IN THE SUPREME COURT OF THE STATE OF NEVADA

O.P.H. OF LAS VEGAS, INC.,

Appellants,

v.

OREGON MUTUAL INSURANCE COMPANY; DAVE SANDIN; AND SANDIN & CO.,

Respondents.

Supreme Court No. 76966

APPEALS

District Court Not 2018 02:49 p.m. Cit 15 2018 02:49 p.m. Elizabeth A. Brown ATTACHENER OF SUPREME Court DOCKETING STATEMENT CIVIL

CIVIL COVER SHEET

A-12-672158-C

Clark County, Nevada

Case No. _

(Assigned by Clerk's Office)

IIVXX

| I. Party Information | | | | | | |
|--|---|---|--|--|--|--|
| Plaintiff(s) (name/address/phone): | | Defendant(s) (name/address/phone): | | | | |
| O.P.H. of Las Vegas Inc. / 4833 V Boulevard / Las Vegas, Nevada 8 1500 | | 1. Oregon Mutual Insurance Company / P.O. BOX 808 / McMinnville, Oregon 97128 / (800) 888-2912 Ext. 2818 | | | | |
| Attorney (namc/address/phone): | | | / 46 Da Vinci Street / Lake Oswego, 5 / (503) 381-8583 | | | |
| Margaret A. McLetchie / 616 S. Eighth St. 89101 / (702) 471-6565 | /Las Vegas, NV | 1 | . / 46 Da Vinci Street / Lake Oswego, 5 / (503) 381-5570 | | | |
| | | Attorney (name/address/phone): Clarke B. Holland / 5858 Horton Street / Suite 370 / Emeryville, California 94608 / (510) 841-7777 | | | | |
| II. Nature of Controversy (Please chapplicable subcategory, if appropriate) | eck applicable bold | category and | Arbitration Requested | | | |
| | Civ | il Cases | | | | |
| Real Property | 14 | To | orts | | | |
| ☐ Landlord/Tenant ☐ Unlawful Detaincr ☐ Title to Property | Neg ☐ Negligence – Au ☐ Negligence – Me | | ☐ Product Liability ☐ Product Liability/Motor Vehicle ☐ Other Torts/Product Liability | | | |
| ☐ Foreclosure ☐ Liens ☐ Quiet Title | ☐ Negligence – Pro (☐ Negligence – Otl | Slip/Fall) | ☐ Intentional Misconduct ☐ Torts/Dcfamation (Libel/Slander) ☐ Interfere with Contract Rights | | | |
| Specific Performance Condemnation/Eminent Domain Other Real Property Partition Planning/Zoning | 11 | A | ☐ Employment Torts (Wrongful termination) ☐ Other Torts ☐ Anti-trust ☐ Fraud/Misrcpresentation ☐ Insurance ☐ Legal Tort ☐ Unfair Competition | | | |
| Probate | | Other Civil | Filing Types | | | |
| Summary Administration General Administration Special Administration Set Aside Estates Trust/Conservatorships Individual Trustee Corporate Trustee | ☐ Insurance (☐ Commercia ☐ Other Cont ☐ Collection ☐ Employme ☐ Guarantee ☐ Sale Contra ☐ Uniform C ☐ Civil Petition for ☐ Forcclosure ☐ Other Admi ☐ Department | act Construction Carrier al Instrument tracts/Acct/Judgment of Actions nt Contract act ommercial Code Judicial Review | □ Appeal from Lower Court (also check applicable civil case box) □ Transfer from Justice Court □ Justice Court Civil Appeal □ Civil Writ □ Other Special Proceeding □ Compromise of Minor's Claim □ Conversion of Property □ Damage to Property □ Employment Security □ Enforcement of Judgment □ Foreign Judgment → Civil □ Other Personal Property □ Recovery of Property □ Stockholder Suit □ Other Civil Matters | | | |
| III Rusiness Court Requested (Plea | | | and Committee State Nation | | | |

| ☐ NRS Chapters 78-88 ☐ Commodities (NRS 90) ☐ Securities (NRS 90) | ☐ Investments (NRS 104 Art. 8) ☐ Deceptive Trade Practices (NRS 598) ☐ Trademarks (NRS 600A) | ☐ Enhanced Case Mgmt/Business ☐ Other Business Court Matters | | | |
|---|--|--|--|--|--|
| 11/19/2012 | $// \propto$ | | | | |
| Date | Signature of | initiating party or representative | | | |

1 **COMJD** MARGARET A. MCLETCHIE CLERK OF THE COURT 2 Nevada State Bar No. 10931 ROBERT L. LANGFORD 3 Nevada State Bar No. 003988 4 LANGFORD MCLETCHIE LLC 616 S. Eighth Street 5 Las Vegas, NV 89101 (702) 471-6565 maggie@nvlitigation.com 7 Attorneys for Plaintiff O.P.H. of Las Vegas Inc. 8 9 DISTRICT COURT 10 CLARK COUNTY NEVADA 11 Case No.: A - 12 - 672158 - C O.P.H. of Las Vegas Inc., 12 LANGFORD MCLETCHIE LLC Plaintiff 13 616 SOUTH EIGHTH STREET LAS VEGAS, NEVADA 89101 Dept. No.: XXVII ATTORNEYS AT LAW 14 vs. **COMPLAINT** 15 Oregon Mutual Insurance Company, Dave Sandin, and Sandin & Co., JURY TRIAL DEMAND 16 17 Defendants. **Arbitration Exemption Claimed:** Damages in Excess of \$50,000 18 19 20 This is a civil action for damages. Plaintiff O.P.H. of Las Vegas Inc. 21 ("PLAINTIFF") hereby alleges and complains as follows: 22 23 **Jurisdiction** 24 1. Jurisdiction in this case is proper pursuant to Nev. Rev. Stat. 25 § 14.065. 26 27 28 1

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Parties

- Plaintiff O.P.H. of Las Vegas Inc. ("OPH INC." or "PLAINTIFF")
 owns the Original Pancake House Restaurant which was previously located and operated at 4833 West Charleston Boulevard.
- 3. Defendant OREGON MUTUAL INSURANCE COMPANY ("OREGON MUTUAL") is, and at all relevant times was, an insurance company headquartered in McMinnville, Oregon that does business in Nevada.
- 4. Defendant SANDIN & CO., also known as SANDIN INSURANCE GROUP ("SANDIN INSURANCE"), is, and at all relevant times was, an insurance group with headquarters at 46 Da Vinci Street, Lake Oswego, Oregon that does business in Nevada.
- Defendant DAVE SANDIN is an insurance agent who is affiliated with Defendant SANDIN INSURANCE and, on information and belief, Defendant OREGON MUTUAL.
- Defendant OREGON MUTUAL appointed Defendant SANDIN INSURANCE as one of its agents for Casualty and Property Insurance in Nevada, effective May 17, 2010.
- Defendant OREGON MUTUAL's agency appointment on file with the State of Nevada does not include Defendant DAVE SANDIN.
- 8. On information and belief, Defendant OREGON MUTUAL was aware that Defendant DAVE SANDIN acted as an agent for and sold OREGON MUTUAL insurance in the State of Nevada.
 - 9. DOE DEFENDANTS I-X are natural persons who work for or are

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616 South Eighth Street LAS VEGAS, NEVADA 89101 affiliated with Defendants OREGON MUTUAL, SANDIN INSURANCE, and/or DAVE SANDIN. ROE BUSINESS ENTITIES I-X directed, assisted in, or ratified the wrongful actions of the named Defendants and/or are, without limitation, predecessor entities, successor entities, parent or subsidiary corporations, or other kinds of business organizations, which are related to, connected to, control or operate DEFENDANTS. DOE DEFENDANTS and ROE BUSINESS ENTITIES are co-owners, agents, servants, employees, employers, joint venturers, managers, and/or partners of the named Defendants and the DOE DEFENDANTS and ROE BUSINESS ENTITITIES, and/or each other.

10. The real names of the DOE DEFENDANTS and ROE BUSINESS ENTITIES are unknown to PLAINTIFF at this time. PLAINTIFF will seek leave to amend this Complaint and substitute the true names of the DOE DEFENDANTS and ROE BUSINESS ENTITIES as soon as their true identities are revealed.

Factual Allegations Generally Applicable to All Claims

Relationship between the Sandin Defendants and Plaintiff

- 11. Defendant DAVE SANDIN of Defendant SANDIN INSURANCE (collectively, the "SANDIN DEFENDANTS") has sold a number of business insurance policies over the past ten years to PLAINTIFF and/or agents, employees, or directors of PLAINTIFF and/or entities acting on behalf of PLAINTIFF and/or related entities.
- 12. PLAINTIFF had a long-standing relationship of trust and reliance with the SANDIN DEFENDANTS.
- 13. Throughout the course of dealing with the SANDIN DEFENDANTS, PLAINTIFF relied on Defendant DAVE SANDIN to warn when premium payments were late.

| 14. | Throughout | the | course | of | dealing | with | the | SANDIN |
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| DEFENDANTS, P | LAINTIFF relied | d on D | efendant | DAV | E SANDI | N to rec | omme | end suitable |
| insurance for its bu | siness needs. | | | | | | | |

15. PLAINTIFF in good faith believed that Defendant DAVE SANDIN was duly qualified and licensed to sell insurance in Nevada, and that Defendant SANDIN INSURANCE had provided it with a properly licensed agent.

The Contract

- 16. In or around December of 2011, Defendant DAVE SANDIN recommended Oregon Mutual insurance to PLAINTIFF and represented that Defendant OREGON MUTUAL was an insurance company that met PLAINTIFF's needs. PLAINTIFF relied on Defendant DAVE SANDIN's recommendations and representations.
- 17. With Defendant DAVE SANDIN acting as the agent, in December of 2011 Defendant OREGON MUTUAL issued a Businessowner Protector Policy to PLAINTIFF, and PLAINTIFF and Defendant OREGON MUTUAL thereby entered an insurance contract which protected OPH INC. and the Original Pancake House restaurant located at 4170 South Fort Apache Road, Las Vegas, Nevada (the "CONTRACT").
- 18. Consistent with Nevada law, the CONTRACT provides that Defendant OREGON MUTUAL, the insurer, must provide a copy of any cancellation notice to the agent as well as to the insured, PLAINTIFF.
- 19. The CONTRACT's policy period was December 26, 2011 through December 26, 2012.

ATTORNEYS AT LAW

616 SOUTH EIGHTH STREET LAS VEGAS, NEVADA 89101

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| 1 | Licensing |
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| 2 | 20. Defendant DAVE SANDIN was not licensed to sell insurance in |
| 3 | Nevada in December of 2011. |
| 5 | 21. On information and belief, Defendant DAVE SANDIN sold |
| 6 | insurance to PLAINTIFF without the required license with the knowledge and consent of |
| 7 | Defendant SANDIN INSURANCE. |
| 8 | 22. On information and belief, Defendant OREGON MUTUAL was |
| 10 | aware that Defendant DAVE SANDIN acted as the agent for the CONTRACT and sold |
| 11 | OREGON MUTUAL insurance to PLAINTIFF. |
| 12 | 23. On information and belief, Defendant OREGON MUTUAL was |

lant OREGON MUTUAL was aware that Defendant DAVE SANDIN was not licensed to sell insurance in Nevada in December of 2011.

Defendants' failures to provide notice of cancellation

- PLAINTIFF mistakenly failed to pay one month's premium due on 24. July 26, 2012.
- 25. Defendant OREGON MUTUAL claims that it sent a cancellation notice to PLAINTIFF on August 1, 2012 with an effective cancellation date of August 16, 2012.
- 26. PLAINTIFF did not in fact receive any August 1, 2012 cancellation notice or any other notice of cancellation until after August 16, 2012, the date OREGON MUTUAL cancelled the insurance.
- Defendant OREGON MUTUAL did not send a cancellation notice to 27. Defendant DAVE SANDIN.

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28. Defendant DAVE SANDIN did not receive a cancellation notice.

- 29. The SANDIN DEFENDANTS did not advise PLAINTIFF that its payment was late, or that Defendant OREGON MUTUAL intended to cancel the CONTRACT.
- 30. Sometime overnight between August 10, 2012 and August 11, 2012, a break-in occurred at the Original Pancake House located and operated at 4833 West Charleston Boulevard. The break-in was reported by Linda Snyder, PLAINTIFF's office manager, to Defendant DAVE SANDIN of Defendant SANDIN INSURANCE on August 13, 2012.
- 31. Defendant OREGON MUTUAL takes the position that the CONTRACT was properly cancelled effective at 12:01 a.m. on August 16, 2012.
- Had PLAINTIFF been warned before August 16, 2012 that its 32. payment was late and its insurance was scheduled to be cancelled, PLAINTIFF would have remedied the deficiency.
- 33. Ms. Snyder called and emailed Defendant DAVE SANDIN again on August 16, 2012, the day the cancellation went into effect at 12:01 a.m., to request a claim number for the break-in. Defendant DAVE SANDIN called Ms. Snyder with a claim number later that same day and spoke with Ms. Snyder.
- 34. At no time during his contact with Ms. Snyder regarding the break-in did Defendant DAVE SANDIN mention any late payment or cancellation of PLAINTIFF's policy.
- Had PLAINTIFF been warned that Defendant OREGON MUTUAL 35. intended to or had in fact cancelled its policy, PLAINTIFF would have immediately made

payment, sought to have the policy reinstated, and/or obtained new insurance.

The Loss

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- Early on the morning of August 17, 2012 there was a fire at the 36. Original Pancake House Restaurant located and operated at 4833 West Charleston Boulevard. The Original Pancake House Restaurant suffered extensive damage as a result and PLAINITFF lost income and suffered other harm that the CONTRACT protected against (the "LOSS").
- On behalf of PLAINTIFF, Ms. Snyder reported the fire to Defendant 37. DAVE SANDIN on the morning of August 17, 2012.
- Jerry Masonheimer, an insurance adjustor with Defendant OREGON 38. MUTUAL called Stephan Freudenberger, President of OPH INC., mid-day on August 17, 2012 to discuss the break-in and fire. Mr. Masonheimer did not mention to Mr. Freudenberger that the CONTRACT had been cancelled. Mr. Masonheimer then spoke with Ms. Snyder. Mr. Masonheimer told Ms. Snyder the fire damage claim was likely to be consolidated with the claim for the break-in since he believed they were related.
- Throughout their communications with Ms. Snyder and Mr. 39. Freudenberger regarding the fire, agents and/or representatives of Defendant SANDIN INSURANCE, including Defendant DAVE SANDIN, never mentioned the missing payment or the cancellation of the CONTRACT.
- 40. Throughout their communications with Ms. Snyder and Mr. Freudenberger regarding the fire, agents and/or representatives of Defendant OREGON MUTUAL, including Mr. Masonheimer, never mentioned the missing payment or the cancellation of the CONTRACT.

LANGFORD MCLETCHIE LLC

| 41. | Defendant OREGON MUTUAL has denied coverage for the LO | | | | | e LOS | SS. | |
|-----|--|-----|----------|-----------|---------|-----------|------|----|
| 42. | PLAINTIFF | has | suffered | extensive | damages | including | (but | no |

limited to) lost income, which have been exacerbated by Defendant OREGON MUTUAL's bad faith refusal to honor the CONTRACT.

FIRST CAUSE OF ACTION

Breach of Contract (Against Defendant Oregon Mutual)

- 43. PLAINTIFF repleads, realleges and incorporates by reference each and every allegation set forth above in paragraphs 1 through 42 as if fully set forth herein.
- 44. Defendant OREGON MUTUAL breached the CONTRACT by cancelling the insurance policy without giving notice to either PLAINTIFF or the SANDIN DEFENDANTS, as required by law, and by failing to honor coverage of the LOSS incurred by PLAINTIFF.
- 45. As a direct and proximate result of the breach by Defendant OREGON MUTUAL, PLAINTIFF was deprived of the benefit of the CONTRACT and has been substantially and significantly damaged.

SECOND CAUSE OF ACTION

Breach of the Covenant of Good Faith & Fair Dealing / Bad Faith (Against Defendant Oregon Mutual)

- 46. PLAINTIFF repleads, realleges and incorporates by reference each and every allegation set forth above in paragraphs 1 through 45 as if fully set forth herein.
- 47. Every contract in Nevada contains an implied covenant of good faith and fair dealing and insurance companies are required to operate in good faith with respect to claims by their insureds.

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- Defendant OREGON MUTUAL denied PLAINTIFF's claim for the 48. LOSS, had no reasonable basis for doing so, and was aware that there was no reasonable basis for doing so. Defendant OREGON MUTUAL also acted in bad faith by failing to 49. provide proper cancellation notices as required by the CONTRACT.
- As a direct and proximate result of these bad faith breaches of the 50. implied covenant of good faith and fair dealing, PLAINTIFF has been substantially and significantly damaged.

THIRD CAUSE OF ACTION

Fraud in the Inducement (Against All Defendants)

- PLAINTIFF repleads, realleges, and incorporates by reference each 51. and every allegation set forth above in paragraphs 1 through 50 as if fully set forth herein.
- Prior to PLAINTIFF's decision to enter into the CONTRACT, 52. Defendant DAVE SANDIN, misrepresented material facts, including but not limited to whether he was licensed in Nevada and that Oregon Mutual Insurance would meet Plaintiff's needs.
- 53. On information and belief, Defendant DAVE SANDIN knew or believed these representations to be false, or had insufficient bases for making the representations.
- Defendant SANDIN INSURANCE knew of Defendant DAVE 54. SANDIN's misrepresentations and allowed him to illegally sell insurance as an employee of Defendant SANDIN INSURANCE.

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| 55. | Prior to | PLAINTIFI | E's decision | to enter | into the | CONT | RACT, |
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| Defendant OREGO | ON MUTUA | L misrepres | sented mater | rial facts, | including | that it | would |
| provide notice to | both PLAIN | NTIFF and | to Defendar | t SANDI | N INSUF | RANCE | before |
| cancelling the CON | TRACT. | | | | | | |

- 56. On information and belief, Defendant OREGON MUTUAL also misrepresented the fact that Defendant DAVE SANDIN was unlicensed and unqualified to sell insurance in Nevada by allowing him to act as an Oregon Mutual agent.
- 57. On information and belief, Defendant OREGON MUTUAL knew or believed these representations to be false, or had insufficient bases for making the representations.
- 58. These misrepresentations were made with the purpose of inducing PLAINTIFF to enter into the CONTRACT, and obtaining payments from PLAINTIFF.
- 59. PLAINTIFF justifiably relied on the misrepresentations made by DEFENDANTS, and chose to buy an OREGON MUTUAL policy from the SANDIN DEFENDANTS for its business insurance needs.
- 60. As a direct and proximate result of PLAINTIFF's justifiable reliance on DEFENDANTS' misrepresentations, PLAINTIFF paid premiums to Defendant OREGON MUTUAL and depended on Defendant OREGON MUTUAL to compensate for losses, which it failed to do. As a result, PLAINTIFF was significantly and substantially damaged.

LANGFORD MCLETCHIE LLC ATTORNEYS AT LAW

616 SOUTH EIGHTH STREET LAS VEGAS, NEVADA 89101

FOURTH CAUSE OF ACTION

Fraud (Against the Sandin Defendants)

- 61. PLAINTIFF repleads, realleges, and incorporates by reference each and every allegation set forth above in paragraphs 1 through 60 as if fully set forth herein.
- 62. Prior to PLAINTIFF's decision to enter into the CONTRACT,

 Defendant DAVE SANDIN misrepresented whether he was licensed in Nevada and an

 appointed agent for Defendant OREGON MUTUAL by acting as such.
- 63. Prior to PLAINTIFF's decision to enter into the CONTRACT, Defendant SANDIN INSURANCE, by and through its agent Defendant DAVE SANDIN, misrepresented that Defendant OREGON MUTUAL was a reliable and appropriate insurance company for PLAINTIFF's needs, and that Defendant OREGON MUTUAL would provide notice to PLAINTIFF and to Defendant DAVE SANDIN before cancelling the CONTRACT.
- 64. On information and belief, Defendants DAVE SANDIN and SANDIN INSURANCE knew or believed these representations to be false, or had insufficient bases for making them.
- 65. These misrepresentations were made intending for PLAINTIFF to rely on them and were material.
- 66. PLAINTIFF justifiably relied on the material misrepresentations made by the SANDIN DEFENDANTS.
- 67. As a direct and proximate result of the material misrepresentations made by the SANDIN DEFENDANTS, PLAINTIFF has been significantly and

616 SOUTH EIGHTH STREET

substantially damaged.

FIFTH CAUSE OF ACTION

Breach of Fiduciary Duty (Against Sandin Defendants)

- 68. PLANTIFF repleads, realleges and incorporates by reference each and every allegation set forth above in paragraphs 1 through 67 as if fully set forth herein.
- 69. The SANDIN DEFENDANTS had a duty to recommend an appropriate insurer and coverage to PLAINTIFF, and to ensure that PLAINTIFF was warned regarding notices of cancellation.
- 70. The SANDIN DEFENDANTS failed to recommend an appropriate insurer and coverage to PLAINTIFF and to ensure notices of cancellation were provided to PLAINTIFF, and deviated from the standard of care of a reasonably competent insurance agent.
- 71. As a direct and proximate result of the breaches of the SANDIN DEFENDANTS fiduciary duties, PLAINTIFF has been significantly and substantially damaged.

SIXTH CAUSE OF ACTION

Violations of Nev. Rev. Stat. § 686A.310 (Against All Defendants)

- 72. Plaintiff repleads, realleges and incorporates by reference each and every allegation set forth above in paragraphs 1 through 71 as if fully set forth herein.
- 73. Nev. Rev. Stat. § 686A.310 prohibits DEFENDANTS from engaging in unfair practices in settling claims.

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| 74. | Defendant | OREGON | MUTUAL | engaged | in | unfair | insurance |
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| practices by, among o | other things: | | | | | | |

- Misrepresenting to PLANTIFF pertinent facts relating to coverage at issue, including whether it would provide the notice required and whether Defendant DAVE SANDIN was legally permitted to sell insurance in Nevada, which is prohibited by Nev. Rev. Stat. § 686A.310(1)(a).
- Failing to act reasonably promptly upon communications from PLAINTIFF with respect to its claim for the LOSS, which is required by Nev. Rev. Stat. § 686A.310(1)(b).
- On information and belief, failing to adopt and implement reasonable standards for processing claims as required by Nev. Rev. Stat. § 686A.310(1)(c).
- Failing to effectuate prompt, fair and equitable settlement of the claim for the LOSS, given that its liability is reasonably clear. Nev. Rev. Stat. § 686A.310(1)(e).
- Failing to comply with the notice requirements for a midterm cancellation set forth in Nev. Rev. Stat. § 687B.320. Nev. Rev. Stat. § 686A.310(1)(m).
- 75. Defendant DAVE SANDIN engaged in unfair insurance practices, for example, when he misrepresented to PLANTIFF pertinent facts relating to coverage at issue, including whether Defendant OREGON MUTUAL would provide the notice

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required and whether he was legally permitted to sell insurance in Nevada, which is prohibited by Nev. Rev. Stat. § 686A.310(1)(a).

- 76. Defendant SANDIN INSURANCE is responsible for the acts and/or omissions of Defendant DAVE SANDIN.
- 77. Nev. Rev. Stat. § 686A.310(2) provides a private right of action against those engaging in unfair practices outlined in Nev. Rev. Stat. § 686A.310(1).
- 78. PLAINTIFF has suffered damages as a result of the DEFENDANTS' violations of Nev. Rev. Stat. § 686A.310.

SEVENTH CAUSE OF ACTION

Negligence (Against All Defendants)

- 79. Plaintiff repleads, realleges, and incorporates by reference each and every allegation set forth above in paragraphs 1 through 78 as if fully set forth herein.
- 80. Under Nevada law (Nev. Rev. Stat. § 598.0923), a corporation engages in a deceptive trade practice when it, among other things, knowingly:
 - "Conducts the business or occupation without all required state, county or city licenses." Nev. Rev. Stat. § 598.0923(1).
 - "Fails to disclose a material fact in connection with the sale or lease of goods or services." Nev. Rev. Stat. § 598.0923(2).
 - "Violates a state or federal statute or regulation relating to the sale or lease of goods or services." Nev. Rev. Stat. § 598.0923(3).
- 81. Defendant OREGON MUTUAL conducted business in Nevada using an unlicensed agent, which is prohibited by Nevada law, and also violated state law and regulations regarding the sale of insurance in Nevada.

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| | 82. | On | information | and | belief, | Defendant | OREGON | MUTUAL |
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| knowingl | y made fals | e rep | resentations in | n a tra | ansaction | , for instance | ce failing to | disclose the |
| material | fact that Def | fenda | nt DAVE SA | NDIN | l was no | t licensed as | nd that it wo | ould provide |
| copies of | cancellation | notic | ces to the ager | ıt. | | | | |

- 83. Defendant OREGON MUTUAL violated federal and state statutes, including (but not limited to) Nev. Rev. Stat. § 686A.310 and Nevada Administrative Code 687B.530, which requires that "[e]ach insurer shall also provide a copy of the notice of cancellation of a policy to the agent who wrote the policy."
- 84. Defendant DAVE SANDIN conducted business in Nevada as an insurance agent without being licensed as such, in violation of Nev. Rev. Stat. § 683A.201, and state regulations regarding the sale of insurance in Nevada. Nev. Rev. Stat. § 683A.201 mandates that no person shall "sell, solicit, or negotiate insurance in this state for any class of insurance unless the person is licensed for that class of insurance."
- 85. Defendant DAVE SANDIN also knowingly failed to disclose that material fact to PLAINTIFF and the related fact that he was not qualified to sell insurance in Nevada and follow Nevada law (including Nevada's notice requirements), and thus knowingly made false representations in a transaction.
- 86. Defendant DAVE SANDIN also violated federal and state statutes and regulations, including (but not limited to) Nev. Rev. Stat. § 686A.310.
- 87. Defendant SANDIN INSURANCE is liable for the acts and/or omissions of Defendant DAVE SANDIN.

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| | 88. | DEF | ENDAN | TS' | violatior | is of Nev | vada's D | eceptive | Trade | Practice |
|------|--------------|---------------|-----------|-----|-----------|-----------|----------|----------|--------|----------|
| Act | constitute | negligence | per se, | and | render | DEFEN | DANTS | liable f | or the | damage |
| prox | ximately car | used as a res | ult there | of. | | | | | | |

- 89. PLAINTIFF belongs to the class of persons that Nevada's Deceptive Trade Practices Act was designed to protect.
- 90. The injuries suffered by PLAINTIFF are the type of injuries the Deceptive Trade Practices Act was meant to prevent.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays as follows:

- A. For a trial by jury on all issues;
- B. Judgment against Defendants:
 - Requiring them to disgorge, and return to Plaintiff, all monies paid to them
 by Plaintiff, either directly or as commission on the sale of insurance;
 - Requiring Defendants to fully pay for the claim for the Loss, as required by the Contract;
 - For prejudgment interest;
 - For compensatory damages in excess of \$50,000 and all compensatory damages allowable under the law;
 - For punitive damages in an amount sufficient to punish and deter
 Defendants from engaging in any such conduct in the future and as an example to others not to engage in such conduct;
 - For an additional amount to account for additional taxes Plaintiff may be

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called upon to pay in relation to awards made herein; and

- For the costs of this action together with reasonable attorney's fees and costs.
- C. For declaratory relief making clear that the policy issued to Plaintiff by Oregon Mutual is in full effect and the claim for the Loss must be honored;
- D. For injunctive relief and for such other and further relief as the Court shall deem just and proper.

Respectfully submitted this, the 19th day of November, 2012.

By:

Margaret A. McLetchie Nevada Bar No. 10931 LANGFORD MCLETCHIE, LLC

616 S. Eighth Street
Las Vegas, NV 89101

Telephone: (702) 471-6565 Facsimile: (702) 471-6540

Email: maggie@nvlitigation.com

Attorneys for Plaintiff

Electronically Filed 3/14/2018 3:04 PM Steven D. Grierson CLERK OF THE COURT

| 1 | JGMT | | | | | | |
|-----|---|--|--|--|--|--|--|
| 2 | Patricia Lee (8287) HUTCHISON & STEFFEN, LLC | | | | | | |
| 3 | 10080 West Alta Drive, Suite 200 Las Vegas, NV 89145 | | | | | | |
| 4 | Tel: (702) 385-2500 | | | | | | |
| . 5 | Fax: (702) 385-2086 plee@hutchlegal.com | | | | | | |
| 6 | Attorneys for defendants | | | | | | |
| 7 | Dave Sandin and Sandin & Co. | | | | | | |
| 8 | DISTRICT COURT | | | | | | |
| 9 | CLARK COUNTY, NEVADA | | | | | | |
| 10 | O.P.H. OF LAS VEGAS, INC., | Case No.: A-12-672158-C | | | | | |
| 11 | Plaintiff, | Dept. No.: XXVI | | | | | |
| 12 | v. | FINDING OF FACTS, CONCLUSIONS | | | | | |
| 13 | | OF LAW AND JUDGMENT IN | | | | | |
| 14 | OREGON MUTUAL INSURANCE COMPANY, DAVE SANDIN, and | FAVOR OF DAVE SANDIN AND SANDIN & CO. ON THEIR MOTION | | | | | |
| 15 | SANDIN & CO., | FOR ATTORNEYS' FEES AND COSTS | | | | | |
| 16 | Defendants. | | | | | | |
| 17 | Defendants Dave Sandin's and Sandin & Co.'s Motion for Decision on Attorneys' Fees | | | | | | |
| 18 | and Motion for Additional Attorneys' Fees and Costs associated with Appeal came before this | | | | | | |
| 19 | Court on February 6, 2018 at 9:30 a.m. Patricia Lee of the firm Hutchison & Steffen, PLLC | | | | | | |
| 20 | | | | | | | |
| 21 | appeared on behalf of Dave Sandin and Sandin & Co, (together the "Sandin Defendants"). | | | | | | |
| 22 | Priscilla O'Briant of Lewis Brisbois Bisgaard & Smith, LLP., appeared on behalf Oregon | | | | | | |
| 23 | Mutual Insurance Company, ("OMI") and Gabriel Blumberg of the firm Dickinson Wright, | | | | | | |
| 24 | PLLC appeared on behalf of Plaintiff, O.P.H. of Las Vegas, Inc. ("OPH"). | | | | | | |
| 25 | Having reviewed all papers and pleadings on file and entertained oral arguments | | | | | | |
| 26 | presented by all counsel, this Court makes the following findings of fact, conclusions of law and | | | | | | |
| 27 | presented by an counsel, and court makes a | to 10110 ming mindings or many constructions or may und | | | | | |
| | II. | | | | | | |

judgment with respect to the Sandin Defendants' Motion for Decision on Attorneys' Fees and Motion for Additional Attorneys' Fees and Costs associated with Appeal:

FINDINGS OF FACT

- 1. OPH commenced this action on November 11, 2012, by filing claims against OMI and the Sandin Defendants based on the denial of insurance coverage from a fire on August 17, 2012 that destroyed OPH's restaurant located at 4833 West Charleston Boulevard in Las Vegas, Nevada.
- 2. OPH asserted claims for fraud in the inducement (third cause of action), fraud (fourth cause of action), breach of fiduciary duty (fifth cause of action), violations of NRS §686A.310 (sixth cause of action), and negligence (seventh cause of action) against the Sandin Defendants.
- 3. On December 26, 2012, the Sandin Defendants filed a motion to dismiss seeking to dismiss all of the claims against them for failure to state a claim pursuant to NRCP 12(b)(5).
- 4. The Sandin Defendants' motion to dismiss was denied without prejudice orally at a hearing on February 13, 2013 and by written order on March 12, 2013.
- 5. On February 14, 2013, the Sandin Defendants served an Offer of Judgment to OPH offering to settle all claims for the sum of Two Thousand Dollars and No Cents (\$2,000.00) pursuant to NRCP 68 and/or NRS 17.115.
 - 6. OPH rejected the offer by failing to respond within the time proscribed.
- 7. At the time the offer was made, this matter was in the court annexed arbitration program in which the maximum amount of recovery would have been \$50,000.00 and the maximum amount of attorneys' fees recoverable would have been \$3,000.00.

- 8. Six months after the offer of judgment was made, OPH filed a Request for Exemption from Arbitration which request was granted on September 17, 2013.
- 9. On March 17, 2015, the Sandin Defendants filed their motion for summary judgment, seeking judgment on all of OPH's claims against them.
- 10. On May 14, 2015, a hearing was held before this Court on the Sandin defendants' motion for summary judgment.¹
- 11. At the hearing, the Court granted the Sandin Defendants' motion for summary judgment.
- 12. An order was entered on July 1, 2015, granting the Sandin Defendants' motion for summary judgment.
- 13. On August 13, 2015, judgment was entered in favor of the Sandin Defendants and against OPH an all of OPH's claims against the Sandin Defendants.
- 14. Thereafter on September 2, 2015, the Sandin Defendants brought a Motion for Attorneys' Fees and Costs.
- 15. The matter came before the Court for oral argument on November 17, 2015, at which the time the Court granted the Sandin Defendants' Motion for Costs² and took their Motion for Attorneys' Fees under advisement.
- 16. In the meantime and following the notice of entry of judgment in favor of the Sandin Defendants, OPH appealed this Court's granting of the Sandin Defendants' Motion for Summary Judgment to the Nevada Supreme Court on July 30, 2015.

¹ Also on hearing that day was OMI's Motion for Summary Judgment.

² The Court first re-taxed the costs to adjust expert witness fees down to the maximum statutory cap. Ultimately, Sandin Defendants were awarded a total of \$7,448.63 in costs.

(2) Any applicable interest on the judgment for the period from the date of service of the offer to the date of entry of the judgment.

- (3) Reasonable attorney's fees incurred by the party who made the offer for the period from the date of service of the offer to the date of entry of the judgment.

 NRS 17.115(1) & (4).
- 21. The Sandin Defendants timely served their offer of judgment, which offer was rejected by OPH.
- 22. The Court must consider various factors when determining whether to award attorney's fees and costs under NRCP 68. The factors are as follows: (1) whether the offeree's claims were brought in good faith; (2) whether the offeror's offer of judgment was reasonable and in good faith in both its timing and amount; (3) whether the offeree's decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4) whether the fees sought by the offeror are reasonable and justified in amount. See RTTC Commc'ns., LLC v. Saratoga Flier, Inc., 121 Nev. 34, 41, 110 P.3d 24, 28 (2005) (citing Beattie v. Thomas, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983)).
- 23. The Sandin Defendants' offer was brought in good faith, was reasonable and in good faith both in timing and amount and the fees sought by the Sandin Defendants are reasonable and justified in amount.
- 24. The fourth *Beattie* factor (whether the fees sought by the offeror are reasonable and justified in amount) implicates *Brunzell*, the 1969 Nevada Supreme Court case that sets forth factors for courts to consider in rendering attorneys' fees awards. *See Gunderson v. D.R. Horton, Inc.*, Nev. —, 319 P.3d 606, 616 (2014), *reh'g denied* (Apr. 23, 2014) (concluding that the district court's failure to consider the *Brunzell* factors within its *Beattie* analysis

(quoting Shuette v. Beazer Homes Holdings Corp., 121 Nev. 837, 864-65, 124 P.3d 530, 549 (2005))).

\$3,000.00, the amount of attorneys' fees and costs incurred during this period should be discounted by the amount of attorneys' fees accrued in excess of \$3,000, i.e., by \$32,000.00. (THIS BOTTOM PORTION LEFT INTENTIONALLY BLANK)

JUDGMENT 1 2 IT IS THEREFORE ORDERED that the Sandin Defendants' Motion for Attorneys' 3 Fees and Costs is hereby GRANTED and that judgment be entered against OPH and in favor of 4 the Sandin Defendants accordingly: 5 Total Attorneys' Fees pre- and post appeal: (\$140,857 pre-appeal + \$18,3856 post-appeal) = \$159,242.007 Less arbitration discount: (\$159,242.00 - \$32,000.00) =(\$127,242.00) 8 9 Costs: (\$7,448.63 pre appeal + \$97.92 post appeal) = \$7,546.5510 TOTAL AMOUNT OF JUDGMENT: \$134,788.55 11 IT IS SO ORDERED this & day of March 12 13 14 HONORABLE JUDGE GLORIA STURMAN 15 HUTCHISON & STEFFEN, PLLC, DICKINSON WRIGHT, PLLC 16 17 Patricia Lee (8287) Michael N. Feder (7332) 18 Gabriel Blumberg (12332) 10080 W. Alta Drive, Suite 200 Las Vegas, Nevada 89129 8363 W. Sunset Rd., Suite 200 19 E-Mail: plee@hutchlegal.com Las Vegas, Nevada 89113 E-Mail: mfeder@dickinson-wright.com 20 Attorneys for Dave Sandin and Sandin & Co. gblumberg@dickinson-wright.com 21 22 Respectfully submitted by: 23 **HUTCHISON & STEFFEN, LLC**

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Patricia Lèe (8287)

Las Vegas, NV 89145

10080 West Alta Drive, Suite 200

CERTIFICATE OF SERVICE

| 1 | <u>CERTIFICATE OF SERVICE</u> | | | | | | |
|----|--|--|--|--|--|--|--|
| 2 | Pursuant to NRCP 5(b), I certify that I am an employee of HUTCHISON & STEFFEN, LLC. and that on this and day of February, 2018February, 2018, I caused the above and | | | | | | |
| 3 | foregoing document entitled FINDING OF FACTS, CONCLUSIONS OF LAW AND | | | | | | |
| 4 | JUDGMENT IN FAVOR OF DAVE SANDIN AND SANDIN & CO. ON THEIR MOTION FOR ATTORNEYS' FEES AND COSTS | | | | | | |
| 5 | to be served as follows: | | | | | | |
| 6 | by placing same to be deposited for mailing in the United States Mail, in a sealed | | | | | | |
| 7 | envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or | | | | | | |
| 8 | to be served via electronic mail pursuant to the parties' consents to electronic | | | | | | |
| 9 | service; and/or | | | | | | |
| 0 | pursuant to Administrative Order 14-2, N.E.F.C.R. 9, EDCR 8.05(a) and 8.05(f), | | | | | | |
| 1 | to be electronically served through the Eighth Judicial District Court's electronic filing system, with the date and time of the electronic service | | | | | | |
| 2 | substituted for the date and place of deposit in the mail; and/or | | | | | | |
| 3 | | | | | | | |
| 4 | □ to be hand-delivered; | | | | | | |
| 15 | to the attorneys listed below at the address and emails indicated below: | | | | | | |
| 16 | | | | | | | |
| 17 | Michael N. Feder, Esq. Robert Freeman, Esq. | | | | | | |
| 8 | Gabriel Blumberg, Esq. Priscilla O'Briant, Esq. DICKINSON WRIGHT, PLLC LEWIS BRISBOIS BISGAARD & SMITH LLP | | | | | | |
| 9 | 8363 W. Sunset Rd., Suite 200 6385 S. Rainbow Blvd., Ste. 600 Las Vegas, NV 89113 Las Vegas, NV 89118 | | | | | | |
| 20 | | | | | | | |
| 21 | Attorneys for plaintiff O.P.H. of Las Vegas Inc. Attorneys for Oregon Mutual Insurance | | | | | | |
| 22 | Company | | | | | | |
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| 26 | An employee of Hutchison & Steffen, LLC | | | | | | |
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3/16/2018 4:43 PM Steven D. Grierson CLERK OF THE COURT 1 **NEFF** Patricia Lee (8287) HUTCHISON & STEFFEN, PLLC Peccole Professional Park 3 10080 West Alta Drive, Suite 200 Las Vegas, Nevada 89145 Telephone: (702) 385-2500 4 Facsimile: (702) 385-2086 5 plee@hutchlegal.com Attorneys for Defendants 6 Dave Sandin and Sandin & Co. 7 DISTRICT COURT 8 CLARK COUNTY, NEVADA 9 O.P.H. PF LAS VEGAS, INC., Case No. A-12-672158-C 10 Dept. No. XXVI Plaintiff, 11 NOTICE OF ENTRY OF ORDER OF v. FINDING OF FACTS, CONCLUSIONS 12 OF LAW AND JUDGMENT IN FAVOR OREGON MUTUAL INSURANCE 13 OF DAVE SANDIN AND SANDIN & COMPANY, DAVE SANDIN, and CO. ON THEIR MOTION FOR SANDIN & CO.; 14 ATTORNEYS' FEES AND COSTS Defendants. 15 16 PLEASE TAKE NOTICE that an Order Granting the of Findings of Facts, Conclusions of 17 Law and Judgment in Favor of Dave Sandin and Sandin & Co., on their Motion for attorneys' Fees 18 and Costs was entered in the above-entitled action on 8th day of March, 2018, a copy of which is 19 attached hereto. 20 DATED this 16th day of March, 2018 21 **HUTCHISON & STEFFEN, PLLC** 22 23 <u>/s/ Patricia Lee</u> 24 Patricia Lee (8287) HUTCHISON & STEFFEN, PLLC 25 Peccole Professional Park 10080 West Alta Drive, Suite 200 26 Las Vegas, Nevada 89145 27 Attorneys for Defendants Dave Sandin and Sandin & Co. 28

Electronically Filed

Case Number: A-12-672158-C

CERTIFICATE OF SERVICE 1 Pursuant to NRCP 5(b), I hereby certify that I am an employee of Hutchison & Steffen, 2 PLLC and that on this 16th day of March, 2018, I caused the above and foregoing document 3 entitled NOTICE OF ENTRY OF ORDER OF FINDING OF FACTS, CONCLUSIONS OF 4 5 LAW AND JUDGMENT IN FAVOR OF DAVE SANDIN AND SANDIN & CO. ON THEIR MOTION FOR ATTORNEYS' FEES AND COSTS to be served as follows: 6 by placing same to be deposited for mailing in the United States Mail, in 7 a sealed envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or 8 9 pursuant to EDCR 7.26, to be sent via facsimile; and/or pursuant to EDCR 8.05(a) and 8.05(f), to be electronically served 10 [X]through the Eighth Judicial District Court's electronic filing system, with the date and time of the electronic service substituted for the date and 11 place of deposit in the mail; and/or 12 to be hand-delivered; [] 13 to the attorney(s) listed below at the address and/or facsimile number indicated below: 14 Margaret A. McLetchie, Esq. Robert Freeman, Esq. 15 Priscilla O'Briant, Esq. Matthew J. Rashbrook, Esq. LEWIS BRISBOIS BISGAARD & SMITH. MCCLETCHIE SHELL, LLC 16 701 East Bridger Ave., Ste. 520 Las Vegas, NV 89101 6385 S. Rainbow Blvd., Ste. 600 17 Las Vegas, NV 89118 Attorneys for plaintiff 18 O.P.H. of Las Vegas Inc. Attorneys for Oregon Mutual Insurance 19 Company 20 21 22 An Employee of Hutchison & Steffen, PLLC 23 24 25 26 27

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EXHIBIT 1

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1 **JGMT** Patricia Lee (8287) **HUTCHISON & STEFFEN, LLC** 10080 West Alta Drive, Suite 200 Las Vegas, NV 89145 Tel: (702) 385-2500 (702) 385-2086 Fax: plee@hutchlegal.com 5 6 Attorneys for defendants Dave Sandin and Sandin & Co. DISTRICT COURT 8 9 CLARK COUNTY, NEVADA 10 O.P.H. OF LAS VEGAS, INC., Case No.: A-12-672158-C 11 Plaintiff. Dept. No.: XXVI 12 FINDING OF FACTS, CONCLUSIONS v. 13 OF LAW AND JUDGMENT IN OREGON MUTUAL INSURANCE FAVOR OF DAVE SANDIN AND 14 COMPANY, DAVE SANDIN, and SANDIN & CO. ON THEIR MOTION SANDIN & CO., FOR ATTORNEYS' FEES AND 15 COSTS Defendants. 16 17 Defendants Dave Sandin's and Sandin & Co.'s Motion for Decision on Attorneys' Fees 18 and Motion for Additional Attorneys' Fees and Costs associated with Appeal came before this 19 Court on February 6, 2018 at 9:30 a.m. Patricia Lee of the firm Hutchison & Steffen, PLLC 20 appeared on behalf of Dave Sandin and Sandin & Co, (together the "Sandin Defendants"). 21 Priscilla O'Briant of Lewis Brisbois Bisgaard & Smith, LLP., appeared on behalf Oregon 22 23 Mutual Insurance Company, ("OMI") and Gabriel Blumberg of the firm Dickinson Wright, 24 PLLC appeared on behalf of Plaintiff, O.P.H. of Las Vegas, Inc. ("OPH"). 25 Having reviewed all papers and pleadings on file and entertained oral arguments 26

27

presented by all counsel, this Court makes the following findings of fact, conclusions of law and

judgment with respect to the Sandin Defendants' Motion for Decision on Attorneys' Fees and Motion for Additional Attorneys' Fees and Costs associated with Appeal:

FINDINGS OF FACT

- 1. OPH commenced this action on November 11, 2012, by filing claims against OMI and the Sandin Defendants based on the denial of insurance coverage from a fire on August 17, 2012 that destroyed OPH's restaurant located at 4833 West Charleston Boulevard in Las Vegas, Nevada.
- 2. OPH asserted claims for fraud in the inducement (third cause of action), fraud (fourth cause of action), breach of fiduciary duty (fifth cause of action), violations of NRS §686A.310 (sixth cause of action), and negligence (seventh cause of action) against the Sandin Defendants.
- 3. On December 26, 2012, the Sandin Defendants filed a motion to dismiss seeking to dismiss all of the claims against them for failure to state a claim pursuant to NRCP 12(b)(5).
- 4. The Sandin Defendants' motion to dismiss was denied without prejudice orally at a hearing on February 13, 2013 and by written order on March 12, 2013.
- 5. On February 14, 2013, the Sandin Defendants served an Offer of Judgment to OPH offering to settle all claims for the sum of Two Thousand Dollars and No Cents (\$2,000.00) pursuant to NRCP 68 and/or NRS 17.115.
 - 6. OPH rejected the offer by failing to respond within the time proscribed.
- 7. At the time the offer was made, this matter was in the court annexed arbitration program in which the maximum amount of recovery would have been \$50,000.00 and the maximum amount of attorneys' fees recoverable would have been \$3,000.00.

26

¹ Also on hearing that day was OMI's Motion for Summary Judgment.

² The Court first re-taxed the costs to adjust expert witness fees down to the maximum statutory cap. Ultimately, Sandin Defendants were awarded a total of \$7,448.63 in costs.

On September 14, 2017, the Nevada Supreme Court affirmed the ruling of this Court as to the summary disposition of OPH's claims against the Sandin Defendants and a remittur was issued on October 9, 2017.³

CONCLUSIONS OF LAW

- 18. Under NRCP 68(a), "[a]t any time more than 10 days before trial, any party may serve an offer in writing to allow judgment to be taken in accordance with its terms and conditions."
- 19. If the offeree rejects an offer and fails to obtain a more favorable judgment, "the offeree shall pay the offeror's post-offer costs, applicable interest on the judgment from the time of the offer to the time of entry of the judgment and reasonable attorney's fees, if any be allowed, actually incurred by the offeror from the time of the offer." NRCP 68(f)(2).
 - 20. NRS 17.115 provides, in relevant part:
- 1. At any time more than 10 days before trial, any party may serve upon one or more other parties a written offer to allow judgment to be taken in accordance with the terms and conditions of the offer of judgment.
- 4. Except as otherwise provided in this section, of a party who rejects an offer of judgment fails to obtain a more favorable judgment, the court:
- (c) Shall order the party to pay the taxable costs incurred by the party who made the offer; and
- (d) May order the party to pay to the party who made the offer any or all of the following:

 $^{^{\}rm 3}$ The Nevada Supreme Court reversed this Court's ruling against OMI.

- (2) Any applicable interest on the judgment for the period from the date of service of the offer to the date of entry of the judgment.
- (3) Reasonable attorney's fees incurred by the party who made the offer for the period from the date of service of the offer to the date of entry of the judgment.

 NRS 17.115(1) & (4).
- 21. The Sandin Defendants timely served their offer of judgment, which offer was rejected by OPH.
- 22. The Court must consider various factors when determining whether to award attorney's fees and costs under NRCP 68. The factors are as follows: (1) whether the offeree's claims were brought in good faith; (2) whether the offeror's offer of judgment was reasonable and in good faith in both its timing and amount; (3) whether the offeree's decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4) whether the fees sought by the offeror are reasonable and justified in amount. See RTTC Commc'ns., LLC v. Saratoga Flier, Inc., 121 Nev. 34, 41, 110 P.3d 24, 28 (2005) (citing Beattie v. Thomas, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983)).
- 23. The Sandin Defendants' offer was brought in good faith, was reasonable and in good faith both in timing and amount and the fees sought by the Sandin Defendants are reasonable and justified in amount.
- 24. The fourth *Beattie* factor (whether the fees sought by the offeror are reasonable and justified in amount) implicates *Brunzell*, the 1969 Nevada Supreme Court case that sets forth factors for courts to consider in rendering attorneys' fees awards. *See Gunderson v. D.R. Horton, Inc.*, Nev. —, 319 P.3d 606, 616 (2014), *reh'g denied* (Apr. 23, 2014) (concluding that the district court's failure to consider the *Brunzell* factors within its *Beattie* analysis

constitutes an abuse of discretion); see also Brunzell v. Golden Gate Nat'l Bank, 85 Nev. 345, 349, 455 P.2d 31, 33 (1969).⁴

- 25. Brunzell establishes that the trial court must consider:
 - (1) the character and difficulty of the work performed;
 - (2) the work actually performed by the attorney;
 - (3) the qualities of the advocate; and
 - (4) the result obtained.

See Brunzell, 85 Nev. at 350, 455 P.2d at 33.

- 26. All of the *Brunzell* factors weigh in favor of granting the Sandin Defendants' Motion for Attorneys' Fees pre-appeal.
- 27. The Nevada Supreme Court has recognized that these statute and rules governing offers of judgment, permitting fee-shifting penalties to be assessed against an offeree who "rejects an offer and fails to obtain a more favorable judgment," extend to fees incurred on and after appeal. *In re: The Estate and Living Trust of Miller*, 125 Nev. 550, 555 (2009).
- 28. Weighing all of the factors articulated in *Beattie* and *Brunzell*, an award of post appeal attorneys' fees and costs in favor of the Sandin Defendants is warranted.
- 29. Because the offer was made while this matter was in the court annexed arbitration program in which the maximum recovery for attorneys' fees would have been

⁴ Error! Main Document Option The Nevada Supreme Court has also ruled that other accepted methods may be used to calculate attorneys' fees, provided that the *Brunzell* factors are still considered. *See Haley v. Eighth Judicial Dist. Ct.*, — Nev. —, 273 P.3d 855, 860 (2012) ("'[I]n determining the amount of fees to award, the court is not limited to one specific approach; its analysis may begin with any method rationally designed to calculate a reasonable amount,' so long as the requested amount is reviewed in light of the factors set forth in *Brunzell* . . .") (quoting *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 864-65, 124 P.3d 530, 549 (2005))).

| 1 | \$3,000.00, the amount of attorneys' fees and costs incurred during this period should be | | | | |
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| 2 | discounted by the amount of attorneys' fees accrued in excess of \$3,000, i.e., by \$32,000.00. | | | | |
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JUDGMENT

| - 11 | | | | |
|------|---|--|--|--|
| 2 | IT IS THEREFORE ORDERED that the Sandin Defendants' Motion for Attorneys | | | |
| 3 | Fees and Costs is hereby GRANTED and that judgment be entered against OPH and in favor of | | | |
| 4 | the Sandin Defendants accordingly: | | | |
| 5 | | (#140.957 mg angest #19.295 | | |
| 6 | Total Attorneys' Fees pre- and post appo | eal: $($140,857 \text{ pre-appeal} + $18,385 \text{ post-appeal}) = $159,242.00$ | | |
| 7 | Less arbitration discount: | (\$159,242.00 - \$32,000.00) = | | |
| 8 | | (\$127,242.00) | | |
| 9 | Costs: | (\$7,448.63 pre appeal + \$97.92 post appeal) = \$7,546.55 | | |
| 10 | TOTAL AMOUNT OF JUDGMENT: | \$134,788.55 | | |
| 11 | | | | |
| 12 | IT IS SO ORDERED this 8 day of Mach, 2018. | | | |
| 13 | | <u></u> | | |
| 14 | malet | | | |
| 15 | HONORABLE JUDGE GLORIA STURMAN | | | |
| 16 | HUTCHISON & STEFFEN, PLLC, | DICKINSON WRIGHT, PLLC | | |
| 17 | Coul Plans | | | |
| 18 | Patricia Lee (8287) | Michael N. Feder (7332) Gabriel Blumberg (12332) | | |
| 19 | 10080 W. Alta Drive, Suite 200 Las Vegas, Nevada 89129 | 8363 W. Sunset Rd., Suite 200 | | |
| | E-Mail: plee@hutchlegal.com | Las Vegas, Nevada 89113 E-Mail: mfeder@dickinson-wright.com | | |
| 20 | Attorneys for Dave Sandin and Sandin & Co. | gblumberg@dickinson-wright.com | | |
| 21 | | | | |
| 22 | Respectfully submitted by: | | | |
| 23 | HUTCHISON & STEFFEN, LLC | | | |
| 24 | | | | |
| 25 | Coul Potor | | | |
| 26 | Patricia Lee (8287) 10080 West Alta Drive, Suite 290 | | | |
| 27 | Las Vegas, NV-89145 | | | |
| | | | | |

CERTIFICATE OF SERVICE

| 2 | Pursuant to NRCP 5(b), I certify that I am an employee of HUTCHISON & STEFFEN | | | | |
|----|--|--|--|--|--|
| 3 | LLC. and that on this 2 day of February, 2018February, 2018, I caused the above and foregoing document entitled FINDING OF FACTS, CONCLUSIONS OF LAW AND JUDGMENT IN FAVOR OF DAVE SANDIN AND SANDIN & CO. ON THEIR MOTION FOR ATTORNEYS' FEES AND COSTS | | | | |
| 4 | | | | | |
| 5 | to be served as follows: | | | | |
| 6 | by placing same to be deposited for mailing in the United States Mail, in a seale envelope upon which first class postage was prepaid in Las Vega | | | | |
| 7 | Nevada; and/or | | | | |
| 9 | to be served via electronic mail pursuant to the parties' consents to electronic service; and/or | | | | |
| 10 | pursuant to Administrative Order 14-2, N.E.F.C.R. 9, EDCR 8.05(a) and 8.05(f) | | | | |
| 11 | to be electronically served through the Eighth Judicial District Court's | | | | |
| 12 | electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or | | | | |
| 13 | | | | | |
| 14 | □ to be hand-delivered; | | | | |
| 15 | to the attorneys listed below at the address and emails indicated below: | | | | |
| 16 | | | | | |
| 17 | Michael N. Feder, Esq. Robert Freeman, Esq. | | | | |
| 18 | Gabriel Blumberg, Esq. Priscilla O'Briant, Esq. DICKINSON WRIGHT, PLLC LEWIS BRISBOIS BISGAARD & SMITH LLP | | | | |
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| 21 | Attorneys for plaintiff O.P.H. of Las Vegas Inc. Attorneys for Oregon Mutual Insurance | | | | |
| 22 | Сотрапу | | | | |
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| 25 | | | | | |
| 26 | An employee of Hutchison & Steffen, LLC | | | | |
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DICKINSON WRIGHT PLLC

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Attorneys for Plaintiff O.P.H. of Las Vegas, Inc.

IN THE EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA

O.P.H. OF LAS VEGAS, INC.,

Plaintiff,

CASE NO. A-12-672158-C DEPT. NO. XXVI

٧.

OREGON MUTUAL INSURANCE COMPANY, DAVE SANDIN, AND SANDIN & Co.

Defendants.

PLAINTIFF O.P.H. OF LAS VEGAS INC.'S MOTION TO RECONSIDER AND/OR AMEND JUDGMENT

Plaintiff O.P.H. OF LAS VEGAS, INC. ("OPH"), by and through its counsel, the law firm of Dickinson Wright PLLC, hereby files its Motion to Reconsider and/or Amend this Court's March 14, 2018 Findings of Facts, Conclusions of Law and Judgment in Favor of Dave Sandin and Sandin & Co. (the "Sandin Defendants") on their Motion for Attorneys' Fees and Costs (the "Judgment").

This motion is based on the following Memorandum of Points and Authorities; the declaration of Gabriel A. Blumberg attached hereto as Exhibit 1 and the exhibits attached thereto; the papers and pleading already on file herein; and any oral argument the Court may permit at the hearing of this matter.

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NOTICE OF MOTION

YOU, AND EACH OF YOU, will please take notice that the undersigned will bring the above and foregoing **PLAINTIFF O.P.H. OF LAS VEGAS INC.'S MOTION TO RECONSIDER AND/OR AMEND JUDGMENT** on for hearing before this Court on the <u>01</u> day of <u>May</u> 2018, at the hour of <u>9:00</u> o'clock A.m. of said day, or as soon thereafter as counsel can be heard in Department No. XXVI.

DATED this 30th day of March 2018.

DICKINSON WRIGHT PLLC

Michael N. Feder Nevada Bar No. 7332 Gabriel A. Blumberg Nevada Bar No. 12332

8363 West Sunset Road, Suite 200 Las Vegas, Nevada 89113-2210

Attorneys for Plaintiff O.P.H. of Las Vegas, Inc.

MEMORANDUM OF POINTS AND AUTHORITIES

I. <u>INTRODUCTION</u>

The Court should reconsider its prior ruling and vacate the Judgment because it erred in analyzing and applying the *Beattie* factors. In Nevada, a party can only recover attorneys' fees pursuant to an offer of judgment if the Court finds that the *Beattie* factors are satisfied. The *Beattie* factors hone in on the reasonableness of the plaintiff in pursuing claims and rejecting an offer of judgment, as well as the reasonableness in timing and amount of any offer of judgment made by the defendant.

A review of the facts in this matter indicates that the Court erred in applying the *Beattie* factors and awarding attorneys' fees to the Sandin Defendants. As the Court recognized, OPH reasonably and in good faith pursued claims against the Sandin Defendants in this matter. Indeed, OPH even defeated the Sandin Defendants' motion to dismiss its claims.

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Then, OPH reasonably rejected the Sandin Defendants' offer of judgment, which was made in bad faith the day after OPH defeated the motion to dismiss and before any discovery had commenced. Not only was the Sandin Defendants' offer unreasonable in terms of its timing, but it was also grossly unreasonable in amount. The Sandin Defendants were offering only \$2,000, despite the fact that the parties had already incurred fees and costs far in excess of that amount when the offer was made and, further, OPH alleged on the face of its Complaint that its damages were in excess of \$50,000 relating to a fire that totally destroyed OPH's restaurant.

When the parties' actions are scrutinized, it is unmistakable that OPH acted reasonably and in good faith throughout the proceedings. OPH's admirable conduct is sharply contrasted by that of the Sandin Defendants, who merely made a token offer of judgment after their motion to dismiss was denied in an effort to spring over one hundred thousand dollars of attorneys' fees on OPH as it pursued its claims in good faith. This bad faith conduct by the Sandin Defendants is the exact type of behavior the Nevada Supreme Court attempted to guard against by requiring the Beattie analysis and therefore the Court's decision to award attorneys' fees to the Sandin Defendants should be reconsidered and the Judgment should be vacated.

II. **STATEMENT OF FACTS**

OPH commenced this action on November 11, 2012, by filing claims against Oregon Mutual Insurance ("OMI") and the Sandin Defendants based on the denial of insurance coverage from a fire on August 17, 2012 that destroyed OPH's restaurant located at 4833 West Charleston Boulevard in Las Vegas, Nevada. Judgment at ¶ 1. OPH asserted claims for fraud in the inducement (third cause of action), fraud (fourth cause of action), breach of fiduciary duty (fifth cause of action), violations of NRS §686A.310 (sixth cause of action), and negligence (seventh cause of action) against the Sandin Defendants. Id. at ¶ 2. In the caption of the Complaint itself, OPH alleged in bold font that it was seeking damages in excess of \$50,000. See Complaint, on file herein.

On December 26, 2012, the Sandin Defendants filed a motion to dismiss seeking to dismiss all of the claims against them for failure to state a claim pursuant to NRCP 12(b)(5). Judgment at ¶ 3. OPH's counsel prepared an opposition to the motion to dismiss and also

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prepared for and attended the hearing on the motion to dismiss that was held on February 13, 2013. At the hearing, this Court orally denied the Sandin Defendants' motion to dismiss. I Id. at ¶ 4.

The very next day, on February 14, 2013, the Sandin Defendants served an offer of iudgment on OPH offering to settle all claims for the sum of Two Thousand Dollars and No Cents (\$2,000.00) pursuant to NRCP 68 and/or NRS 17.115. Id. at ¶ 5. OPH, who had just prevailed on the Sandin Defendants' motion to dismiss, had already expended more than \$2,000 in attorneys' fees, and was seeking hundreds of thousands of dollars in damages, reasonably rejected the offer of judgment. Id. at ¶ 6.

A little more than a year later, on March 17, 2015, the Sandin Defendants filed their motion for summary judgment, seeking judgment in their favor on all of OPH's claims against them. Id. at ¶ 9. The Court granted the Sandin Defendants' motion for summary judgment at a hearing on May 14, 2015. *Id.* at ¶¶ 10-11.

The written summary judgment order was entered on July 1, 2015 and, on August 13. 2015, judgment was entered in favor of the Sandin Defendants and against OPH on all of OPH's claims against the Sandin Defendants. Id. at ¶¶ 12-13.

On September 2, 2015, the Sandin Defendants brought a Motion for Attorneys' Fees and Costs seeking to recover attorneys' fees as the prevailing party on their token \$2,000 offer of judgment. Id. at ¶ 14. The matter came before the Court for oral argument on November 17, 2015, at which the time the Court granted the Sandin Defendants' Motion for Costs and took their Motion for Attorneys' Fees under advisement. Id. at ¶ 15.

In the meantime and following the notice of entry of judgment in favor of the Sandin Defendants, OPH appealed this Court's granting of the Sandin Defendants' motion for summary judgment. Id. at ¶ 16. On September 14, 2017, the Nevada Supreme Court affirmed the ruling of this Court as to the summary disposition of OPH's claims against the Sandin Defendants and a remittur was issued on October 9, 2017. Id. at ¶ 17.

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¹ The written order was entered on March 12, 2013. Judgment at ¶ 4.

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This Court then held another hearing on the Sandin Defendants' Motion for Attorneys' Fees on February 6, 2018. See Ex. 1-A. At the hearing, this Court found that "it wasn't unreasonable [for OPH] to proceed" and OPH was acting "in good faith here." Id. at 14:20; 15:2. The Court further found that Nevada Supreme Court precedent dictated that if a party rejected an offer of judgment, such rejection "had to be grossly unreasonable" to justify awarding attorneys' fees. Id. at 14:18-19. In addressing this issue, the Court specifically held that OPH's decision to reject the offer of judgment was not grossly unreasonable. Id. at 14:18-21. Despite making these findings and observing that the Court "can't just award everything just based on reasonableness [of the offer]," the Court then granted the Sandin Defendants' motion for attorneys' fees.² Id. at 15:12-13.

III. LEGAL ARGUMENT

Legal Standard for Reconsideration

A court has the inherent authority to reconsider its prior orders. Trail v. Farretto, 91 Nev. 401, 536 P.2d 1026 (1975)("[A] trial court may, for sufficient cause shown, amend, correct, resettle, modify or vacate, as the case may be, an order previously made and entered on the motion in the progress of the cause or proceeding"). This authority is also provided by Eighth Judicial District Court Rule ("EDCR") 2.24, which provides, in pertinent part:

A party seeking reconsideration of a ruling of the court ... must file a motion for such relief within 10 days after service of the written order or judgment unless the time is shortened or enlarged by order. A motion for rehearing or reconsideration must be served, noticed, filed and heard as is any other motion.

EDCR 2.24(b); see also N. Main, LLC v. Eighth Judicial Dist. Court of State ex rel. Cty. of Clark, 128 Nev. 922, 381 P.3d 646 (2012) (citing Masonry and Tile v. Jolley, Urga & Wirth, 113 Nev. 737, 741, 941 P.2d 486, 489 (1997)) ("a district court may consider a motion for reconsideration concerning a previously decided issue if the decision was clearly erroneous.").3 For the reasons set forth more fully herein, reconsideration is appropriate and the Judgment should be vacated.

² The Court reduced the Sandin Defendants' requested attorneys' fees by \$32,000 to account for the fact that attorneys' fees are capped at \$3,000 while a matter is in the court-annexed arbitration.

³ The standard for amending a judgment under NRCP 59(e) is similar to that of a motion for reconsideration under EDCR 2.24(b). See, e.g., AA Primo Builders, LLC v. Washington, 126 Nev. 578, 585, 245 P.3d 1190, 1195 (2010).

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An offer of judgment made pursuant to NRCP 68 may be made at any time more than ten days prior to trial. NRCP 68(a). If the offeree rejects an offer and fails to obtain a more favorable judgment, "the offeree shall pay the offeror's post-offer costs, applicable interest on the judgment from the time of the offer to the time of entry of the judgment and reasonable attorney's fees, if any be allowed, actually incurred by the offeror from the time of the offer." NRCP 68(f)(2). An offer is rejected if it is not accepted within ten days of the offer being made. NRCP 68(e).

In addition to the mandates of NRCP 68, the Nevada Supreme Court has set forth several factors to be considered in determining when and how the Court may exercise its discretion in awarding attorneys' fees after entry of judgment, including:

- whether OPH's claims were brought in good faith; (1)
- whether the Sandin Defendants' Offer of Judgment was reasonable and in (2) good faith in both its timing and amount;
- (3) whether OPH's decision to reject the offer was grossly unreasonable or in bad faith; and
- whether the attorneys' fees sought by the Sandin Defendants are (4) reasonable and justified in amount.

See Beattie v. Thomas, 99 Nev. 579, 588-89; 668 P.2d 268, 274 (1983); see also Ozawa v. Vision Airlines, 216 P.3d 788, 792 (Nev. 2009). Where the first three factors weigh in favor of denying attorneys' fees, "the reasonableness of the fees requested by the offeror becomes irrelevant, and cannot, by itself, support a decision to award attorney fees to the offeror." Frazier v. Drake, 131 Nev. Adv. Op. 64, 357 P.3d 365, 373 (Nev. Ct. App. 2015).

Here, the Court unambiguously found in favor of OPH on the first and third Beattie factors, but clearly erred in concluding that the second factor alone supported awarding attorneys' fees.⁵ As a result, reconsideration of the attorneys' fees award is warranted.

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⁴ Given this holding in *Drake*, OPH does not address the Court's *Brunzell* analysis.

⁵ See Ex. 1-A at 14:18-21; 15:2.

1. OPH Filed Its Claims in Good Faith

The first *Beattie* factor considers whether OPH brought its claims in good faith. *Beattie* v. *Thomas*, 99 Nev. at 588-89. In evaluating this factor, it is important to note that "[c]laims may be unmeritorious and still be brought in good faith." *Max Baer*, 2012 WL 5944767, *3. In fact, a party can pursue claims in good faith even if the plaintiff's belief that it will prevail on its claims turns out to be incorrect in hindsight. *Assurance Co. of America v. National Fire & Marine Ins. Co.*, 2012 WL 6626809, *3 (D. Nev. Dec. 19, 2012).

Here, the Court found that OPH was acting "in good faith here" and "it wasn't unreasonable to proceed." Ex. 1-A at 14:20; 15:2. As a result, the first factor undoubtedly favors OPH and denying attorneys' fees to the Sandin Defendants.

2. The Offer of Judgment Was Unreasonable and in Bad Faith in Both Timing and Amount

The Court clearly erred in finding that the Sandin Defendants made a good faith offer of judgment and that the offer was reasonable in amount and timing. The purpose of an offer of judgment "is to promote settlement of suits by rewarding defendants who make reasonable offers." See Muije v. A North Las Vegas Cab Co., Inc., 106 Nev. 664, 667, 799 P.2d 559, 561 (1990). It is not intended to be used "as a mechanism to unfairly force plaintiffs to forego legitimate claims," nor is it supposed to be used as a trap by defendants to force attorneys' fees upon plaintiffs who seek to pursue colorable claims in good faith. Torake, 357 P.3d at 373;

⁶ When this Court denied the Sandin Defendants' motion to dismiss, the only reasonable belief OPH could have was that it was pursuing meritorious claims in good faith. Had that not been the case, then the claims against the Sandin Defendants should have been dismissed. If they were dismissed, the Sandin Defendants never would have incurred six figures worth of attorneys' fees that OPH is now on the hook for paying. Simply put, it is fundamentally unfair to penalize OPH, a party who prevailed on the Sandin Defendants' motion to dismiss, solely because the Court in retrospect may believe that the motion to dismiss maybe should have been granted. Ex. 1-A at 17:19-23.

⁷ By imposing a penalty of over one hundred thousand dollars in attorneys' fees on OPH based on the Sandin Defendants' nominal \$2,000 offer of judgment, the Court contradicted this governing precedent and even its own admission that OPH was "entitled to try to prove [its] case." Ex. 1-A at 17:20-21. Indeed, the Court effectively is telling future litigants that they will be assessed attorneys' fees if they ultimately cannot prevail on their claims, regardless of the reasonableness (or unreasonableness) of the offer of judgment made by a defendant or the reasonableness of the plaintiff pursuing its case. This is directly contrary to Nevada's controlling precedent, which focuses on using *Beattie* to avoid the exact outcome that the Court implemented in this case. *See e.g. Drake*, 357 P.3d at 371; *see also Scrima*, 126 Nev. 702, *3, n. 1 (holding that courts should not "encourage defendants to submit small, token offers of judgment so they can obtain attorney fees and costs every time the jury gives a verdict in their favor").

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Costco Wholesale Corp. v. Scrima, 126 Nev. 702, 367 P.3d 760, *3 n.1 (2000).

Indeed, Nevada courts have routinely looked with disfavor upon small, token offers of judgment. Scrima, 126 Nev. 702, *3 n.1 (finding \$1,000 offer of judgment "not reasonable or made in good faith"); Max Baer, 2012 WL 5944767, *3 (finding \$1,000 token offer at the outset of the case to be unreasonable). The fact pattern in Max Baer is particularly instructive. In Max Baer, the defendant made a \$1,000 offer of judgment to the plaintiff after the close of discovery. Id. The plaintiff rejected the offer by failing to respond. Id. Ultimately, the plaintiff's claims were dismissed and the defendant moved for an award of attorneys' fees based on its offer of judgment. Id.

The Court was indecisive as to whether the plaintiff brought its claims in good faith and concluded that the timing of the offer reflected good faith because the offer was made after the close of discovery, thereby allowing the plaintiff "to better assess his chances of success when the offer was made, as opposed to the situation where a Defendant makes a token offer at the outset of a case." Id. (emphasis added). The court further found that plaintiff's rejection of the offer was not grossly unreasonable because the "offer was made for a token amount after Plaintiff had already expended many times the offer in legal fees." Id. ("Plaintiff's decision to await dispositive motion rulings rather than accept the token offer was not unreasonable in-andof-itself under the circumstances"). The court also determined that the attorneys' fees and costs sought by defendant were reasonable. Id. Thus, after conducting this analysis and finding that factors two and four weighed in favor of awarding fees, factor one was neutral, and factor three weighed against awarding attorneys' fees, the court ultimately held that "the second and third factors are most important, and that fees and costs should not be permitted because of the reasonableness of the rejection of the offer in light of the amount and timing." Id. at *4.

Here, the factors weigh noticeably more in favor of OPH than the plaintiff in Max Baer who was not penalized with attorneys' fees. Similar to the plaintiff in Max Baer, the Court here concluded that OPH acted reasonably in rejecting the offer of judgment. Ex. 1-A at 14:18-21. Unlike the plaintiff in Max Baer, however, the Court here also concluded that OPH brought its claims in good faith. Ex. 1-A at 14:20; 15:2. Furthermore, in contradiction to Max Baer where

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the court found the timing of the offer of judgment to be reasonable because it was made after discovery closed, the timing of the Sandin Defendants' offer was unreasonable and in bad faith because it was made prior to any discovery and the day after OPH had defeated the Sandin Defendants' motion to dismiss, for an amount far less than what the parties had already expended on the Sandin Defendants' unsuccessful motion to dismiss. Based on these facts, it is apparent that the award of attorneys' fees to the Sandin Defendants based solely on the second Beattie factor contravened well-established case law in Nevada analyzing and implementing the Beattie factors.

3. OPH's Decision to Reject the Offer Was Not Grossly Unreasonable or in Bad Faith

The third Beattie factor also suggests that an award of attorneys' fees was improper because OPH was not grossly unreasonable in rejecting the offer of judgment. unreasonable or bad faith rises to a much higher level than poor judgment or incorrect tactical decisions." Assurance Co. of America v. National Fire & Marine Ins. Co., 2012 WL 6626809, *3 (D. Nev. Dec. 19, 2012). As noted above, a plaintiff's rejection of an offer of judgment is not grossly unreasonable when the "offer was made for a token amount after Plaintiff had already expended many times the offer in legal fees." Max Baer, 2012 WL 5944767, *3.

Here, the Court specifically found that OPH's decision to reject the offer of judgment was not grossly unreasonable. Ex. 1-A at 14:18-21. This finding was corroborated by the fact that OPH pursued its claims in good faith and had already expended more than the offer in legal fees by the time the offer was made. Ex. 1-A at 14:20; 15:2. Thus, in addition to the first and second factors, the third Beattie factor also indicates that the Sandin Defendants' request for attorneys' fees should have been denied.

Given that all three of these Beattie factors disfavor an award of attorneys' fees, the Court should reconsider its prior ruling and vacate its Judgment.

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IV. <u>CONCLUSION</u>

Based on the foregoing, OPH respectfully requests that this Court reconsider its prior ruling, vacate the Judgment, and deny the Sandin Defendants' request for attorneys' fees.

DATED this 30th day of March 2018.

DICKINSON WRIGHT PLLC

Michael N. Feder

Nevada Bar No. 7332 Gabriel A. Blumberg

Nevada Bar No. 12332

8363 West Sunset Road, Suite 200

Las Vegas, Nevada 89113-2210

Attorneys for Plaintiff O.P.H. of Las Vegas, Inc.

DICKINSON WRIGHTPLIC

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CERTIFICATE OF SERVICE

The undersigned, an employee of Dickinson Wright PLLC, hereby certifies that on the 30th day of March 2018, she caused a copy of the PLAINTIFF O.P.H. OF LAS VEGAS INC.'S MOTION TO RECONSIDER AND/OR AMEND JUDGMENT to be transmitted via Odyssey E-Filing System pursuant to Rule 5(b)(2)(D) of the Nevada Rules of Civil Procedure and Rule 8.05 of the Eighth Judicial District Court Rules as follows:

| Robert W. Freeman, Esq. |
|---|
| Priscilla O'Briant, Esq. |
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Oregon Mutual Insurance Company

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Attorneys for Defendants
Dave Sandin and Sandin & Co.

An Employee of Dickinson Wright PLLC

EXHIBIT 1

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DECLARATION OF GABRIEL A. BLUMBERG, ESQ. IN SUPPORT OF MOTION TO RECONSIDER AND/OR AMEND JUDGMENT

I, Gabriel A. Blumberg, Esq. do hereby state and declare as follows:

- I am an attorney with the law firm of Dickinson Wright PLLC, counsel for 1. Plaintiff O.P.H. of Las Vegas, Inc. ("O.P.H."). I am duly licensed to practice before all courts in the State of Nevada and I have personal knowledge of all facts addressed herein, except for those matters stated on information and belief, and as for those matters, I am informed and believe them to be true, and if called upon to testify, could and would do so.
- I make this declaration in support of OPH's Motion to Reconsider and/or Amend 2. Judgment (the "Motion").
- Attached hereto as Exhibit 1-A is a true and correct copy of the transcript of the 3. February 6, 2018 hearing on the Sandin Defendants' motion for attorneys' fees.

DATED this 30th day of March 2018.

GABRIEL A. BLUMBERG, ESQ.

EXHIBIT 1-A

EXHIBIT 1-A

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| 1 | RIRAN | | |
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| 5 | DISTRICT COURT | | |
| 6 | CLARK COUNTY, NEVADA | | |
| 7 |) | | |
| 8 | O.P.H. OF LAS VEGAS, INC., | CASE#: A-12-672158-C | |
| 9 | Plaintiff,) | DEPT.: CIVIL | |
| 10 |) VS.) | | |
| 11 | OREGON MUTUAL) INSURANCE COMPANY,) | | |
| 12 | Defendant. | | |
| 13 | | | |
| 14 | TUESDAY, FEBRUARY 6, 2018 | | |
| 15 | RECORDER'S TRANSCRIPT OF HEARING | | |
| 16 | MOTION FOR ATTORNE | Y'S FEES AND COSTS | |
| 17 | | | |
| 18 | APPEARANCES: | | |
| 19 | For the Plaintiff: GA | ABRIEL A. BLUMBERG, ESQ. | |
| 20 | | | |
| 21 | | ATRICIA LEE, ESQ. | |
| 22 | PF | RISCILLA L. O'BRIANT, ESQ. | |
| 23 | | | |
| 24 | | | |
| 25 | RECORDED BY: KERRY ESPARZA, COURT RECORDER | | |

[Case called at 11:16 a.m.]

THE COURT: O.P.H. v Oregon Mutual Insurance.

MS. LEE: Good morning, Your Honor. Patricia Lee, bar number 8287, on behalf of the Sandin defendants.

THE COURT: Okay.

MR. BLUMBERG: Good morning, Your Honor. Gabriel Blumberg, 12332, on behalf of O.P.H.

MS. O'BRIANT: Priscilla O'Briant, bar number 10171, on behalf of Oregon Mutual Insurance.

THE COURT: So this motion for fees had been brought previously, then the appeal happened. What the Court had wanted to look at was these arguments that the fees were excessive during the arbitration phase of the case where their fees would have been limited to \$3,000. So is that unreasonable to have failed to accept the offer of judgment at that point in time, or if it wasn't, should they be entitled to the fees based on \$38,000 being incurred in a phase when there's only \$3,000? And the reason that was significant was the Court of Appeals had just, a month or two earlier, decided *Frazier v Drake*, 357 P.3d 365, September 3rd, 2015, which went to this whole issue of offers of judgments and awarding attorney's fees under them. So that was really the case that was of interest to me. And I don't think anything new in the intervening period of time has really been decided.

So since this is kind of the last word on -- on appeals, you did

have -- oh, the only other one that was particularly significant, and this one is unpublished, but it's a Supreme Court unpublished, is a decision on -- it really kind turned on whether attorney's fees could be awarded for block billed entries. And the Supreme Court said you can -- you can award block billed fees if you can tell what portion of each block billing entry was attributed to which part of the amount claimed.

So those were the cases that are of interest to me. So if there's anything further, then,

Ms. Lee?

MS. LEE: Yes, Your Honor, and thank you. As you know, we were here a couple of years ago on this motion for attorney's fees, so we are trying to get rolling on that initial motion. I know Your Honor did have a curiosity about this whole arbitration issue. I hope that your research has satisfied your inquiries in that regard.

We still maintain that the offer was reasonable, both in its timing and amount again, at the time it was in arbitration, which would have limited their damages to \$50,000. The experts have ultimately opined that the damages ranged between \$10,000 and \$14,000, depending on whether or not this lease would have continued for O.P.H., or if the landlord were to cancel the lease. Also, those damages were not apportioned. We would have said that our, as the broker, our liability would have been substantially less than the actual insured.

And, Your Honor, and I won't belabor the points. We've gone through the *Brunzell* and *Beattie* factors ad nauseam, you've heard them before. We have some new arguments, just in terms of the appeal,

which we are entitled to ask for under the relevant case law we cited. 1 THE COURT: And so --2 MS. LEE: But --3 THE COURT: -- in your Exhibit F, this is the attorney's fees 4 from the appeal --5 MS. LEE: Is that for the --6 7 THE COURT: -- from the motion for fees and costs forward. 8 It's after the summary judgment was granted --MS. LEE: Yes. 9 THE COURT: -- going forward. 10 11 MS. LEE: Correct. THE COURT: So --12 MS. LEE: So and that -- that totaled about \$18,000 for the 13 entirety of the appellate process, which we would -- we would submit is 14 15 fairly reasonable given the -- the complexity of the appeal, having to go back and review the entire record. You know, I don't know, Michael Wall, 16 who is the attorney from my office who handled that appeal, he usually 17 doesn't roll out of bed for less than 25 grand on an appeal. 18 THE COURT: Um-hmm. 19 20 MS. LEE: However, this client does have special rates for us. 21 So the -- so the amount of fees are more than reasonable, we would 22 argue, Your Honor. 23 And the only thing that I would like to just kind of put on the 24 record orally is the timing. I think the timing was the biggest issue that I

saw raised in the opposition. Granted, the offer of judgment was made

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the day after Your Honor denied our motion to dismiss without prejudice --

THE COURT: Um-hmm.

MS. LEE: -- and with reservation, I might add. Your Honor was, you know, kind of lamenting the fact that we don't apply the more stringent *Iqbal* standard here. And perhaps if that were the case, Your Honor would have granted that motion. And ultimately Your Honor went back at that motion for summary judgment phase and said: You know, I really can't see this being more than just a contract that was frustrated by the insured not paying their premiums on time.

So when we talk about timing, Your Honor, and I looked carefully at their motion -- their opposition --

THE COURT: Um-hmm.

MS. LEE: -- and I see where they are conflating newly discovered facts that happened six months down the road after, you know, we had started this case. You know, we had not filed a response to the pleading. They didn't know what our answer was going to be or our affirmative defenses or, you know, an exculpatory allegations.

However, what they -- this is what they did know before filing the Complaint. First, they knew that our clients as the insurance brokers did not receive notice of the cancellation, of the pending cancellation. They put that right into their Complaint as an affirmative allegation. Paragraphs 26 and 27 of their Complaint says that the Sandin defendants were never provided notice of the cancellation, and they did not know about the notice of cancellation.

So just as a practical matter, Your Honor, even if there was some kind of duty, some strained, tenuous duty, which the Supreme Court has said doesn't exist, which Your Honor said doesn't exist, which case law, statute, and every jurisdiction says doesn't exist, there is no duty, but even if there was this duty, it was factually impossible for my client to give them notice of a pending cancellation because they themselves never had notice. So they knew that before they filed the Complaint.

Another thing that they knew, the whole reason why Your Honor actually allowed this case to move forward is because they made this course and conduct argument. Well, the Sandin defendants had done this in the past. They had warned us that our policy was going to terminate, and so they had a duty to continue this course of conduct. Well turns out when we had deposed their person most knowledgeable on this issue, she said: Well, the three previous times that they gave us notice were on these three specific dates. And she gave very specific dates.

Well, that date span that she gave, my client wasn't even their broker of record at the time. He was working at another company under a noncompete. In fact, he could not have been their broker. And then Nevada Supreme Court acknowledged that fact and said out of two out of the three times that they touted, my client wasn't even their broker of record during that time. So they knew that before they filed the Complaint.

Another thing that they knew, Your Honor, is that they knew

-

that they actually knew about the termination prior to the termination term. They wrote a check. They realized that they were late on their July payment. They wrote a check and for whatever reason, they never sent it. So they were well aware.

So, you know, Your Honor, it's just -- it's just, you know, this whole climate of let's blame everybody else for our things that we were supposed to take responsibility for. If I don't pay my mortgage and my home gets foreclosed on, I can't go sue my real estate broker for not giving me notice that I didn't pay my mortgage.

THE COURT: Okay.

MS. LEE: It's not -- it's not her responsibility. So they knew that as well.

And, in fact, I wanted to point out that as far as the payment being missed, Steven Freudenberger testified during his deposition, 1 of 16 that was taken in this case, 11 of which were out of state, he said: Had I done my work that I'm paying myself to do -- and he's the president of O.P.H. or he was at the time -- that I'm paying myself to do to make sure that all this stuff gets paid in a timely manner, we wouldn't be sitting here either.

So that is the procedure. I didn't do my job in that moment.

That's all I can say about that. I mean, it's a mishap in the company.

There is no -- I'm not trying to blame anybody for that payment not being made on July 26th.

Well, they are trying to blame someone for that payment not being made. And it looks here Mr. Freudenberger is trying to take

responsibility for it, but legally they're doing the exact opposite. They're trying to put the blame on an insurance broker. There was no basis in law.

THE COURT: Well, I don't understand why we're talking about because that doesn't really have anything to do with this whole issue of, as you point out, the *Beattie* -- first you look at *Beattie*, and then you look at *Brunzell*. So how does that contribute --

MS. LEE: It goes to the --

THE COURT: -- to the analysis of the attorney's fee?

MS. LEE: The first *Beattie* factor, Your Honor, is whether or not they brought the claims in good faith. And that ties to and informs the timing of our offer of judgment. They brought the claims initially in bad faith. So our bringing of an offer of judgment at the initiation of the case makes sense. It was a bad case. They brought the claims in bad faith. So it informs the timing of our motion, and that's why I bring that up, Your Honor.

And I would also like to point out, under the -- the -- the offer of judgment rule is that the Nevada Supreme Court allows you to bring it at any point, at every possible juncture where the rules allow.

THE COURT: Okay.

MS. LEE: So we were not precluded. So you can bring it as early as -- before you even answer the Complaint, as long as it's not brought within ten days. So there's no hard and fast rule that says that just because they won a motion to dismiss, barely, that does not then translate into good faith, that they brought these claims in good faith. So

Court's holding, which I have right here, wherein they say: --

THE COURT: Uh-huh.

MR. BLUMBERG: -- We recognize that an insurance broker may assume additional duties to its insured client in special circumstances.

Fortunately we found here we didn't quite get there, but that doesn't mean the claim was unreasonable when we brought it. And it shows that it is actually possible to succeed on such a claim.

And then the second factor is the unreasonableness of the timing and the amount, and we think that's where they have a huge issue in this case, the timing. Opposing Counsel mentioned it. Before they filed an answer, before any discovery was conducted, the only information we had was that we had won on a motion -- their motion to dismiss. So there was some legs for our case and we didn't see any reason why a \$2,000 offer of judgment, when we had damages in the hundreds of thousands, if not more, was reasonable at all. And we know that the amount is not reasonable based on the amount of work they put into this case. In just the arbitration period, where if they're claiming they believe this was actually subject to only a \$50,000 cap despite our Complaint, our initial Complaint saying damages in excess of \$50,000, they spent over thirty-five -- \$35,000 defending a claim which they're now going to claim should have only been valued at \$2,000.

THE COURT: Uh-huh.

MR. BLUMBERG: It shows that's disingenuous at best. Even

they understood the claim wasn't properly valued at \$2,000. It would not have been reasonable to expect O.P.H. to accept such an offer, especially that early in the case.

And then we also see, when we look at the *Brunzell* factors, that they actually ended up spending over a thousand hours on this case. And if you look at that and then have them come back and say, you know, \$2,000 was probably a very reasonable offer when we've now expended over a thousand hours defending this case, if the claim was as meritless as they say, it never should have taken a thousand hours of work.

And I think that also goes to, if Your Honor somehow does find the *Beattie* factors weigh in their favor that the *Brunzell* factors mandate that this award must be substantially reduced. There's no way that this case should have taken a thousand hours to defend if the claim was as meritless as they believe. We had filed that in the initial opposition a couple years ago. And I think we highlight another few points in our opposition to their attorney -- appellate attorney's fees motion --

THE COURT: Right.

MR. BLUMBERG: -- that we think there was some excessive billing that was incurred. And while we agree that the hourly rate was reasonable, of course, it was discounted, it doesn't mean that they can make up for the discount in the hourly rate by then charging a thousand hours throughout the duration of the case.

THE COURT: Okay. Thank you. Originally the Court had found -- it's my recollection, is I didn't have my problem so much with the

Beattie factors as to the timing of the offer. I mean, you can make an offer immediately after appearing. One of the problems is how much is reasonable? So that was my -- more my concern, was it reasonable at that point in time to offer \$2,000?

But my real issue was more with the *Brunzell* factors. And that kind of ties into this whole thing of if you're really making a legitimate \$2,000 offer, why would you then spend \$35,000 when you know the most you can recover if you win at arbitration is \$3,000? So that was a problem for me. And where we -- that's why I got into these two cases that had just been decided earlier in 2015, I think like literally weeks on *Frazier v Drake*, before we had our hearing.

The first one is this whole concept of block billing. I know this is an unpublished decision, and for some reason an unpublished order shall not be regarded as precedent and shall not be set as legal authority, but that's after the rule change, so I don't know why they have that on there. I think this can be decided. And this is this concept of one problem with billing is block billing. How, when you're awarding attorney's fees, can you, if it's just like a big block of billing, say that's reasonable or not?

But -- so when I went back and looked through all these bills, just because the word and appears in a billing entry, it doesn't mean you're doing two completely separate and unrelated things and billing one amount for it. I mean, there's one in here where it's like, more recently, receive notice of substitution of counsel, and think something changed some database entry. That's not really two different things,

that's one thing, they go together.

So in looking for, you know, do we have block billing problems here? You know, I didn't really see that that was a problem for us in this case. It's pretty clearly broken out and you can tell what was billed in the different entries. So I didn't, in the end, really think that with respect to the reasonableness of their bills and, you know, were they something the Court could look at and say, yes, I think that's all reasonable and necessary.

Under this case, I ended up in the end not seeing any real concern. And that's the Margaret Mary Adams 2006 Trust. That's why I -- that's why I know about this case is it's a trust case which was dated March 26th, 2015. It is an unpublished Supreme Court decision, so I think that one was significant. So I looked at -- first, I looked at it for that. You know, you could maybe go through, if you want, the entire billing statement and pick and choose a couple of little entries. But when I look at them, they're like 0.2, so really, is it worth the time to go through and say, well, I can't award this because it's block billing when it's 0.2. I mean, it's going to be more time to review for maybe a couple of hours of time than you're going to -- you're going to find. It's not cost effective. There's not enough of it.

This isn't true block billing. I mean, for true block billing, you're looking at lengthy entries of, you know, I went to a deposition and I prepared for motion for summary judgment, and then I wrote a letter, eight hours, that's block billing. And I just didn't see it. So that -- my first concern there was gone.

And then under *Frazier v Drake*, which was decided on September 3, 2015 and is reported, 357 P.3d 365, this is a Court of Appeals case. This is the one that had just -- I don't know, I think our hearing was in October and this had just been decided September 3rd, 2015, so this was the one that was really of interest to me. And again, they did do the analysis. You look first at your *Beattie* factors, then you look at your *Brunzell* factors. And what most people know this case for, and that's what I had done, is reduce the expert fees to \$1500 because this is the case that gives our authority to say, you know, really, unless they testify, it's unreasonable to charge more than \$1500.

But there's other stuff in here about the timing of the offer of judgment. The District Court found that the offers of judgment were brought in good faith, that the -- the Frazier, Keys offers. Drake's offers were not reasonable or made in good faith in either timing or amount, and that the decisions to reject those offers were not grossly unreasonable or in bad faith.

So that's kind of what was new in *Frazier v Drake* was this concept that if you decide to reject -- if your client decided to reject not in good faith, it had to be grossly unreasonable. And that's -- I mean, I thought pretty much everybody was operating in good faith here.

Nobody -- it's just you guys didn't agree. Your clients were relying on this course of conduct that they felt they had with their real estate agent -- insurance agent, which was what Ms. Lee was talking about, this course of conduct. You know, ultimately the Court didn't find that that standard was met. That's a very unusual and way outside normal

duties of insurance agents.

So, I mean, it wasn't unreasonable to proceed, but on the other hand, it was certainly a reasonable offer from them because they just -- there is no such -- there is no such global duty. It's not a duty. It's just this exception from the failure to have a duty that is just a course of conduct if you can establish it. It's not technically a duty. The point is there is no duty, but there is an exception. And it's a high burden to carry that the exception should apply.

So the problem that they found was with the -- what the District Court found that reasonable -- that the reasonableness of the offer alone supported the award of attorney's fees, and they said that's not enough. You can't just award everything just based on reasonableness, you have to go back and look at it all. So that was the point in saying I'm going to -- I have to take another look at it under *Frazier v Drake*. But it didn't really -- it didn't really change my opinion about overall, as we pointed out, that you can't argue with the fee. It's a discounted fee, much lower than what they would normally charge.

But that I -- my one problem is, is with the arbitration phase. You know, I agree with you on the arbitration phase. I just think if you make an offer of judgment for \$2,000 at the arbitration phase and you insist it's only -- an arbitration case, you're only going to get \$3,000 at the end of the process. It just doesn't make any sense to me. That's the only problem I ever had with it.

And after looking at it all over again, it's still the only problem I have with it, because I looked at everything else. I don't see block

billing. I don't see overbilling. It's a discounted rate. I just didn't have any problems with any of the rest of it. The only thing, and unfortunately neither of these cases address it, they only address the other factors, they don't address this whole concept of is it really reasonable once you've made a \$2,000 offer of judgment during a phase when you're only going to get \$3,000 if it stays where it is, that to me was -- that to me showed they really were intending to litigate the whole time. And that's fine. That was their choice. I think that everybody realized that it was a big claim.

And it was -- it was -- this was difficult. This went on for months and months and months, going all over the country on depositions -- I just didn't see anywhere where any of that was inflated. That's what it took to get to the point where they could file the motion. And for me, it was a very arduous process, and it was hard fought the whole time.

So I can't say that for either side the discovery phase of this thing was handled in any way inappropriately. Those -- every one of those depositions, I thought they were relevant. I mean, we looked at all of them in these motions because some of them were relevant to Ms. O'Briant, some of them were relevant to Ms. Lee. They had to do the whole thing. They had to be present for them. They couldn't pick and choose which ones they'd go to, it was because it was all one case. So for that reason, I did not see anything unreasonable. As I said, my -- and they have every right to seek their appeal fees and costs. I don't think anybody really disputes that.

So at this point, like I said, years later we come back around to it and I still feel the same way about it. I don't -- I didn't see anything in these cases. I'm -- as I said, I don't -- I think this is kind of the last word. I haven't seen any significant new offer of judgment cases come down. Frazier v Drake is the last reported one that I could find. And these others are -- these other issues, like this unpublished Supreme Court decision on block billing, which nobody seems to know about, but I guess I do because it's a trust case. But I looked at the other things that they've raised that were problems, and I just -- I don't see anything but the initial thing that was raised by your client initially, is why would you make an offer of judgment and then proceed to bill \$35,000 when you knew you were only going to get back three? I think that's a legitimate question, and that's really only ever been my problem with it.

So that would be the only amount I would be willing to take a look at. And I think that they stuck with the \$3,000, but anything over that, until that phase is over, that arbitration phase is over going forward, it was all necessary, every bit of it. And it's unfortunate. This was -- that's what I've said all along, it's so unfortunate that we have this relatively low standard for motions to dismiss. You're entitled to try to prove your case and, unfortunately, this one just -- it was one of those cases that you just -- there's no way to do it, but to go forward on all of these issues. And everybody else was out of state. I mean, I just -- I don't think there's any other way to do it. It had to be done.

So I'm only reducing this by the -- I think it's \$32,000 from the

arbitration phase. The rest of it, plus the appeal fees, I think are all perfectly warranted because, like I said, the only real case that picks around at offers of attorney's fees after offers of judgment is this block billing case, and I didn't see that was a problem for us here. They didn't block bill.

So since that's about the only thing I think you can reduce fees by now, I mean, that's the only -- in years that it's come up is this objection to block billing. Not relevant here, so nothing else I could really reduce it for.

So as we -- I would say they otherwise meet *Brunzel*. Every other factor is fully satisfied under *Brunzell*. And the only thing that they tell us to take a look at is block billing and, you know, it's just not a problem for us.

So I don't see anywhere else I could make any reductions with all -- and I read it. You know, I did the -- I did not come in to be a judge in order to read other people's billing statements, but it's so important to the Supreme Court that we do a lot of it. And under the guidance they've given us, I just don't see anywhere else to reduce it but by the arbitration phase that I see as a legitimate question. So I'll take that reduction, but everything else up through the appeal is awarded. I just didn't see anywhere else to take a deduction.

MS. LEE: Thank you, Your Honor. I'll prepare the order.

THE COURT: Okay. Thank you.

MR. BLUMBERG: Thank you, Your Honor.

THE COURT: And if you'd please direct it to Counsel.

| 1 | Do you even want to see it, Ms. O'Briant? Do you want to | | |
|----|--|--|--|
| 2 | review the | | |
| 3 | MS. O'BRIANT: No, I don't need to see it. | | |
| 4 | THE COURT: Okay. | | |
| 5 | MS. LEE: Okay. All right. | | |
| 6 | THE COURT: All right. | | |
| 7 | MS. LEE: Thanks, Priscilla. | | |
| 8 | THE COURT: Because I didn't think you cared, but. Okay. | | |
| 9 | Thanks very much. | | |
| 10 | MS. LEE: Thank you, Your Honor. | | |
| 11 | THE COURT: Then we'll see you guys back here. And then | | |
| 12 | just the only thing we have left is a calendar call in July. I think we're | | |
| 13 | otherwise | | |
| 14 | MS. O'BRIANT: Well, Your Honor, we discussed at the last | | |
| 15 | hearing we need to | | |
| 16 | MS. LEE: I'm sorry, Your Honor. I have an appointment. | | |
| 17 | THE COURT: You can leave. Yeah. Sorry | | |
| 18 | MS. LEE: I'm going to just head out. | | |
| 19 | MS. O'BRIANT: resubmit the motions in limines | | |
| 20 | THE COURT: Uh-huh. | | |
| 21 | MS. O'BRIANT: and motion for summary judgment | | |
| 22 | because they have changed a little | | |
| 23 | THE COURT: Okay. | | |
| 24 | MS. O'BRIANT: with the remand back from the Supreme | | |
| 25 | Court. | | |

| 1 | THE COURT: Right. Yeah. Yeah. |
|----|---|
| 2 | They told us to focus on some other things, yeah. |
| 3 | MS. O'BRIANT: So I know we did set a deadline for MILs. |
| 4 | THE COURT: Uh-huh. |
| 5 | MS. O'BRIANT: I didn't I reviewed all the calendar dates. I |
| 6 | didn't see one for the motion for summary judgment, but we can get that |
| 7 | on file |
| 8 | THE COURT: Okay. |
| 9 | MS. O'BRIANT: whenever. |
| 10 | THE COURT: Yes. Just working back from the calendar call |
| 11 | date, we like, like 60 days in advance, if we can. If not, 60 days before |
| 12 | the actual trial stack date. We just need some time to get everything |
| 13 | briefed and have a chance to have a hearing before the actual |
| 14 | MS. O'BRIANT: Is that for the motion |
| 15 | THE COURT: deadline. |
| 16 | MS. O'BRIANT: for summary judgment? |
| 17 | THE COURT: On the summary judgment motion. |
| 18 | MS. O'BRIANT: Okay. |
| 19 | THE COURT: So we need, you know, we need 60 days |
| 20 | MS. O'BRIANT: Two months, no problem. |
| 21 | THE COURT: to look at to get that all through the |
| 22 | process, so we don't have to be doing a whole bunch on order |
| 23 | shortening time. So if you can just work on that |
| 24 | MS. O'BRIANT: Okay. Thank you, Your Honor. |
| 25 | THE COURT: for your schedule. |

| 1 | MR. BLUMBERG: Thank you. | | |
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| | | | |
| 2 | THE COURT: Thank you, guys. | | |
| 3 | [Hearing concluded at 11:42 a.m.] | | |
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| 21 | ATTEST: I do hereby certify that I have truly and correctly transcribed the | | |
| 22 | audio/video proceedings in the above-entitled case to the best of my ability. | | |
| 23 | Martha L. Nelson | | |
| 24 | | | |
| 25 | Martha Nelson Court Recorder/Transcriber | | |

Court Recorder/Transcriber

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1 ORDD Patricia Lee (8287) HUTCHISON & STEFFEN, LLC 2 10080 West Alta Drive, Suite 200 Las Vegas, NV 89145 3 Tel: (702) 385-2500 4 (702) 385-2086 Fax: plee@hutchlegal.com 5 6 Attorneys for defendants Dave Sandin and Sandin & Co. 8 DISTRICT COURT 9 CLARK COUNTY, NEVADA 10 O.P.H. OF LAS VEGAS, INC., Case No.: A-12-672158-C 11 Plaintiff, Dept. No.: XXVI 12 ORDER DENYING PLAINTIFF 13 O.P.H. OF LAS VEGAS INC.'S OREGON MUTUAL INSURANCE MOTION TO RECONSIDER 14 COMPANY, DAVE SANDIN, and SANDIN AND/OR AMEND JUDGMENT & CO., 15 Defendants. 16 17 18 Plaintiff O.P.H. OF LAS VEGAS, INC.'s Motion to Reconsider and/or Amend 19 Judgment came before this Court on May 1, 2018 at 9:00 a.m. Patricia Lee of the firm 20 Hutchison & Steffen, PLLC appeared on behalf of Dave Sandin and Sandin & Co, (together the "Sandin Defendants") and Gabriel Blumberg of the firm Dickinson Wright, PLLC appeared on 21 behalf of Plaintiff, O.P.H. of Las Vegas, Inc. ("OPH"). 22 23 Having reviewed all papers and pleadings on file and entertained oral arguments 24 presented by all counsel, this Court makes the following Order: 25 For the reasons set forth on the record at the hearing, the Court believes it has properly considered and weighed all factors articulated in Beattie v. Thomas, 99 Nev. 579, 588-89, 668 26 27 P.2d 268, 274 (1983) and Brunzell v. Golden Gate National Bank, 85 Nev. 345, 349, 455 P.2d 28 31, 33 (1969), IT IS HEREBY ORDERED that Plaintiff O.P.H. OF LAS VEGAS, INC.'s

| 1 | Motion to Reconsider and/or Amend Judgment is hereby DENIED. | | |
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| 2 | IT IS SO ORDERED this 2 fday of 2 un, 2018. | | |
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| 4 | MWV | | |
| 5 | HONORABLE JUDO E GLORIA STURMAN | | |
| 6 | HUTCHISON & STEFFEN, PLLC DICKINSON WRIGHT, PLLC | | |
| 7 | DICKINSON WRIGHT, TEEC | | |
| 8 | Which of the | | |
| 9 | Patricia Lee (8287) Michael N. Feder (7332) 10080 W. Alta Drive, Suite 200 Gabriel Blumberg (12332) | | |
| 10 | 10080 W. Alta Drive, Suite 200 Gabriel Blumberg (12332) Las Vegas, Nevada 89129 8363 W. Sunset Rd., Suite 200 E-Mail: plee@hutchlegal.com Las Vegas, Nevada 89113 | | |
| 11 | E-Wail: <u>preclamation gar.com</u> E-Mail: <u>mfeder@dickinson-wright.com</u> Attorneys for Dave Sandin and Sandin & <u>gblumberg@dickinson-wright.com</u> | | |
| 12 | Co. Attorneys for plaintiff | | |
| 13 | O.P.H. of Las Vegas Inc. | | |
| 14 | Danie 46-11 | | |
| 15 | Respectfully submitted by: | | |
| 16 | HUTCHISON & STEFFEN, LLC | | |
| 17 | Patrick The | | |
| 18 | Patricia Lee (8287) 10080 West Alta Drive, Suite 200 | | |
| 19 | Las Vegas, NV 89145 | | |
| 20 | Attorneys for Dave Sandin and Sandin & Co. | | |
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6/12/2018 12:00 PM Steven D. Grierson CLERK OF THE COURT **NEOJ** 1 Patricia Lee (8287) HUTCHISON & STEFFEN, PLLC Peccole Professional Park 3 10080 West Alta Drive, Suite 200 Las Vegas, Nevada 89145 Telephone: (702) 385-2500 Facsimile: (702) 385-2086 plee@hutchlegal.com 5 Attorneys for Defendants Dave Sandin and Sandin & Co. 7 **DISTRICT COURT** 8 **CLARK COUNTY, NEVADA** 9 O.P.H. PF LAS VEGAS, INC., Case No. A-12-672158-C 10 Dept. No. XXVI Plaintiff, 11 NOTICE OF ENTRY OF ORDER v. 12 **DENYING PLAINTIFF O.P.H. OF LAS** OREGON MUTUAL INSURANCE **VEGAS INC.'S MOTION TO** 13 COMPANY, DAVE SANDIN, and RECONSIDER AND/OR AMEND **JUDGMENT** SANDIN & CO.; 14 Defendants. 15 16 PLEASE TAKE NOTICE that an Order Denying Plaintiff O.P.H. of Las Vegas Inc.'s 17 Motion to reconsider and/or Amend Judgment was entered in the above-entitled action on the 11th 18 day of June, 2018, a copy of which is attached hereto. 19 20 DATED this 11th day of June, 2018 21 **HUTCHISON & STEFFEN, PLLC** 22 23 /s/ Patricia Lee 24 Patricia Lee (8287) HUTCHISON & STEFFEN, PLLC 25 Peccole Professional Park 10080 West Alta Drive, Suite 200 26 Las Vegas, Nevada 89145 27 Attorneys for Defendants Dave Sandin and Sandin & Co. 28

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CERTIFICATE OF SERVICE

| 1 | CERTIFICATE OF SERVICE | | | |
|----------|--|--|--|--|
| 2 | Pursuant to NRCP 5(b), I hereby certify that I am an employee of Hutchison & Steffen | | | |
| 3 | PLLC and that on this 11th day of June, 2018, I caused the above and foregoing document entitled | | | |
| 4 | NOTICE OF ENTRY OF ORDER DENY | NOTICE OF ENTRY OF ORDER DENYING PLAINTIFF O.P.H. OF LAS VEGAS INC.'S | | |
| 5 | MOTION TO RECONSIDER AND/OR AMEND JUDGMENT to be served as follows: | | | |
| 6 7 | a sealed envelope up | e deposited for mailing in the United States Mail, in on which first class postage was prepaid in Las | | |
| 8 | | 26, to be sent via facsimile; and/or | | |
| 9 | through the Eighth Ju the date and time of to place of deposit in th | pursuant to EDCR 8.05(a) and 8.05(f), to be electronically served through the Eighth Judicial District Court's electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or | | |
| 11 | [] to be hand-delivered | ; | | |
| 12 13 | to the attorney(s) listed below at the address and/or facsimile number indicated below: | | | |
| 14 | Michael N. Feder, esq. Gabriel Blumberg, Esq. DICKISON WRIGHT PLIC | Robert Freeman, Esq. Priscilla O'Briant, Esq. LEWIS BRISBOIS BISGAARD & SMITH, | | |
| 15 16 | 8363 W. Sunset rd., Ste. 200 | LLP 6385 S. Rainbow Blvd., Ste. 600 Las Vegas, NV 89118 | | |
| 17 | Attorneys for plaintiff O.P.H. of Las Vegas Inc. | Attorneys for Oregon Mutual Insurance | | |
| 18 | 3 | ompany | | |
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| 21 | | An Employee of Hutchison & Steffen, PLLC | | |
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EXHIBIT 1

Electronically Filed 6/11/2018 5:28 PM Steven D. Grierson CLERK OF THE COURT

1 ORDD Patricia Lee (8287) 2 HUTCHISON & STEFFEN, LLC 10080 West Alta Drive, Suite 200 3 Las Vegas, NV 89145 (702) 385-2500 Tel: 4 Fax: (702) 385-2086 plee@hutchlegal.com 5 Attorneys for defendants 6 Dave Sandin and Sandin & Co. DISTRICT COURT 8 9 CLARK COUNTY, NEVADA 10 O.P.H. OF LAS VEGAS, INC. Case No.: A-12-672158-C 11 Plaintiff, Dept. No.: XXVI 12 ORDER DENYING PLAINTIFF 13 O.P.H. OF LAS VEGAS INC.'S OREGON MUTUAL INSURANCE MOTION TO RECONSIDER 14 COMPANY, DAVE SANDIN, and SANDIN AND/OR AMEND JUDGMENT & CO., 15 Defendants. 16 17 18 Plaintiff O.P.H. OF LAS VEGAS, INC.'s Motion to Reconsider and/or Amend 19 Judgment came before this Court on May 1, 2018 at 9:00 a.m. Patricia Lee of the firm Hutchison & Steffen, PLLC appeared on behalf of Dave Sandin and Sandin & Co, (together the 20 "Sandin Defendants") and Gabriel Blumberg of the firm Dickinson Wright, PLLC appeared on 21 behalf of Plaintiff, O.P.H. of Las Vegas, Inc. ("OPH"). 22 Having reviewed all papers and pleadings on file and entertained oral arguments 23 24 presented by all counsel, this Court makes the following Order: For the reasons set forth on the record at the hearing, the Court believes it has properly 25 considered and weighed all factors articulated in Beattie v. Thomas, 99 Nev. 579, 588-89, 668 26 P.2d 268, 274 (1983) and Brunzell v. Golden Gate National Bank, 85 Nev. 345, 349, 455 P.2d 27 31, 33 (1969), IT IS HEREBY ORDERED that Plaintiff O.P.H. OF LAS VEGAS, INC.'s

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| 1 | Motion to Reconsider and/or Amend Judgment | is hereby DENIED. |
| 2 | IT IS SO ORDERED thi | s I flay of Jun, 2018. |
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| 4 | HONOD AND DIEDAG | |
| 5 | HONOKABLEJUDGE | GLORIA STOKINAN |
| 6. | HUTCHISON & STEFFEN, PLLC | DICKINSON WRIGHT, PLLC |
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| 8 | Patrick Tale | and the second s |
| 9 | Patricia Lee (8287) 10080 W. Alta Drive, Suite 200 | Michael N. Feder (7332) Gabriel Blumberg (12332) |
| 10 | Las Vegas, Nevada 89129 E-Mail: <u>plee@hutchlegal.com</u> | 8363 W. Sunset Řd., Suité 200 Las Vegas, Nevada 89113 |
| 11 | Attorneys for Dave Sandin and Sandin & | E-Mail: <u>mfeder@dickinson-wright.com</u> <u>gblumberg@dickinson-wright.com</u> |
| 12 | Co. | Attorneys for plaintiff |
| 13 | | O.P.H. of Las Vegas Inc. |
| 14 | Respectfully submitted by: | |
| 15 | HUTCHISON & STEFFEN, LLC | |
| 16 | Out of Plan | |
| 17 | Patricia Lee (8287) | |
| 18 | 10080 West Alta Órive, Suite 200 Las Vegas, NV 89145 | |
| 19 | Attorneys for Dave Sandin and Sandin & Co. | |
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Attorneys for Plaintiff O.P.H. of Las Vegas, Inc.

IN THE EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA

O.P.H. OF LAS VEGAS, INC.,

CASE NO. A-12-672158-C DEPT. NO. XXVI

Plaintiff,

OREGON MUTUAL INSURANCE COMPANY, DAVE SANDIN, AND SANDIN & Co.

Defendants.

NOTICE OF ENTRY OF STIPULATION AND ORDER FOR DISMISSAL WITH PREJUDICE

Please take notice that a STIPULATION AND ORDER FOR DISMISSAL WITH PREJUDICE was entered on September 7, 2018, a copy of which is attached hereto.

DATED this 11th day of September 2018.

DICKINSON WRIGHT PLLC

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CERTIFICATE OF SERVICE

The undersigned, an employee of Dickinson Wright PLLC, hereby certifies that on the 11th day of September 2018, she caused a copy of the **NOTICE OF ENTRY OF STIPULATION AND ORDER FOR DISMISSAL WITH PREJUDICE** to be transmitted via Odyssey E-Filing System pursuant to Rule 5(b)(2)(D) of the Nevada Rules of Civil Procedure and Rule 8.05 of the Eighth Judicial District Court Rules as follows:

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IN THE EIGHTH JUDICIAL DISTRICT COURT **CLARK COUNTY, NEVADA**

> A-12-672158-C CASE NO. XXVI

> > STIPULATION AND ORDER FOR DISMISSAL WITH PREJUDICE

It is hereby stipulated to between Plaintiff O.P.H. of Las Vegas, Inc. ("OPH"), by and through its counsel, the law firm of Dickinson Wright PLLC, and Defendant Oregon Mutual Insurance Company ("OMI"), by and through its counsel, the law firm of Lewis Brisbois Bisgaard & Smith, LLP, that all claims asserted by OPH against OMI in the above-captioned

| 1 | Each party to bear their own costs and attorneys' fees. | |
|----|--|---|
| 2 | Dated this day of August, 2018 De | ated this day of August, 2018 |
| 3 | DICKINSON WRIGHT PLLC LI | EWIS BRISBOIS BISGAARD & SMITH |
| 4 | | 1 00 00 00 |
| 5 | | mall TOP |
| 6 | MICHAEL N. FEDER | DBERT W. FREEMAN |
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| 9 | | l: (702) 893-3383 x: (702) 893-3789 |
| 10 | Attorneys for Plaintiff O.P.H. of Las Vegas, At | orneys for Defendant Oregon Mutual |
| 11 | Inc. In. | surance Company |
| 12 | | |
| 13 | <u>ORDER</u> | |
| 14 | Based upon the foregoing, IT IS HEREBY | ORDERED that all claims asserted by OPH |
| 15 | against OMI in the above-captioned matter shall be dismissed with prejudice, with each party to | |
| 16 | bear their own costs and attorneys' fees. The November trial date and all scheduled hearings are | |
| 17 | hereby vacated. | |
| 18 | Dated this <u>0</u> day of August, 2018. | 222111 |
| 19 | | |
| 20 | | DISTRICT COURT JUDGE |
| 21 | Respectfully submitted by: DICKINSON WRIGHT PLLC | |
| 22 | | |
| 23 | MICHAEL N. FEDER | |
| 24 | Nevada Bar No. 7332 | |
| 25 | GABRIEL A. BLUMBERG Nevada Bar No. 12332 | |
| 26 | 8363 West Sunset Road, Suite 200 | |
| 27 | Las Vegas, Nevada 89113-2210 Attorneys for Plaintiff O.P.H. of Las Vegas, Inc. | |
| 28 | | |