 5:**

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning the setting of "work schedules" of Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly performed at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.

Defendant further objects to this Interrogatory as this Interrogatory is compound and contains multiple subparts constituting additional individual Interrogatories.

Defendant further objects to this Interrogatory to the extent that the phrase "work schedule" characterizes or implies that Plaintiff was subject to a "work schedule" because they were employees of Defendant who performed "work" for Defendant at Defendant's Crazy Horse III club. All of the Plaintiffs named in this



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matter were independent contractors who performed erotic dances at Crazy Horse III. None of the Plaintiff's named in this matter were employees of Defendant who were subject to any "work schedule." Accordingly, Defendant objects to this Interrogatory and the phrase, "work schedule" to the extent that either characterizes or implies that Plaintiff was an employee of Defendant subject to any "work schedule" as a result of any alleged employment with Defendant.

Defendant also objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant concerning Plaintiff beyond the two (2) year applicable statute of limitation as stated in Instruction No. 1 of Plaintiff's First Set of Interrogatories. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on November 4, 2014. However, Plaintiff's Interrogatory seeks information from Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks

information as to who set the "work schedule" of Plaintiff since November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation.

Any information outside the applicable two (2) year statute of limitation is irrelevant as such information concerning who set the "work schedule," Plaintiff could not lead to the discovery of actual, admissible evidence.

Without waiving the above objections, the management of the Crazy Horse III club, on behalf of the Crazy Horse III club, contracts with all dancers for all shifts available. A potential dancer auditions for a manager(s) on shift during the time that the potential dancer auditions. If the potential dancer's audition is successful and the Crazy Horse III club's manager agrees to enter into a contract with the potential dancer to perform at the Crazy Horse III club, one of the managers assigns a shift for the dancer to perform.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

#### **INTERROGATORY NO. 6:**

Describe in detail any dress code or grooming/hygiene guidelines that were applicable to Dancers during the relevant time period. To the extent any of these guidelines changed over time, describe which regulations were in effect for which period of time.

#### **ANSWER TO INTERROGATORY NO. 6:**

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning "any dress code or grooming/hygiene guidelines" applicable to Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been



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certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly performed at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.

Defendant objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant concerning Plaintiff beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on However, Plaintiff's Interrogatory seeks information from November 4, 2014. Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks information regarding "any dress code or grooming/hygiene guidelines," applicable since November 4, 2010, which is well beyond the parameters of the applicable two (2)



year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding "any dress code or grooming/hygiene guidelines," could not lead to the discovery of actual, admissible evidence.

Without waiving the above objections, please reference Crazy Horse III Gentleman's Club Entertainer Guidelines bate stamped as RR0048 through RR0054 previously disclosed and served on Plaintiff as part of Defendant's Initial List of Documents and Witnesses previously pursuant to N.R.C.P. 16.1. These guidelines speak for themselves regarding any dress code or grooming/hygiene requirements.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

#### **INTERROGATORY NO. 7:**

Describe in detail how music for stage dances performed by Dancers at Crazy Horse was selected during the relevant time period.

#### ANSWER TO INTERROGATORY NO. 7:

Defendant objects to this Interrogatory to the extent that Plaintiff seeks information concerning "how music for stage dancers" was selected for Dancers that are not a named party in this action or for a class of similarly situated Dancers that does not exist, that Plaintiff has not moved to certify, and has not been certified by the Court. At the time of Plaintiff's Interrogatory, Plaintiff consists of eleven (11) individually named Plaintiffs who allegedly performed at Defendant's Crazy Horse III club. As such, Plaintiff's Interrogatory is premature and Plaintiff is not entitled to the discovery of such information at this time.



Defendant objects to this Interrogatory as overbroad as to time and scope since Plaintiff's Interrogatory seeks information from Defendant concerning Plaintiff beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation See Order Granting in Part and Denying Part prescribed by NRS 608.260. Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on However, Plaintiff's Interrogatory seeks information from November 4, 2014. Defendant beginning from November 4, 2010. As such, Plaintiff's Interrogatory seeks information far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Interrogatory is overbroad to the extent Plaintiff's Interrogatory seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Interrogatory as irrelevant to the extent that Plaintiff's Interrogatory seeks information from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Interrogatory seeks information regarding "how music for stage dances," was selected since November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding the manner of music selection for stage dances could not lead to the discovery of actual, admissible evidence.



Defendant further objects to this Interrogatory as irrelevant as the information sought by this Interrogatory could not possibly lead to the discovery of actual, admissible evidence. Plaintiff's Interrogatory seeks information regarding how music for stage dances was selected. Plaintiff's Complaint consists only of the asserted claim that Plaintiff was an employee of Defendant that was not paid Nevada's Minimum Wage. No information regarding the manner of music selection for stage dances could in any way reasonably lead to any actual, admissible evidence to establish Plaintiff's claim against Defendant. Further, Plaintiff's Third Amended Complaint fails to assert any allegations that the manner of music selection demonstrates an employment relationship between Plaintiff and Defendant. As such, Plaintiff's Interrogatory is irrelevant and no information disclosed regarding the music selection for stage dances reasonably could lead to the discovery of actual, admissible evidence in this matter.

Without waiving the above objections, the management of Crazy Horse III selects the music for stage dances performed by dancers. Dancers may request music to be played during their respective stage dances. However, the management of Crazy Horse III makes the final decision concerning music played for stage dancers to ensure that certain music formats and genres are in accordance with the Crazy Horse III club's desired scope.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Interrogatory.

#### **INTERROGATORY NO. 8:**

Describe in detail how YOU kept records or otherwise tracked how many shifts or hours each Dancer performed at Crazy Horse.



| 1  | Since Discovery is ongoing, Defendant reserves the right supplem |
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| 2  |  |
| 3  | Response to this Interrogatory.                                  |
|    | DATED this 2 <sup>nd</sup> day of May 2016.                      |
| 4  | MORAN BRANDON BENDAVID MORAN                                     |
| 5  |  |
| 6  | /s/ Jeffery A. Bendavid, Esq.                                    |
| 7  | JEFFERY A. BENDAVID, ESQ.  |
| 8  | Nevada Bar No. 6220 630 South 4th Street                         |
| _  | Las Vegas, Nevada 89101  |
| 9  | (702) 384-8424   |
| 10 |  |
| 11 | KAMER ZUCKER ABBOTT  |
| 12 |  |
| 13 | /s/ Gregory J. Kamer, Esq.                                       |
| 14 | GREGORY J. KAMER, ESQ. Nevada Bar No. 0270                       |
|    | KAITLIN H. ZIEGLER, ESQ.   |
| 15 | Nevada Bar No. 013625  |
| 16 | 3000 W. Charleston Blvd., #3                                     |
| 17 | Las Vegas, Nevada 89102<br>(702) 259-8640                        |
| 1, | Attorneys for Defendant  |
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MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW

630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568

the right supplement its

| VERIFICATION   |
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|  |
| STATE OF NEVADA )  |
| ) ss. COUNTY OF CLARK )  |
|  |
| COMES NOW affiant, NANDO SOSTILIO, having been duly sworn, deposes and says:         |
| 1. I am a manager of Defendant RUSSELL ROAD FOOD AND BEVERAGE,                       |
| LLC, a Nevada limited liability, dba CRAZY HORSE III GENTLEMEN'S CLUB. As such, I    |
| am authorized to execute this verification on behalf of Defendant RUSSELL ROAD FOOD  |
| AND BEVERAGE, LLC.   |
| 2. I have read the above and foregoing <b>DEFENDANT</b> , <b>RUSSELL ROAD FOOD</b>   |
| AND BEVERAGE, LLC'S RESPONSES AND OBJECTIONS TO PLAINTIFFS' FIRST                    |
| SET OF INTERROGATORIES and the information set forth therein is personally known to  |
| me, or was provided to me by employees and/or agents of Defendant with such personal |
| knowledge and as to those matters I believe them to be true.                         |
| Further affiant sayeth naught.   |
| Mal-let.   |
| NANDO SOSTILIO   |
| Subscribed and sworn to before me  |
| this day of May, 2016.  LEILANI GAMBOA   |
| NOTARY PUBLIC STATE OF NEVADA Appt. No. C6-109640-1                                  |
| My Appt. Expires May 10, 2019  |
| Notary Public in and for said County and State                                       |
|  |

MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW

#### The Crazy Horse III Gentleman's Club

#### **Entertainer Guidelines**

In order to protect our license to serve alcohol and to conduct business as an entertainer venue it is critically important to follow the guidelines below. It is everyone's responsibility to ensure that our privilege to operate and earn our income is safeguarded. Any entertainer, bartender, server, valet, host, hostess, showgirl, manager, etc. that jeopardizes this privilege by committing or allowing the commission of an interaction of the below guidelines will be asked of our team and hospitality professionals.

#### **GUIDELINES AND VIOLATIONS:**

#### 1 LEWD AND LASCIVIOUS BEHAVIOR

This definition varies from one court to the next, but refers to the manner in which the entertainer's interact with the guests of the club. It is your responsibility to learn what is permissible and what is not, however, as a general guideline,

#### DO NOT

Do Not touch your breasts, nipples, huttocks or genital area. This may be construed as a lewd and lascivious act as well as potentially an act of prostitution.

Do Not let the guest touch your breasts, nipples, buttock or genital areas. This may be construed as a lewd and lascivious act as well an act of prostitution.

Do Not pull your T- strap. You can adjust it, but you cannot pull on it to expose anything. Showing of pubic hair or your genitalia is illegal.

Do Not place anything in your mouth in a manner which could be described as simulated oral sex.

Do Not permit guests to place tips anywhere except in the side of your T- strap. \* Reminder: hold out your T- strap on the side while holding down the front of your T- strap. Never allow the guest to pull out your T- strap to tip for any reason. Never allow the guests hand to touch you while tipping.

Do Not touch the guests anywhere below the shoulders and only use the guests shoulders to keep your distance.

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Always keep at least one (1) of your feet on the floor at all times.

Do Not let anyone (male or female) touch you in a sexual way at any time.

#### NO GRINDING

Do Not have any contact at anytime and for any reason between yourself and another entertainer or guest of the club, whereby there is contact between either, your or their anatomically sexual areas. In other words, your breast may never touch any part of a guest's body. Your knee may not come in contact with a guest's genital area. This includes body slides.

Do Not simulate any sex act.

Do Not dance together with another girl in a sexually graphic manner. For example, do not put your head in another entertainer's la[ area as though you are performing cumillingus. This is strictly prohibited and illegal.

#### II. PROSTITUTION

Prostitution is defines as any <u>SEXUAL ACT</u> performed for any <u>VALUABLE CONSIDERATION</u> (a valuable consideration may be money, drugs, a car, trip, etc.). If a guest is allowed to touch your buttocks during a dance you may be arrested for prostitution. Rubbing your buttocks does qualify as a sexual act and you are being paid for this act, valuable consideration, hence potential for prostitution charge.

#### **III. SOLICITAION OF PROSTITUTION**

Solicitation of prostitution is defines as <u>OFFERING</u> a sexual act for any valuable consideration. Remember, INTENT is not relevant. It does not matter that you did not intend to actually commit an act of prostitution in order to be charged and convicted of the crime.

#### IV. ASSIGNATION OF PROSTITUTION

This is the <u>PROMISE OR AGREEMENT</u> of meeting someone at a later time to perform a sexual act for valuable consideration, again, regardless of intent to actually meet the individual(s).

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#### V. ALLOWING NARCOTTC USE BY PATRON

Please understand that the club may lose its liquor license for allowing or for not policing narcotic use by patrons of the club. This includes allowing patrons to arrange for transaction of controlled substances on or off premises, or to knowingly allow patrons or entertainers to engage in conversations about the subject (of narcotics). Please, immediately advise the manager on duty of the suspicion of these transactions.

#### USE POSSESION, OR BEING UNDER THE INFLUENCE OF A NARCOTIC OR COMPARABLE SUBSTANCES

You may not be under the influences of, possess, distribute, dispense or use any controlled substance on your way to the club, in the club or on company premises (which includes, but is not limited to, the parking lot and the surrounding buildings whether you are dancing that shift or not).

#### PRESCRIPTION DRUGS

If you are taking prescription incdication and you must take it at work, you must inform the club manager upon arrival at the club.

Anyone who is using prescription or over the counter medication may bring such medication to work with them if the medications are in the original container and the container is clearly labeled as to the contents, Prescription and over the counter medication must not be mixed together. Each medication must be in its original container. Remember: use of medication by anyone other than the person it was prescribed for is illegal.

#### VI. RUDENESS TO ANY GUEST

If a problem arises, it is your responsibility to notify the manager on duty immediately. We expect the entertainers and the staff to treat our guests with respect and courtesy.

Therefore, we can expect the same treatment from our guests. However, should a problem arise, it must be reported to a manager, At no time will anyone attempt to deal with a disorderly or rude guest on their own.

#### DISHONESTY

Thefi of money or property from the company, the guests, the fellow entertainers or employees is strictly prohibited. This includes the giving away of merchants without prior consent of management, taking money off of the guest's table, or the overcharging of a guest.

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#### FIGHTING

Fighting or willful acts that may result in injury to others is strictly prohibited (inside the club, on company premises, or on company business). Likewise, harassment arguing, or fighting among the staff is also prohibited.

No guns, firearms, or any other weapons are permitted on any company property, at anytime and for any reason. It is everybody's responsibility to enforce this policy throughout the club. If you have any knowledge or suspect that an individual possesses a firearm, please inform management immediately. Some may tell you that they are licensed to carry a firearm, or that they are law enforcement, nevertheless, they may not drink alcohol and carry a firearm. Please note that everyone is on notice and to always fully cooperate with any Law Enforcement Agency.

#### VII. HUSTLING (VILATION) DEFINITIONS

1. To dance for a guest without asking him/her if he would like you to dance or fail to inform him/her that each dance is for a \$20.00 fee prior to dancing.

2. To tell a guest that he owes you for more than the set fee's for each dance or that you performed more dances than you did.

3. To charge a fee anytime other than a dance charge, etc. Such as "We have to pay the Champagne Host \$20.00 to leave us alone".

4. To insist or imply that a guest must tip you or another entertainer or employee.

5. To insist a guest must pay for any service or product other than those which are clearly authorized by the club.

When [performing as a Crazy Horse III Entertainer, you will be expected to conduct yourself in a professional, mature manner at all times.

You sincere courtesy, friendliness and businesslike attitude will create the type of positive atmosphere in which our guests can relax and enjoy themselves and that will make them want to return again and again. We should cooperate together as a TEAM to achieve our individual goals.

Your performance is not over until you've personally thanked everyone, invited them back, and said goodbye. Intercept your guests when they are leaving, try not to let anybody you've danced for get out the door without a final thank you and smile.

Your entertainment should have been attentive and intelligent, polished, polite, watchful, prompt, efficient, thoughtful, devoted, sophisticated, friendly, and helpful.

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If you were gracious, personable, adaptable, diplomatic, tactful, cheerful, courteous, sensitive, considerate, and poised then you will get and be able to keep "regular" guests forever.

VIP

When going into VIP areas it is mandatory that you discuss with the guest <u>IN ADVANCE</u>. If your guest has agreed to an hourly rate then the VIP host must be informed of the agreed upon rate <u>IN ADVANCE</u>. Hustling guests by not setting the rate <u>IN ADVANCE</u> will not be tolerated and will result in your termination.

Entertaining guests by talking to them and making them feel comfortable is every bit important as entertaining them by dancing for them. A well rounded entertainer stimulates a guests mind as well as his or her senses. This way you establish a relationship with the guest that keeps him from feeling hustled and makes him want to come back.

#### NON DISCLOSURE

Is an important house policy. At no time are you permitted to disclose any personal information regarding any employee or entertainer to a guest. If a guests asks a specific question, such as, "Is she married?" or "Where does she live?" you should always "play stupid". The appropriate answer would be "I don't know". Disclosing personal information is grounds for immediate termination and other serious ramifications such as a personal lawsuit.

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#### THE CRAZY HORSE III ENTERTAINER RULES

- 1. Make your stages... Do not be late. Wait for your replacement before leaving the stage. You must go down to G- string on stage after first song and leave it off for every song after that.
- 2. The only ways that you can miss your stage are:
- a. if you are in the VIP room. You WILL get called off stage. Alert a Floor Host or Manager if you hear your name being called.
- b. If you pay to go off stage.
  - 3. Hose fees are to be paid before your shift starts.
  - 4. All entertainers must show their Non-Gaming Sheriff's card when they work.
  - 5. All entertainers must sign in and out.
  - 6. NO GUM. If you chew gum and stick it under the table or on the floor you will be terminated.
  - 7. No cell phones or pagers.
  - 8. Dress code:
- a. Your butt must be covered.
- b. Large tattoos must be covered.
- 9. Drinking by the entertainers is allowed. Being drunk is not. Pace yourself.
- 10. Please do not turn down a drink; it does not have to be alcohol. Order something-water. Never discourage bottle sales or you will be terminated.
- 11. Do not walk around with a cigarette or cell phone.
- 12. When going into the VIP Room, always check in with a Floor Host or Manager. No entertainer may enter VIP without a host escorting you.
- 13. Hustling will not be tolerated, all charges must be legidinate. Do not tun tabs on dances. Get paid after every song to avoid confusion.
- 14. Customer service is our top priority. All interaction with guests must be friendly and positive. Rudeness is acceptable. If a guest is rude, be polite and excuse yourself, let a manger know. The manager will handle it for you.
- 15. Booths on the main floor all have minimums. Do not seat guests yourself.
- 16. Dance dollars can be redeemed for cash at the front desk. There is a 10% redemption fee. Redemption fee and internal club policies are not to be discussed with guests. DO NOT ask guests to reimburse you for the 10% redemption fee.
- 17. No glitter and no oil.
- 18. No smoking in the dressing room or in VIP reception.
- 19. No drinking glasses in the dressing room.
- 20. Never be rude or disrespectful to any staff member.
- 21. If solicited for any kind of sexual act, always say NO. Do not jokingly say yes. Inform a manager immediately.
- 22. Do not complain about club or employees in front of guests. Be supportive of staff at all times. If you have complaints find a manager.
- 23. Respect the instructions of the Floor Hosts. Especially when they correct your dancing. Non-compliance may lead to suspension or termination of your contract.
- 24. DO NOT ever leave the club in a customer's vehicle. DO NOT follow a customer off the property. DO NOT ever meet a customer off the premises. You will be terminated. If your boyfriend or girlfriend is to pick you up be sure to alert VALET and Backdoor personnel of your shift.

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| GUESTS<br>Cover Charge:<br>Nevada Residents with a local Dr<br>Out of State: Men and Woman - S | river's License/Identification Card -Free<br>\$30.00 if they arrive by taxi or limo |
|  |   |
|  | ENTERTAINMENT   |
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| MAIN FLOOR   |   |
| 1 lap dance/song \$20.00   |   |
| VIP:   |   |
| 3 dances for \$100.00<br>* One drink minimum   |   |
| VIP BOOTHS- 1/2 HO   | UR  |
| 30 minutes/ entertainer \$200.00<br>*One drink minimum   |   |
| VIP BOOTHS- 1 HO   | our.  |
| 1 hour/entertainer \$400.00<br>* 1 drink(s) per hour   |   |
|  |   |
| VIP SUITES - 1 HO  | DUR   |

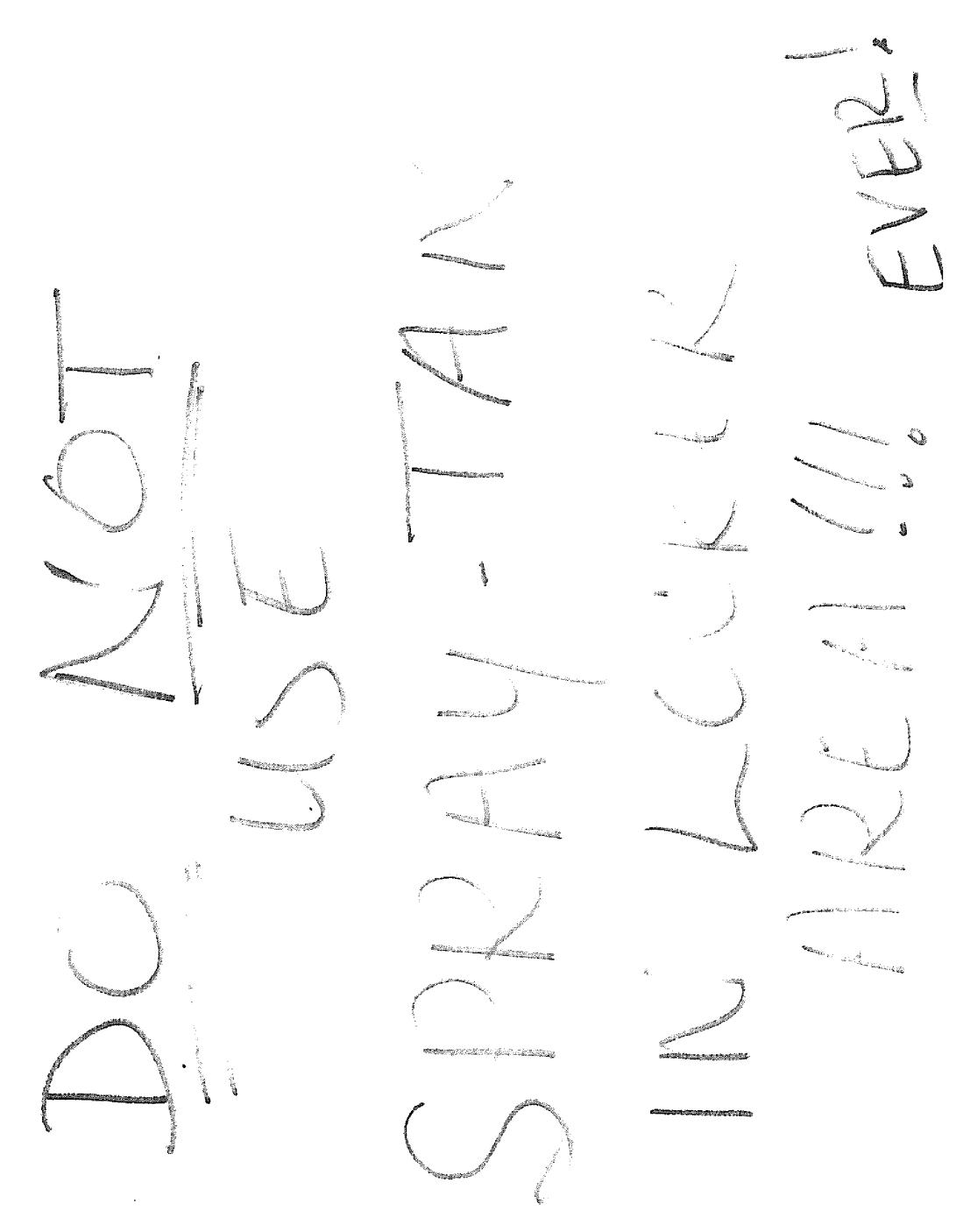
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# ALL ENTERTAINERS MUST HAVE THEIR TOPS ON AT ALL TIMES UNLESS THEY ARE

- DANCING IN VIP
- DOING A FLOOR DANCE
- OR ON STAGE

NO EXCEPTIONS!

CH3 MANAGEMENT



RR0123

## SMOKING IN

LOCKER

ROOM

## ALL MUSIC NEEDS TO BE PLAYED THROUGH HEADPHONES ONLY N() EXCEPTIONS

### FREE HOUSE FEES

#### \$75 CREDIT FOR SIGNING UP TO GET EVENTS AUTOMATICALLY POSTED TO YOUR SOCIAL MEDIAL

Follow these steps to sign up and receive your \$75 credit:

- Go to promotip.com/crezy-horse-3
- 2. Check the box to Agree to Terms and Conditions
- 3. Click Log in with Feoebook button
- 4. Enter your facebook login information
  - Accept the permissions to allow access
  - 6. Click Loz in with Twitter button
  - 7. Enter your twitter logis information and press Authorize app button
  - 8. Accept the permissions to allow socces
  - 9. Bring your checkin ticket and show acreenshot of your dashboard completed to a manager to receive \$75 credit.

Crazy Horse 3 events will automatically post to your social media every few days. To opt out go to your account settings in both facebook and twitter and then go to app settings and sevens access to promotip.

#### GET A \$75 FEE CREDIT FOR ADDING A PROFILE TO OUR WEBSITE!

Pallow these steps to sign up and receive your additional credit:

- 1. Go to mych@.com
- 2. Create a profile and \$6 out all information
- 3. Use CALY a professional photo when creating your profile...go to crazyhorse3.com CH3Girls page for examples
- 4. Check prezyhorees.com CH2Giris page to see if your profile approved
- 5. Once approved bring your check-in ticket to management for your extra \$75 fee credit

Your profile will be public and on our website. Personal information will not be displayed.

#### GET A \$50 FEE CREDIT FOR REFERRING GROUPS TO THE CLUB!!

Get paid to bring your customers to the club and receive \$50 credit for every group:

We will give your customers FREE ride in our limo, FREE entry, and alther their first round of circles or \$100 off incide service. You will get a \$60 fee credit for referring your group! You must pre-book the group with management to receive credit, and your guests MUST use our limo to receive the free ride, entry, and circles if they arrive by test or limo they will have been the free ride, owner OR circles! Any questions always saik management.

#### GET A \$75 MINIMUM FEE CREDIT FOR ATTENDING CLUB PROMOSIL

Get pold to promote the club and network and meet potential customers. Club promotions include nightchion, steekhouse dissentions, golf cutings, and many other cutiets that we promote to bring in customers. Some promotions are even paler club in addition to house the credits. Some include dinner and drinks ato as well. These are siways a way to meet customers and bring them in immediately to make \$6 from them and the club.

Sign up on the promotions sheet with your stage name and cell number, or send a text to Justin at 7025720269, Reggie at 7027386882, and Miles at 7025026840 with your stage name and that you are interested in promotions. Any qualitiess selk management.

## NO ENTERTAINERS INDRESSING ROOM WITHOUT CHECKINGIN AT THE HUB FIRST

#### Attention Entertainers:

All entertainers must have a complete check out slip in order to clock out. It must be signed by DJ, Manager, House mom, and turned into the HUB. All entertainers that do not check out properly are subject to fines, being placed on inactive status, and termination.

Absolutely No Glasses In The Dressing Room, Use Styrofoam Cups If you Bring Your Drink In The Back-Thank You HSEMOM

ATTENTION ENTERTAINERS: YOU HAVE 30 MIN FROM CHECK IN TO GET READY AND GET ON THE FLOOR, MISSING A STAGE WILL INCUR A MISSED STAGE FEE, BE COURTEOUS TO THE GIRL THAT YOU ARE RELIEVING!

ATTENTION ENTERTAINERS, JUST A REMINDER THAT DANCE DOLLARS CAN BE CASHED DURING THE TIMES 2AM, 4AM, 6AM, AND 8AM. IF YOU'RE UNABLE TO MAKE THESE TIMES YOU'LL HAVE TO CASH THEM DURING YOUR NEXT SHIFT. DANCE DOLLARS WILL NOT BE CASHED DURING THE DAY, AND A MANAGER WILL NOT BE CALLED. THANK YOU, MGMT

#### ATTENTION ALL ENTERTAINERS

EVERY ENTERTAINER MUST ATTEND AN ORIENTATION BEING HELD BY MANAGEMENT ON FRIDAY OR TUESDAY @ 8PM

AGAIN, THIS IS FOR ALL ENTERTAINERS, EVEN GIRLS THAT HAVE BEEN HERE SINCE DAY 1!!! IF YOU DO NOT ATTEND ON ONE THE DAYS, YOU WILL NOT BE ABLE TO WORK UNTIL YOU COMPLETE THE ORIENTATION!!!

PLEASE SIGN UP WITH THE HOUSE MOM

ATTENTION ENTERTAINERS, JUST A REMINDER THAT DANCE DOLLARS CAN BE CASHED DURING THE TIMES 2AM, 4AM, 6AM, AND 8AM. IF YOU'RE UNABLE TO MAKE THESE TIMES YOU'LL HAVE TO CASH THEM DURING YOUR NEXT SHIFT. DANCE DOLLARS WILL NOT BE CASHED DURING THE DAY, AND A MANAGER WILL NOT BE CALLED. THANK YOU, MGMT

#### REQUIREMENTS FOR PROSPECTIVE DANCERS

#### Government Issue ID With Photo And Birth date

(Drivers License or Passport)

#### **Sheriffs Card**

(Birth Certificate Required if Under 25 years old) Referral needed-\$45.00 Mon-Fri 8Am-4PM Fingerprint Bureau 5580 Cameron St Las Vegas NV 89118 Phone # (702)-828-3271

#### **NEVADA BUSINESS LISENCE**

\$200.00 per year
Mon-Fri 8Am-4PM
Nevada Secretary Of State
Grant Sawyer Building
555 E Washington Ave Las Vegas NV 89101
-OR-

#### www.nvsilverflume.gov

Type Of License NT-7 "Sole Proprietor" Phone # (702)-486-2880

## ATTENTION

3-8-14

| ALL ENTERTAINERS HAVE        |
|------------------------------|
| 5 MINUTES TO LEAVE THE       |
| FLOOR AFTER CHECKING OUT     |
| WITH THE DJ. IF YOU STAY AND |
| KEEP WORKING, YOU WILL BE    |
| CHANGED A MISSED STAGE       |
| FEE!!! PER MGMNT             |

## ATTENTION ALL ENTERTAINERS

MUST HAVE CHECKOUT SLIP SIGNED BY THE DJ SIGNED BY A MANAGER AND SIGNED BY THE HOUSE MOM THEN TURNED IN 'BY YOU' TO THE HUB THERE WILL BE ABSOLUTELY NO **EXCEPTIONS** PER MANAGEMENT FAILURE TO DO SO WILL RESULT IN **DEACTIVATION** UNTIL RESOLVED BY A MEMBER OF MANAGEMENT

# MUST PAY

HOUSE FEE

UPFRONT TO

CLOCK IN NO

EXCEPTIONS



Do not take photos or video recordings in the locker room.

TIIS

includes FaceTime,
SnapChat, Instagram,
Vine, YouTube, etc.

#### **ENTERTAINERS**

You are now able to sell suites in VIP for bar tabs, as well as allow customers to transfer their bottles purchased on the floor with a \$150 VIP transfer fee. These rooms will be the suites in VIP2 and there will be no curtain on the rooms. If the customer wants a completely private suite with curtain closed they will have to do the normal bottle minimum in VIP1. The bar tabs for these rooms will be set at \$250 and the dancer will receive \$400 hourly rate but if there are any questions please ask for a manager.

NEVER leave a suite without asking the host to ask a manager to talk to your customer and try and work something out so that both you and the club make money!

We will also be changing the checkout process. Entertainers will now receive their checkout slips from management instead of the djs. You will then go to the DJ to have the DJ check you out and remove you from rotation. Finally you will check out with the house mom and drop your slip at the checkout window to be clocked out.

We will also be enforcing a ZERO exception policy on expired business licenses beginning August 1st. All Entertainers must have current licenses by this day. Any questions or assistance needed please ask a manager.

We are also incentivizing our entertainer for bringing their customers to the club. We will give your customers FREE ride in our limo, FREE entry, and either their first round of drinks or \$100 off bottle service. You will also get a \$50 fee credit for referring your group! You must prebook the group with management to receive credit, and your guests <u>MUST</u> use our limo to receive the free ride, entry, and drinks! If they arrive by taxi or limo they will <u>NOT</u> receive the free ride, cover OR drinks! Any questions always ask management.

Thanks!
Crazy Horse 3 Management

## EXHIBIT "2"

| 1      | RESP   |                         |
|--------|--|-------------------------|
|        | JEFFERY A. BENDAVID, ESQ.                                      |                         |
| 2      | Nevada Bar No. 6220  |                         |
| 3      | MORAN BRANDON BENDAVID MORAN                                   |                         |
| J      | 630 South 4 <sup>th</sup> Street                               |                         |
| 4      | Las Vegas, Nevada 89101  |                         |
|        | (702) 384-8424   |                         |
| 5      |  |                         |
| 6      | GREGORY J. KAMER, ESQ.   |                         |
| U      | Nevada Bar No. 0270  |                         |
| 7      | KAITLIN H. ZIEGLER, ESQ.                                       |                         |
|        | Nevada Bar No. 013625  |                         |
| 8      | KAMER ZUCKER ABBOTT  |                         |
| 9      | 3000 W. Charleston Blvd., #3                                   |                         |
| -      | Las Vegas, Nevada 89102  |                         |
| 10     | (702) 259-8640   | a                       |
| 1 1    | Attorneys for Russell Road Food and Beverage, LL               | $\mathcal{C}$           |
| 11     |  |                         |
| 12     | DISTRICT CO  |                         |
|        | CLARK COUNTY,  | NEVADA                  |
| 13     | TAGOTIEI DIE EDANIZI DI AGIII DIGII                            |                         |
| 14     | JACQUELINE FRANKLIN, ASHLEIGH )                                | C N + 14 700070 C       |
| 14     | PARK, LILY SHEPARD, STACIE ALLEN, )                            | Case No.: A-14-709372-C |
| 15     | MICHAELA DIVINE, VERONICA VAN )                                | Dt N 21                 |
|        | WOODSEN, SAMANTHA JONES, )                                     | Dept. No.: 31           |
| 16     | KARINA STRELKOVA, LASHONDA, )   STEWART, DANIELLE LAMAR, and ) |                         |
| 17     | DIRUBIN TAMAYO, individually, )                                |                         |
| 1 1    | and on behalf of a class of similarly )                        |                         |
| 18     | situated individuals,  |                         |
|        | Situated individuals,  |                         |
| 19     | Plaintiffs,  |                         |
| 20     | vs.  |                         |
|        | )  |                         |
| 21     | RUSSELL ROAD FOOD AND  |                         |
| 22     | BEVERAGE, LLC, a Nevada limited )                              |                         |
| 22     | Liability company (d/b/a CRAZY )                               |                         |
| 23     | HORSE III GENTLEMEN'S CLUB),                                   |                         |
|        | DOE CLUB OWNER, I-X,   |                         |
| 24     | ROE CLUB OWNER, I-X, and )                                     |                         |
| 25     | ROE EMPLOYER, I-X,   |                         |
| 23     |  |                         |
| 26     | Defendants.  |                         |
| _      |  |                         |
| 27     | AND RELATED COUNTERCLAIMS )                                    |                         |
| 28     |  |                         |
| التنسك | 11   |                         |



## DEFENDANT, RUSSELL ROAD FOOD AND BEVERAGE, LLC'S RESPONSES AND OBJECTIONS TO PLAINTIFFS' FIRST SET OF REQUESTS FOR THE PRODUCTION OF DOCUMENTS

TO: Plaintiffs, Jacqueline Franklin, Ashleigh Park, Lily Shepard, Stacie Allen, Michaela Divine, Veronica Van Woodsen, Samantha Jones, Karina Strelkova, Lashonda Stewart, Danielle Lamar, and Dirubin Tamayo (collectively, the "Plaintiff"); and

TO: Ryan M. Anderson, Esq., and Daniel R. Price, Esq., Morris//Anderson, Attorneys for Plaintiffs.

COMES NOW, Defendant, RUSSELL ROAD FOOD AND BEVERAGE, LLC, a Nevada limited liability, dba CRAZY HORSE III GENTLEMEN'S CLUB (the "Defendant"), by and through its attorneys of record, JEFFERY A. BENDAVID, ESQ., of MORAN BRANDON BENDAVID MORAN, GREGORY J. KAMER, ESQ., and KAITLIN H. ZIELGER, ESQ., of KAMER ZUCKER ABBOTT, and hereby submits pursuant to N.R.C.P. 34, DEFENDANT'S RESPONSES AND OBJECTIONS TO PLAINTIFFS' FIRST SET OF REQUESTS FOR THE PRODUCTION OF DOCUMENTS.

#### **GENERAL OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS**

- 1. Defendant objects to the instructions and definitions accompanying Plaintiff's Requests for the Production of Documents to the extent they seek to expand or modify Defendant's obligations under the Nevada Rules of Civil Procedure.
- 2. Defendant objects to Plaintiff's definition of and instructions regarding the terms "You" and "Your" as it pertains to the pursuit of information that is privileged from discovery by the attorney-client communications privilege, the attorney work product doctrine, and the consulting-only expert privilege.
- 3. Defendant objects to Plaintiff's definition of and instructions regarding the terms "You" and "Your" as it pertains to the pursuit of information concerning the owners and principals of Defendant, who are not named Defendants in this matter and as a matter of



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BENDAVID MORAN

630 SOUTH 4TH STREET Las Vegas, Nevada 89101 PHONE: (702) 384-8424 Fax: (702) 384-6568

ATTORNEYS AT LAW

Nevada law cannot be liable to Plaintiff for the claims asserted by Plaintiff in Plaintiff's Complaint against Defendant.

- Defendant objects to Plaintiff's definition of and instructions regarding the 4. term "Dancer," as it pertains to any individual who performed at Defendant's Crazy Horse III club as an erotic dancer who is not a named party to this action. The information provided by Defendant in response to Plaintiff's Requests shall only involve those "Dancers" who performed at Defendant's Crazy Horse III club as an exotic dancer who are individually named as a Plaintiff in this matter.
- Defendant objects to the Requests for the Production of Documents to the 5. extent they seek information protected, privileged, or otherwise exempt from discovery pursuant to applicable state statutes, the Nevada Rules of Civil Procedure, or any other applicable rule, decision, or law. Specifically and without limitation, Defendant objects to the disclosure of any information protected by the attorney-client privilege, work product doctrine, consulting-only expert privilege, trade secret privilege, or any other applicable privilege, doctrine, or exemption that would make the information immune or exempt from discovery. Nothing contained in these objections is intended to be nor should be considered a waiver of the attorney-client privilege, the work product doctrine, consulting-only expert privilege, trade secret privilege, or any other applicable privilege or doctrine, and to the extent that any Request for the Production of Documents may be construed as calling for disclosure of information and the identity of documents protected by such privileges or doctrines, a continuing objection to each and every Request for the Production of Documents is hereby made.

- 6. Defendant objects to the Requests for the Production of Documents to the extent they are irrelevant, immaterial, not reasonably calculated to lead to the discovery of relevant and admissible evidence, and are unduly burdensome and oppressive because they seek information on matters unrelated to the subject matter of the present lawsuit.
- 7. Defendant objects to the Requests for the Production of Documents to the extent they seek information available from public sources and, as such, subject Defendant to undue burden and oppression.
- 8. Defendant objects to the Requests for the Production of Documents to the extent they seek disclosure of confidential commercial, financial, and/or proprietary information without establishing the relevancy of such information to the issues raised in this litigation.
- 9. Defendant objects to the phrase "relevant time period," to the extent that Plaintiff's pursuit of information within the time period of November 4, 2010 to present as specified in Plaintiff's Definition AND Instruction No. 1. Specifically, Defendant objects to the Requests for the Production of Documents to the extent they seek the disclosure of information outside the two (2) year statute of limitation prescribed by NRS 608.260, which the Court previously has deemed applicable in its Order filed on June 25, 2015. The information provided by Defendant in response to Plaintiff's Requests for the Production of Documents shall only involve those events, actions, instances, times, and dates occurring within the prescribed two (2) year statute of limitation.
- 10. Defendant objects, as irrelevant, to the Requests to the extent that Plaintiff seeks information from Defendant on behalf of those similarly situated as Plaintiff's Third Amended Complaint fails to make a prima facie showing in her Third Amended Complaint

of the prerequisites of N.R.C.P. 23, and therefore has failed to meet her initial burden to demonstrate that the discovery sought are likely to produce persuasive information substantiating her class action allegations.

11. Defendant objects to Plaintiff's Requests for the Production of Documents to the extent that Plaintiff seeks information that would invade the privacy of any individual or entity not a party to this action.

#### OBJECTIONS AND RESPONSES TO SPECIFIC REQUESTS

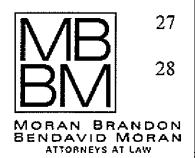
#### **REQUEST NO. 1:**

Produce all documents relating in any way to terms and conditions of the transfer of ownership and license(s) for Crazy Horse since November 4, 2010 (including any other name by which the club was known during the time period).

#### **RESPONSE TO REQUEST NO. 1:**

Defendant objects to this Request as overbroad and unduly burdensome as Plaintiff's Request constitutes a blockbuster Request for the Production of Documents seeking all "documents relating in any way to terms and conditions of the transfer of ownership and license(s)" for Defendant's Crazy Horse III club. As a matter of law, such a blockbuster Request for the Production of Documents as served by Plaintiff is overbroad and imposes an undue burden on Defendant. See e.g., In re Datacom Sys., 2014 Bankr. Lexis 5348 \*43 (D. Nev. Bkr. July 25, 2014) (citing Bat v. A.G. Edwards & Sons, Inc., 2005 U.S. Dist. LEXIS 47995 \*11 (D. Colo. Nov. 18, 2005); and Hilt v. SFC, Inc., 170 F.R.D. 182, 186-87 (D. Kan. 1997).

Defendant further objects to this Request as irrelevant and not likely to lead to the discovery of actual, admissible evidence. Plaintiff's Request seeks information



9. Entertainer Danielle L. Lamar's Profile, Charge Summary and Dance Dollar Report bate stamped as RR0113.

In addition, Defendant has performed an extensive search of Defendant's available records and has not found any records demonstrating that Plaintiff, Michaela Divine and Plaintiff, Dirubin Tamayo auditioned or performed at Defendant's Crazy Horse III club at any time after November 4, 2012.

Further, Defendant still is compiling a list with of dancers who performed at its Crazy Horse III club since November 4, 2012. Extensive time is required to compile such a list and upon completion will be disclosed to Plaintiff and any Responses to Plaintiff's First Set of Requests for Production of Documents affected by this supplemental disclosure will be supplemented upon completion.

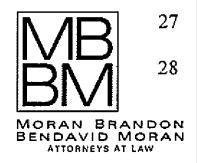
Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Request.

#### **REQUEST NO. 5:**

All documents provided by You, for any purpose to Dancers during the relevant time period, including, but not limited to contracts, agreements, correspondence, fliers, work rules or guidelines, and work schedules.

#### **RESPONSE TO REQUEST NO. 5:**

Defendant objects to this Request as overbroad and unduly burdensome as Plaintiff's Request constitutes a blockbuster Request for the Production of Documents seeking "all documents" provided by Defendant for any purpose to the Dancers who performed at Defendant's Crazy Horse III club. As a matter of law, such a blockbuster Request for the Production of Documents as served by Plaintiff is



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MORAN BRANDON
BENDAVID MORAN
ATTORNEYS AT LAW

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 overbroad and imposes an undue burden on Defendant. See e.g., In re Datacom Sys., 2014 Bankr. Lexis 5348 \*43 (D. Nev. Bkr. July 25, 2014) (citing Bat v. A.G. Edwards & Sons, Inc., 2005 U.S. Dist. LEXIS 47995 \*11 (D. Colo. Nov. 18, 2005); and Hilt v. SFC, Inc., 170 F.R.D. 182, 186-87 (D. Kan. 1997).

Defendant further objects to this Request as overbroad as to time and scope since Plaintiff's Request seeks the production of documents from Defendant beyond the two (2) year applicable statute of limitation. Pursuant to the Court's Order filed on June 25, 2015, Plaintiff's claim for unpaid wages pursuant to Nevada's Minimum Wage Amendment is subject to the two (2) year statute of limitation prescribed by NRS 608.260. See Order Granting in Part and Denying Part Defendant's Motion to Dismiss and Granting Defendant's Motion to Strike Prayer for Exemplary and Punitive Damages dated June 25, 2015. Plaintiff filed a Complaint on November 4, 2014, which establishes a two (2) year statute of limitation on or after November 4, 2012. However, Plaintiff's Request seeks the production of documents from Defendant beginning from November 4, 2010. As such, Plaintiff's Request seeks the production of documents far outside the prescribed two (2) year statute of limitation. Accordingly, Plaintiff's Request is overbroad to the extent Plaintiff's Request seeks information beginning from November 4, 2010, which is beyond the applicable two (2) year statute of limitation.

Defendant further objects to this Request as irrelevant to the extent that Plaintiff's Request seeks the production of documents from Defendant outside the applicable two (2) year statute of limitation. As already stated above, Plaintiff's Request seeks the production of "all documents" provided by Defendant for any

purpose to the Dancers who performed at Defendant's Crazy Horse III club commencing from November 4, 2010, which is well beyond the parameters of the applicable two (2) year statute of limitation. Any information outside the applicable two (2) year statute of limitation is irrelevant as such information regarding Defendant's ownership could not lead to the discovery of actual, admissible evidence.

Without waiving the above objections, please reference Defendant's Initial Disclosures to Its List of Documents and Witnesses previously served on Plaintiff pursuant to N.R.C.P. 16.1 as follows:

- 1. Entertainers Agreement, bate stamped as RR0043 through RR0047; and
- 2. The Crazy Horse III Gentleman's Club Entertainer Guidelines, bate stamped as RR0048 through RR0054;

Without waiving the above objections, please also reference Defendant's First Supplement to its Initial List of Documents and Witnesses previously served on Plaintiff pursuant to N.R.C.P. 16.1 as follows:

1. Documents posted in work place areas, including, but not limited to dancer "dressing rooms" and other "back stage" areas, bate stamped as RR0122 through RR0139.

Since Discovery is ongoing, Defendant reserves the right to supplement its response to this Request.

#### **REQUEST NO. 6:**

All documents posted in any work place area at Crazy Horse during the relevant time period, including, but not limited to dancer dressing rooms and other "back stage" areas.



#### **RESPONSE TO REQUEST NO. 35:**

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Please refer to Defendant's Response to Request No. 32.

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DATED this 2<sup>nd</sup> day of May 2016.

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MORAN BRANDON BENDAVID MORAN ATTORNEYS AT LAW

630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 MORAN BRANDON BENDAVID MORAN

/s/ Jeffery A. Bendavid, Esq.

JEFFERY A. BENDAVID, ESQ.

Nevada Bar No. 6220 630 South 4th Street Las Vegas, Nevada 89101 (702) 384-8424

KAMER ZUCKER ABBOTT

/s/ Gregory J. Kamer, Esq.

GREGORY J. KAMER, ESQ.

Nevada Bar No. 0270

KAITLIN H. ZIEGLER, ESQ.

Nevada Bar No. 013625 3000 W. Charleston Blvd., #3 Las Vegas, Nevada 89102

(702) 259-8640

Attorneys for Defendant

#### **Entertainers Agreement**

THIS ENTERTAINMENT AGREEMENT is made and entered into on the date noted on page five (5) of this document, by and between The Crazy Horse III, and the ENTERTAINER below designated and as signatory to this agreement (herein referred to as "Entertainer")

#### WITNESSETH

WHEREAS, The Crazy Horse III is engaged in business in the County of Clark, State of Nevada;

WHEREAS, Entertainer desired to utilize the facilities of The Crazy Horse III for the purpose(s) of providing for Entertainer's benefit lawful entertainment for persons who are present at The Crazy Horse III facility: and

WHEREAS, The Crazy Horse III agrees to permit to perform Entertainer's act(s) at The Crazy Horse III facility on the terms and conditions hereinafter set forth.

1. LEGAL RELATIONSHIP. The parties intend that the relationship created hereunder will be only that of The Crazy Horse III and Entertainer and not only any other legal relationship of any type or kind. It has been represented, and Entertainer agrees and acknowledges, that The Crazy Horse III is only providing the use of it's facilities to enable Entertainer a location for the performance of Entertainer's act(s). Entertainer acknowledges and agrees that he or she is not an employee or agent of The Crazy Horse III and is not entitled to receive by law or by terms of this agreement any of the benefits or privileges which The Crazy Horse III of Las Vegas may otherwise provide for employees or agents of The Crazy Horse III.

2. NON-EXCLUSIVITY. Entertainer acknowledges that The Crazy Horse III expressly reserves the right to engage and schedule other Entertainers who may also perform his or her act(s) on the same day(s) as Entertainer performs. Similarly, The Crazy Horse III acknowledges that Entertainer may perform at other establishments at any time Entertainer

is not scheduled to perform at The Crazy Horse III.
3. LIABILITIES AND RISKS. Entertainer acknowledges, agrees and understands, and so states, that the act(s) to be performed by Entertainer under this agreement shall be performed entirely at Entertainer's risk. Entertainer acknowledges and agrees that Entertainer assumes, without exception, all tesponsibility and costs for all consequences and/or damages resulting from the act(s) performed by Entertainer under this agreement at the business address of The Crazy Horse III. Further, Entertainer is under a continuing obligation to hold The Crazy Horse III entirely harmless from any and all obligations and/or damages resulting from or caused by Entertainer, the Entertainer assumes all responsibility and cost(s) for the providing of costumes and/or clothing and for the operation of all equipment apparatus or devices used by the Entertainer in the performance of his or her act(s).

4. DURATION. The parties understand and agree that this agreement is made effective as of the first day Entertainer performs at The Crazy Horse III facility, even if prior to the execution of this agreement, and all rights and liabilities accruing hereunder shall be effective as of that date. This agreement, and all rights and liabilities accruing hereunder shall be effective as of that date. This agreement shall remain in force for a period of one (1)

week only, but shall be automatically renewed for successive seven (7) day terms unless either party communicates, verbally or in writing, with or without cause, to the other party that termination is requested, and, in such event, termination of this agreement shall be effective immediately up the date such notice is receives. Upon execution of this

agreement(s), which cover the subject matter herein.

5. DUTY OF LEGAL PERFORMANCES. Entertainer agrees not to misrepresent any service of The Crazy Horse III; not to knowingly make any false or misleading statement to anyone. Entertainer acknowledges that said entertainer is aware that "Solicitation or the Act of Solicitation" is a crime. That any form of solicitation or prostitution either initiated by the Entertainer, the customer, or any person whoseever constitutes a crime. That these actions EXCEPTION WHATSUE VAR WAS the State of Neverlathe County of Clark, and it's of the facilities of The Crazy Horse III. Entertainer agrees to comply in all respects with the applicable laws, rules and regulations of the United State4s, the State of Nevada and the County of Clark in order to protect the name, liability, and good public reputation of The Crazy Horse III. Except, as expressly set forth above, The Crazy Horse III shall have no right or authority to determine the nature of the Entertainer's performance, all artistic aspects of the performance to be at the sole discretion of the Entertainer.

6 RIGHT OF MONITORING AND INSPECTION. The Crazy Horse III reserves the right 7. UTILIZATION OF THE CRAZY HORSE III OF LAS VEGAS FACILITIES. Entertainer will pay The Crazy Horse III a fee to be determined by The Crazy Horse III as

compensation to The Crazy Horse III for Entertainer's use of any and all facilities of The Crazy Horse III utilized by Entertainer during performance of Entertainer's act(s) pursuant

to this agreement.

8. INDEMNITIES AND ASSUMPTION OF RISK. Entertainer hereby releases holds harmless and indemnities The Crazy Horse III from and against any and all liabilities, cost, domage and expense and afformey's fees resulting from or attributable to any and all acts or omissions of acts of any type of nature by Entertainer hereunder while performing pursuant to this agreement. Further, Entertainer assumes all risk of damages to his or her person and equipment and any other person(s) that result or may result to Entertainer or any other part. This obligation by Entertainer regardless of when damages occur or claims for said damages are made.

9. BINDING EFFECT. This agreement shall be binding upon and shall insure to the benefit of the parties and their respective spouses, heirs, permitted assigns, successors, representatives and agents. This agreement shall constitute the only binding agreement between the parties, and all prior and contemporaneous verbal and or written agreements, correspondence and

conversations shall be void. 10. PRIOR EXPERIENCE. Since the ability and quality of the act(s) performed by Entertainer is essential to the economic success of The Crazy Horse III, Entertainer covenants and warrant that he or she is an experienced entertainer who has performed successfully at other entertainment facilities,.

11. ASSIGNMENT PROHIBITED. This agreement is personal to each of the parties hereto, and Entertainer may not assign or delegate any of his or her rights of obligations hereunder

without first obtaining the prior written consent of The Crazy Horse III.

12. AMMENDMENTS. No amendments or additions to this agreement shall be binding unless in writing and signed by each of the parties hereto.

13. NOTICES. Any written notice required or permitted to be given hereunder shall be sufficient if in writing and if said notice(s) is sent by first class mail, postage prepaid, to Entertainers last known mailing address or to The Crazy Horse III principal office as set forth below, or pursuant to any other notice requirement as set forth in this agreement.

14. RECEIPT OF COPY. The Crazy Horse III and Entertainer each hereby acknowledge that, concurrently with the execution of this agreement, a copy of the same has been received.

15. GOVERNING LAW. Inasmuch as the parties in the Sate of Nevada execute this agreement, and all services are to be performed in the State of Nevada, it is hereby agreed that any and all legal controversies hereunder shall be governed by and constructed in accordance with the laws of the State of Nevada.

# NOTICE

THIS IS TO INFORM YOU THAT THE AGREEMENT DOES NOT INCLUDE STATE INDUSTRIAL INSURANCE COVERAGE OR ANY OTHER BENEFITS OR PRIVATE INSURANCE WHATSOEVER.

| IN WITNESS WA                | EEREOF, the parties h | IN WITNESS WESEREOF, the parties have executed this agreement |  |
|------------------------------|-----------------------|---|--|
| TUS                          | na vie                |   |  |
| ENTERTAINER                  |                       |   |  |
| SIGNATURE:                   |                       | •   |  |
| NAME:                        |                       | •   |  |
| ADRESS, CITY, STATE AND ZIP: | T. T.                 | ,   |  |

THE CRAST HORSE III.
W RUSSELL ROAD
LAS VEGAS, NV 89118

# The Crazy Horse III Release of Liability

| LEGAL NAME:   |   |
|---|---|
| COOM HAND.  |   |
| •   |   |
|   |   |
| STAGE NAME:   |   |
|   |   |
|   |   |
| SOCIAL SECURITY NUMBER:   | ,   |
|   |   |
|   |   |
|   |   |
| hereunder while performing pursu<br>damages to his or her person and<br>entertainer or ant other part. This<br>harmless shall survive this agreen | iny and all acts or omission of acts of any type or nature by entertained uant to this agreement. Further, entertainer assumes all risks of equipment and to any other person(s) that results or may result to obligation by entertainer to to indemnify and hold corporation nent and shall apply to all damages resulting from act9s) by mages occur or claims for said damages are made. |
| ,   |   |
|   |   |
|   |   |
| Date:   | Signed:   |
|   |   |
|   |   |
|   | Printed Name:   |
|   |   |
| •   |   |
|   |   |
| · ·   |   |
|   | Approved By:  |
| · · ·   | The Crazy Horse III<br>3525 W Russell Rd<br>Las Vegas, NV 89118   |

# EXHIBIT "3"

```
Page 1
                    DISTRICT COURT
                 CLARK COUNTY, NEVADA
JACQUELINE FRANKLIN,
ASHLEIGH PARK, LILY
SHEPARD, STACIE ALLEN,
MICHAELA DIVINE, VERONICA
VAN WOODSEN, SAMANTHA JONES)
KARINA STRELKOVA, LASHONDA )
STEWART, DANIELLE LAMAR and)
DIRUBIN TAMAYO
individually, and on behalf)
of Class of similarly
situated individuals,
               Plaintiffs, )
                              CASE NO. A-14-709372-C
          vs.
                              DEPT. NO. XXXI
RUSSELL ROAD FOOD AND
BEVERAGE, LLC, a Nevada
limited liability company
(d/b/a CRAZY HORSE III
GENTLEMEN'S CLUB) SN
INVESTMENT PROPERTIES, LLC,)
a Nevada limited liability )
company (d/b/a CRAZY HORSE )
III GENTLEMEN'S CLUB), DOE )
CLUB OWNER, I-X, DOE
EMPLOYER, I-X, ROE CLUB
OWNER, I-X, and ROE
EMPLOYER, I-X,
               Defendants.
         VIDEOTAPED DEPOSITION OF KEITH RAGANO
              WEDNESDAY, OCTOBER 5, 2016
                       1:00 P.M.
                 AT 6130 ELTON AVENUE
                   LAS VEGAS, NEVADA
    REPORTED BY: MICHELLE R. FERREYRA, CCR No. 876
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DALOS Legal Services, LLC 702.260.0976

Page 16 1 goes back another two years to November of 2010. 2 that's a legal issue. But just to let you know, 3 we've -- we've agreed off the record -- and I will just 4 state it for the record -- that today we're going to 5 look at is how the club works today, going back to November of 2012. Is that okay? 6 Α. Yes. And, again, the -- the key -- the most 8 Q. 9 important thing from your point of view is to help me 10 understand if -- if things have changed during that 11 time or if they stayed the same with respect to 12 whatever we're looking at. Okay? 13 (Witness nods.) Α. 14 Ο. Okay. So in an effort to streamline this 15 and -- and kind of make good use of our time, I think 16 we can -- we can safely say that during that time 17 period, Russell Road has never treated its dancers as 18 employees; is that correct? 19 Α. Yes. 20 And so, therefore, they would have never have Q. 21 been issued -- no W-2s would have ever been issued to a 22 dancer for her services; right? 23 Α. Correct. 24 Also during that time period, November 2012 0. 25 through the -- the present, is it true that dancers had

|    | Page 17   |
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| 1  | paid a house fee each time they wished to work at the |
| 2  | club?   |
| 3  | MR. DAVIS: Objection. Form and foundation as          |
| 4  | to each individual named plaintiff.                   |
| 5  | You can answer if you know.                           |
| 6  | THE WITNESS: Yes. They pay a house fee or a           |
| 7  | lease fee to use the building that night.             |
| 8  | BY MR. STERLING:                                      |
| 9  | Q. Do you call it a house fee or a lease fee or       |
| 10 | either?   |
| 11 | A. House fee.   |
| 12 | Q. House fee? Okay.                                   |
| 13 | And that's that house fee policy has been             |
| 14 | in place since at least the 2012 period that we are   |
| 15 | talking about?  |
| 16 | A. Yes.   |
| 17 | Q. When was the club was it founded in 2009;          |
| 18 | is that right or set up?                              |
| 19 | A. The actual Crazy Horse?                            |
| 20 | Q. Yeah. The the the club as it exists                |
| 21 | today, do you know when it was set up or when it      |
| 22 | A. I don't know the exact date.                       |
| 23 | Q. Okay.  |
| 24 | Well, so you you were hired on November 5th           |
| 25 | of 2008. Was that                                     |

|    | Dage 10   |
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| 1  | Page 18   |
| 1  | A. It was Penthouse then.                             |
| 2  | Q. It was Penthouse then? Okay.                       |
| 3  | So sometime after that                                |
| 4  | A. It was sometime in in that 2000 area.              |
| 5  | Q. And so, basically, the the name changed and        |
| б  | you revamped, and                                     |
| 7  | A. (Witness nods.)                                    |
| 8  | Q but same location?                                  |
| 9  | A. Yes.   |
| 10 | Q. Okay.  |
| 11 | And I'll I'll refer to the relevant time              |
| 12 | period as a shorthand of and when I say that, again,  |
| 13 | I mean back to November of 2012 through the present.  |
| 14 | Is that okay?   |
| 15 | A. Yes.   |
| 16 | Q. Okay. So we established during the relevant        |
| 17 | time period no W-2s. Were there any 1099s during the  |
| 18 | relevant time period that were issued for services to |
| 19 | the dancers?  |
| 20 | A. No.  |
| 21 | Q. Now, it's true to say during the relevant time     |
| 22 | period that that dancers would make money either in   |
|    |   |
| 23 | cash or I think what you called dance dollars by      |
| 24 | performing at the club; is that right?                |
| 25 | A. Yes.   |

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| 1  | Q. During the relevant time period, is                  |
| 2  | there was there any other way for dancers to make       |
| 3  | money at the club?                                      |
| 4  | A. No.  |
| 5  | Q. Now, we'll talk in a minute about the policies       |
| 6  | in more detail that the club has with respect to the    |
| 7  | dancers. But is it fair to say during the relevant      |
| 8  | time period that the club treats all the dancers        |
| 9  | equally and applies the policies that it has equally to |
| 10 | all the dancers; is that a fair statement?              |
| 11 | A. Yes.   |
| 12 | Q. Let's let's talk a little bit about                  |
| 13 | the the company itself and the business side of it      |
| 14 | before we get into the the the actual you               |
| 15 | know, the day-to-day operations. So I think we said     |
| 16 | already the the corporate entity is Russell Road        |
| 17 | Food and Beverage, LLC; right?                          |
| 18 | A. Yes.   |
| 19 | Q. And the club's name is is Crazy Horse III?           |
| 20 | A. Yes.   |
| 21 | Q. And that's out at 3525 West Russell Road?            |
| 22 | A. Yes.   |
| 23 | Q. And is the is there another corporate                |
| 24 | office separate from that location for Russell Road,    |
| 25 | the entity, that you know of?                           |
| 1  |   |

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| 1  | BY MR. STERLING:                                      |
| 2  | Q. Okay. Good. That clears up that.                   |
| 3  | A. I think this needs to be updated.                  |
| 4  | Q. Okay.  |
| 5  | MR. STERLING: I need to take about a                  |
| 6  | two-minute break. Is that okay?                       |
| 7  | MR. DAVIS: Yeah.                                      |
| 8  | MR. STERLING: Thanks.                                 |
| 9  | VIDEOGRAPHER: The time is 2:11 p.m., and we           |
| 10 | are going off the record.                             |
| 11 | (Off the record.)                                     |
| 12 | VIDEOGRAPHER: The time is 2:18 p.m., and we           |
| 13 | are back on the record.                               |
| 14 | BY MR. STERLING:                                      |
| 15 | Q. I will ask you a couple more questions about       |
| 16 | these entertainer rules you have in front of you. So  |
| 17 | we we mentioned they might need to be updated and     |
| 18 | there's some some rules that may be or are no longer  |
| 19 | followed. Let's take take a look at rule No. 1        |
| 20 | there. Make your stages, do not be late. Explain to   |
| 21 | me what a what that means.                            |
| 22 | A. That means when they're called to stage, just      |
| 23 | be considerate of the person that's already up there, |
| 24 | they want to get down.                                |
| 25 | Q. Okay. And by "stage," I'm I'm guessing             |

Page 59 1 they're talking about a performance area? 2 Α. Yes. 3 Ο. And there's a -- a person calling the dancers 4 up to the stage; is that right? 5 Α. Yes. And is that the DJ? 6 Q. Α. Yes. 8 Okay. So how -- how does that -- so --Q. 9 calling up process, what -- what are the -- what are 10 the rules about getting called up on stage? How does 11 it work? 12 Α. It just goes off the Club Tracks from when 13 they check in. 14 Ο. Okay. So each dancer checks in, and her name 15 pops into the system; is that right? 16 Α. Yes. 17 Q. And then that information would go up to the 18 DJ? 19 He has a Club Track screen also. Α. 20 Okay. And -- and what does the DJ do with Q. that information? 21 22 He just goes down the list. Α. 23 Okay. And talk to -- what would -- what would Q. 24 constitute a stage? So once a girl is -- is -- or 25 dancer is called up, what is -- what is her obligation

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| 1  | on the stage or what does she do on the stage?          |
| 2  | MR. DAVIS: Objection. Compound. Vague and               |
| 3  | ambiguous as to obligation. Calls for legal             |
| 4  | conclusion.   |
| 5  | You can answer.   |
| 6  | THE WITNESS: Some girls climb the pole, some            |
| 7  | girls just stand there, some girls dance. All depends   |
| 8  | on the entertainer.                                     |
| 9  | BY MR. STERLING:  |
| 10 | Q. Is there a a set duration, time limit?               |
| 11 | A. Depends on the time of the night.                    |
| 12 | Q. So let's talk then about the different time          |
| 13 | limits, then. So during during the course of a          |
| 14 | day so let me ask you this firstly. So is               |
| 15 | this is it fair to call it sort of a rotation           |
| 16 | schedule of the dancers who are in the club at that     |
| 17 | time?   |
| 18 | A. Yes. But also other dancers can go up if             |
| 19 | asked. If a guest would like to see them, they can      |
| 20 | approach a manager or and we'll put them up.            |
| 21 | Q. Okay. But if that doesn't happen, there's            |
| 22 | sort of like an automatic rotation that the DJ controls |
| 23 | for dancers that are in the club?                       |
| 24 | A. Yes. It just goes right down Club Tracks.            |
| 25 | Q. Okay.  |

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- 1 A. Club Tracks keeps track of it.
- Q. And is that stage process in play 20 -- 24
- 3 hours of the day?
- 4 A. No.
- 5 Q. When is it -- when is there no -- when are
- 6 there no stages?
- 7 A. There's stages during the day when there's not
- 8 as many entertainers. They just go up when they want
- 9 to go up.
- 10 Q. Is that -- does the DJ kind of play it by ear
- or is their a specific policy as to stage shuts down at
- this time and commences again?
- 13 A. No. There's no set -- set times.
- 14 Q. So the -- the DJ kind of makes -- makes the
- 15 call?
- 16 A. And then sometimes during the day, there's not
- 17 a DJ there. There's just music playing.
- 18 Q. So to come back to the -- the parameters of
- 19 the stage performance, so you mentioned it -- it might
- 20 change based on the time of day. Can you -- can you
- 21 elaborate?
- 22 A. It might go from three songs to two songs.
- 23 And then later at night they do get split off the side
- 24 stages after the main stage.
- Q. But if there -- if the stages -- if the system

Page 62 is up and running and -- and women are doing these 1 2 stages, it's typically the -- each stage performance 3 would be a number of songs; is that right? 4 Two to three songs. 5 Q. Okay. Sometimes it's two and sometimes it's 6 three? Yes. Α. 8 Okay. Who -- who chooses the playlist in the Q. 9 club? 10 The entertainers. Α. How does that work? 11 Q. 12 When they speak to the DJ, they tell them what Α. 13 type of music they like, what type of music they like 14 to dance to. 15 You mean the -- the dancer that's Ο. about -- that's about to go on stage? 16 17 Α. When they first meet the DJ, they log them 18 down, what type of music they like. Or individually 19 they can go up and they might want to hear a certain 20 song for when they're doing stage that night. 21 Okay. The second sentence here back in Rule 1 Ο. 22 says: Wait for your replacement before leaving the 23 stage. Is -- is that an expectation -- or is that 24 accurately explain the -- how the system works? 25 Α. Yes.

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| 1  | You can answer if you know.                          |
| 2  | THE WITNESS: Yeah. Some girls go                     |
| 3  | right right down to the G-string when they go up     |
| 4  | now. It all depends on the entertainer's preference. |
| 5  | BY MR. STERLING:                                     |
| 6  | Q. What about the the requirement I mean,            |
| 7  | here it says the requirement is as I read it, is to  |
| 8  | get down to the G-string at some point during the    |
| 9  | stage. Is the rule is there no longer a rule of      |
| 10 | getting down to the G-string on stage?               |
| 11 | A. The girls just do it. That's how they make        |
| 12 | money, is on the stage.                              |
| 13 | Q. Okay. If you take a look at 2B there, there's     |
| 14 | a it looks like there's a way to pay to go off       |
| 15 | stage. Is is that a explain explain what's           |
| 16 | meant there.   |
| 17 | A. If they don't want to be in the stage             |
| 18 | rotation, they can pay to be off the stage rotation. |
| 19 | Q. Is that true today?                               |
| 20 | A. Yes.  |
| 21 | Q. Has that been true throughout the relevant        |
| 22 | time period?   |
| 23 | A. Yes.  |
| 24 | Q. Do you know what the the how much they            |
| 25 | have to pay to go off stage?                         |
| I  |  |

Page 66 1 Α. 40. 2 3, I think that's a typo. I think it means 3 house fees; right, are paid before the shift starts? 4 Is that -- is that how it works today? 5 MR. DAVIS: Objection. Form and foundation. 6 You can answer. THE WITNESS: Yes and no. Because if girls don't have it, we do let them work and pay it later. 8 9 BY MR. STERLING: 10 Okay. You do require to show their Sheriff's Ο. card when they show up for work? 11 12 Yes. Α. 13 And you do require entertainers to sign in and 0. 14 sign out? 15 Α. Yes. How do -- how -- what's the sign in process? 16 Ο. 17 Is it electronic, is there a sign-in sheet? 18 Electronic. It's a fingerprint. Α. 19 Q. Same thing with sign out? 20 Α. No. 21 How do they sign out? Q. 22 They get a slip from the DJ -- or they get a Α. 23 slip from the manager, and then they bring it to the 24 DJ, and then they give it to the house mom. 25 hub -- then they take them out of rotation so we know

Page 95 1 Are references required in order to -- to 2 dance at the club? 3 Α. No. 4 0. Do you require formal dance training, that 5 the -- the dancers have -- you know, completed some formal dance training in their -- in their past? 6 Α. No. Is it your -- well, have -- have you discussed 8 Q. 9 the audition process with other managers so you are 10 reasonably comfortable they're on the same page with you if -- if they're giving the audition? 11 12 Yes. But I can't speak for them. Α. 13 But as General Manager, it's your -- it's your Ο. 14 understanding that, basically, you are looking for good 15 dancers, and everyone knows what a good dancer is, based on your experience? 16 17 Α. Yes. 18 Okay. Has the club during the relevant time Q. 19 period ever imposed a fee or charge if -- if a dancer 20 wants to leave early or -- pretty soon after she checks 21 in? 22 Α. No. 23 Again, we have been talking throughout the Q. 24 entire day here about a time period of November 2012 25 through to the present. And I just want to give you an

Page 109 walking through the club. 1 2 We talked a little bit about this VIP. 3 came up in two -- there's a -- a -- a VIP I suppose 4 areas and then -- well, let's talk about those -- those 5 VIP areas. Is it true to say that there's a -- so 6 there is a -- a check-in procedure to access those areas with -- with patrons and that there be a host there for that; is that right? 8 9 Α. Yes. 10 Okay. And then I think we -- we also Ο. 11 mentioned there's other -- perhaps other booths or 12 areas in the club that might be set aside for -- for 13 maybe -- with dollar -- you know, bottle minimums; is 14 that right, too? 15 Α. Yes. And then so there would be another area that 16 Ο. 17 would be sort of general area where the dancers could perform those lap dances -- just the \$20-dollar lap 18 19 dances? 20 Α. They can perform them anywhere in the club. 21 There's not a specific area they have to be to give a 22 dance. 23 Okay. But -- but -- well, I guess it's almost Q. 24 a rule that would apply to the patron, too. 25 the -- the patron can't just say, I want to go into the

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| 1 VIP room and spend 20 bucks, right? There's a         |
| 2 requirement that the VIP room is for more than just a |
| 3 lap dance; right?                                     |
| 4 A. Yeah. We have the drinks minimums and              |
| 5 Q. Yeah. Okay.  |
| 6 Are dancers involved in the hiring of                 |
| 7 employees at the club like bartenders and VIP hosts?  |
| 8 A. No.  |
| 9 Q. Okay. Are dancers involved in the decision to      |
| 10 set the hours of operation of the club?              |
| 11 A. No.   |
| 12 Q. Do are dancers involved in whether to             |
| 13 charge a cover and how much that should be?          |
| 14 A. No.   |
| 15 Q. Do dancers contribute to the payment of rent      |
| 16 for the club?  |
| 17 MR. DAVIS: Objection as to form and                  |
| 18 foundation. Calls for speculation.                   |
| 19 You can answer.                                      |
| 20 THE WITNESS: Can you explain that a little           |
| 21 bit more?  |
| 22 BY MR. STERLING:                                     |
| Q. Well, we talked a little bit earlier how             |
| 24 the the club the Russell Road leases its space.      |
| 25 And I am assuming there's a there's a rent payment   |

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| 1  | for that arrangement; right?                        |
|    |   |
| 2  | A. Uh-huh.  |
| 3  | Q. Are you aware of the dancers contributing to     |
| 4  | any part of that rent payment, directly?            |
| 5  | A. Directly?  |
| 6  | Q. Uh-huh.  |
| 7  | A. Other than house fees, no.                       |
| 8  | Q. Okay. Which go to the club, and then the club    |
| 9  | would pay the rent?                                 |
| 10 | A. (Witness nods.)                                  |
| 11 | Q. Okay. Dancers aren't directly responsible for    |
| 12 | paying wages of any employee at the club, are they? |
| 13 | A. No.  |
| 14 | Q. Okay. And dancers aren't responsible for         |
| 15 | repairing or maintaining the club in its clean      |
| 16 | condition?  |
| 17 | A. No.  |
| 18 | Q. Okay. They aren't responsible for buying food    |
| 19 | and beverages?                                      |
| 20 | A. No.  |
| 21 | Q. Have you ever discussed with the owner           |
| 22 | treating your employees as as treating the          |
| 23 | dancers as employees?                               |
| 24 | MR. DAVIS: Objection as to form and                 |
| 25 | foundation with regard to owner and relation to the |

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| 1        | CERTIFICATE OF REPORTER                                 |
| 2        | STATE OF NEVADA ) COUNTY OF CLARK )                     |
| 3        | I, Michelle R. Ferreyra, a Certified Court              |
| 4        | Reporter licensed by the State of Nevada, do hereby     |
| 5        | certify: That I reported the videotaped deposition of   |
| 6        | KEITH RAGANO, commencing on WEDNESDAY, OCTOBER 5, 2016, |
| 7        | at 1:00 p.m.  |
| 8        | That prior to being deposed, the witness was            |
| 9        | duly sworn by me to testify to the truth. That I        |
| 10       | thereafter transcribed my said stenographic notes into  |
| 11       | written form, and that the typewritten transcript is a  |
| 12       | complete, true and accurate transcription of my said    |
| 13       | stenographic notes, and that a request has been made to |
| 14       | review the transcript.                                  |
| 15       | I further certify that I am not a relative,             |
| 16       | employee or independent contractor of counsel or of any |
| 17       | of the parties involved in the proceeding, nor a person |
| 18       | financially interested in the proceeding, nor do I have |
| 19       | any other relationship that may reasonably cause my     |
| 20       | impartiality to be questioned.                          |
| 21       | IN WITNESS WHEREOF, I have set my hand in my            |
| 22       | office in the County of Clark, State of Nevada, this    |
| 23       | 19th ay October, 2016.                                  |
| 24<br>25 | MICHELLE R. FERRYRAN CCR NO. 876                        |