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

## INDICATE FULL CAPTION:

ARTHUR SHATZ AND RICHARD FRANTIS

Plaintiff/Appellant

v.

ROY L. STREET, individually and dba CAPITAL CAB

Defendant/Respondent

Nο	80449 Electronically Filed
	Feb 12 2020 03:33 p.m
	DOCKETING Stizabethe And Brown
	CIVIL A <b>Plack o</b> s Supreme Cour

### GENERAL INFORMATION

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

### WARNING

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

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

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. *See* <u>KDI Sylvan Pools v. Workman</u>, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.

1. Judicial District Second	Department 10
County Washoe	Judge Hon. Elliott A. Sattler
District Ct. Case No. CV 15-01359	
2. Attorney filing this docketing statemen	<b>t</b> :
Attorney Leon Greenberg, Esq.	Telephone <u>702-383-6085</u>
Firm Leon Greenberg Professional Corporation	n
Address 2965 S. Jones Boulevard, Suite E-3 Las Vegas, NV 89146	
Client(s) ARTHUR SHATZ and RICHARD FR	ANTIS
If this is a joint statement by multiple appellants, add the names of their clients on an additional sheet accompfiling of this statement.	
3. Attorney(s) representing respondents(s	):
Attorney Mark G. Simons,	Telephone <u>775-785-0088</u>
Firm Simons Hall Johnston PC	
Address 6490 S. McCarran Blvd., Suite. F-46, Reno, NV 89509.	
Client(s) ROY L. STREET, dba CAPITAL CAR	3
Attorney Ricardo N. Cordova, Esq.	Telephone <u>775-785-0088</u>
Firm Simmons Hall Johnston PC	
Address 6490 S. McCarran Blvd., Suite. F-46, Reno, NV 89509.	
Client(s) ROY L. STREET, dba CAPITAL CAI	8

4. Nature of disposition below (check	all that apply):
☐ Judgment after bench trial	☐ Dismissal:
☐ Judgment after jury verdict	☐ Lack of jurisdiction
⊠ Summary judgment	☐ Failure to state a claim
☐ Default judgment	☐ Failure to prosecute
$\square$ Grant/Denial of NRCP 60(b) relief	$\square$ Other (specify):
$\square$ Grant/Denial of injunction	☐ Divorce Decree:
$\square$ Grant/Denial of declaratory relief	☐ Original ☐ Modification
☐ Review of agency determination	☐ Other disposition (specify):
5. Does this appeal raise issues conce	erning any of the following?
☐ Child Custody	
□ Venue	
☐ Termination of parental rights	
	this court. List the case name and docket number sently or previously pending before this court which
No prior appeal or writ proceedings in the	is case.
	other courts. List the case name, number and s in other courts which are related to this appeal

(e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition:

case also being appealed under Appeal No. 80448.

This case was consolidated in the First Judicial District court with Jeff Myers v. Reno Cab Company, Inc., Case No. CV 15-01359, for all purposes except trial. Summary judgment on the same basis and via the same order was entered for defendants in that case as well, that

**8. Nature of the action.** Briefly describe the nature of the action and the result below:

Both Meyers and Shatz and Frantis v. Street allege putative class claims under NRCP Rule 23 seeking unpaid minimum wages alleged to be owed to taxi cab driver employees of the defendants pursuant to Article 15, Section 16, of the Nevada Constitution (the Minimum Wage Amendment or "MWA") and penalties pursuant to NRS 608.040 arising from the failure to pay such minimum wages. The district court's Order of December 16, 2019 granted summary judgment to all defendants constituting a final judgment in the defendants' favor by finding that none of the plaintiffs could make the claims asserted because, as a matter of law, they were not employees of any defendant. It arrived at that conclusion based upon the undisputed fact that each plaintiff entered into a lease agreement with the defendant to operate the taxicab that they drove, such lease agreement having been approved pursuant to NRS 706.473 by the Nevada Transportation Authority. The district court found that such approval of that lease agreement rendered all of the plaintiffs, as a matter of law, independent contractors and not employees for the purposes of the MWA and NRS 608.040.

**9. Issues on appeal.** State concisely the principal issue(s) in this appeal (attach separate sheets as necessary):

The district court erred by finding that the existence of the lease agreement between the parties approved by the Nevada Transportation Authority pursuant to NRS 704.473 rendered the plaintiff, as a matter of law, an independent contractor of the defendant and not an employee under the MWA and NRS 608.040. That decision was in error as the Nevada Transportation Authority has no authority or power to define the plaintiff as an independent contractor, and not as an employee, for the purposes of the MWA and such decision is contrary to the holding in Terry v. Sapphire Gentlemen's Cub, 336 P.3d 951 (Nev. Sup. Ct. 2014) defining how employment is determined for MWA purposes (the "economic realities" test). The proper application of Terry would require the granting of summary judgment to the plaintiff on the issue of whether they were, as a matter of law, an employee of the defendant under the MWA and NRS 608.040.

**10.** Pending proceedings in this court raising the same or similar issues. If you are aware of any proceedings presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket numbers and identify the same or similar issue raised:

None known except the above noted case and appeal in Myers v. Reno Cab, Appeal No. 80448.

11. Constitutional issues. If this appeal challenges the constitutionality of a statute, and he state, any state agency, or any officer or employee thereof is not a party to this appeal, nave you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?		
⊠ N/A		
☐ Yes		
$\square$ No		
If not, explain:		
2. Other issues. Does this appeal involve any of the following issues?		
⊠ Reversal of well-settled Nevada precedent (identify the case(s))		
☑ An issue arising under the United States and/or Nevada Constitutions		
$\boxtimes$ A substantial issue of first impression		
☐ An issue of public policy		
An issue where en banc consideration is necessary to maintain uniformity of this court's decisions		
☐ A ballot question		
If so, explain: Appellant believes the district court decision constitutes a reversal, in part, of the holding in Terry v. Sapphire Gentlemen's Cub, 336 P.3d 951 (Nev. Sup. Ct. 2014) as under Terry neither NRS 704.473 nor any other Nevada Statute can define an "employee" under the MWA (or that is a substantial issue of first impression). This case involves an issue arising under the Nevada Constitution, Article 15, Section 16, of the Nevada Constitution (the Minimum Wage Amendment or "MWA") and whether the appellants are "employees" under the MWA and how, as a matter law, their status as employees under the MWA is determined.		

the Court of Appeals under NRAP 17, and cite the subparagraph(s) of the Rule under which the matter falls. If appellant believes that the Supreme Court should retain the case despite its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circumstance(s) that warrant retaining the case, and include an explanation of their importance or significance:
Pursuant to NRAP 17(a)(11) this appeal is presumptively to be retained by the Supreme Court as it involves a matter of first impression concerning the Nevada Constitution.
<b>14. Trial.</b> If this action proceeded to trial, how many days did the trial last?

13. Assignment to the Court of Appeals or retention in the Supreme Court. Briefly set forth whether the matter is presumptively retained by the Supreme Court or assigned to

**15. Judicial Disqualification.** Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal? If so, which Justice? Appellant does not intend to file any such motion.

Was it a bench or jury trial? \_\_\_\_

# TIMELINESS OF NOTICE OF APPEAL

16.	Date of entry of v	written judgment or order appealed from December 16, 2019
	If no written judgm seeking appellate r	ent or order was filed in the district court, explain the basis for eview:
17.	Date written not	ice of entry of judgment or order was served December 16, 2019
	Was service by:	
	□ Delivery	
	⊠ Mail/electronic/	fax
	If the time for fil RCP 50(b), 52(b), o	ing the notice of appeal was tolled by a post-judgment motion or 59)
	(a) Specify the t	ype of motion, the date and method of service of the motion, and ing.
	□ NRCP 50(b)	Date of filing
	$\square$ NRCP 52(b)	Date of filing
	□ NRCP 59	Date of filing
N		oursuant to NRCP 60 or motions for rehearing or reconsideration may toll the notice of appeal. See AA Primo Builders v. Washington, 126 Nev, 245
	(b) Date of entry	of written order resolving tolling motion
	(c) Date written	notice of entry of order resolving tolling motion was served
	Was service b	y:
	Delivery	
	☐ Mail	

19. Date notice of appeal filed Janury 13, 2020		
<del>-</del>	rty has appealed from the judgment or order, list the date each s filed and identify by name the party filing the notice of appeal:	
20. Specify statute or re.g., NRAP 4(a) or other	rule governing the time limit for filing the notice of appeal,	
NRAP 4(a)(1)		
	SUBSTANTIVE APPEALABILITY	
the judgment or order	or other authority granting this court jurisdiction to review appealed from:	
(a) ⊠ NRAP 3A(b)(1)	□ NRS 38.205	
☐ NRAP 3A(b)(2)	□ NRS 233B.150	
☐ NRAP 3A(b)(3)	$\square$ NRS 703.376	
$\square$ Other (specify) $\_$		
. ,	hority provides a basis for appeal from the judgment or order: granting summary judgment was a final disposition of all claims in ties in the case.	

22. List all parties involved in the action or consolidated actions in the district court: <ul> <li>(a) Parties:</li> <li>Jeff Myers, Plaintiff; Reno Cab Company, Defendant; Arthur Shatz and Richard Fratis, Plaintiffs; Roy L. Street, dba Capital Cab, Defendants.</li> </ul>
<ul><li>(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, e.g., formally dismissed, not served, or other:</li><li>Other: Jeff Myers, plaintiff has filed a separate appeal in Case No. 80448 against Reno Cab Company, Inc., defendant.</li></ul>
23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim. Plaintiff made claims for unpaid minimum wages under the MWA and related penalties under NRS 608.040. All claims were disposed of by the district court's order of December 16, 2019 granting summary judgment to defendant.
24. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?  □ No  25. If you answered "No" to question 24, complete the following:
(a) Specify the claims remaining pending below:

(b) Specify the parties remaining below:
(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?
☐ Yes
$\square$ No
(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?
$\square$ Yes
$\square$ No
26. If you answered "No" to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):

# 27. Attach file-stamped copies of the following documents:

- The latest-filed complaint, counterclaims, cross-claims, and third-party claims
- Any tolling motion(s) and order(s) resolving tolling motion(s)
- Orders of NRCP 41(a) dismissals formally resolving each claim, counterclaims, crossclaims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal
- Any other order challenged on appeal
- Notices of entry for each attached order

# **VERIFICATION**

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

Arthur Shatz, Richard Frantis		Leon Greenberg
Name of appellant		Name of counsel of record
February 12, 2020	•	
Date	<u>'.</u>	Signature of counsel of record
Clark County, Nevada		
State and county where signed		
C	ERTIFICATE O	F SERVICE
I certify that on the 12th	day of February	2020 т 1 6.1.
<u> </u>		, 2 501, 704 d 50pj 01 511111
completed docketing statement	upon all counsel o	f record:
☐ By personally serving it	upon him/her; or	
	all names and addr	cient postage prepaid to the following resses cannot fit below, please list names e addresses.)
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By ECF system which serv	ved the parties elec	etronically.
	·.	
	·	
Dated this 12th	day of February	, 2020
	·	

Signature

1	CURTIS B. COULTER, ESQ., NSB 3034	REC'D & FILED
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11	Attorneys for Plaintiffs	
12	IN THE FIRST JUDIC	IAL DISTRICT COURT OF
13	THE STATE OF NEVADA	IN AND FOR CARSON CITY
14	ARTHUR SHATZ and RICHARD FRATIS,	Case No.: 15 OC 00008 1B
15	Individually and on behalf of others similarly situated,	Dept.:
16	Plaintiffs,	COMPLAINT
17	vs.	ARBITRATION EXEMPTION
18	ROY L. STREET, individually and doing	CLAIMED BECAUSE THIS IS A CLASS ACTION CASE
19	business as CAPITAL CAB,	
20	Defendant.	
21		
22	ARTHUR SHATZ and RICHARD FRA	ATIS, individually and on behalf of others
23	•	ey, Leon Greenberg Professional Corporation
24	as and for a Complaint against the defendar	·
25		D PRELIMINARY STATEMENT
26	1. The plaintiff, ARTHUR SHATZ. (th	e "plaintiff" or the "named plaintiff") is a reside

of Carson City, Nevada and is a former employee of the defendant. The plaintiff, RICHARD

 FRATIS, (the "plaintiff" or the "named plaintiff") is a resident of Carson City, Nevada and is a former employee of the defendant (hereinafter, both ARTHUR SHATZ and RICHARD FRATIS are referred to collectively as "the plaintiffs").

- 2. The defendant, ROY L. STREET, (hereinafter referred to as defendant") is a resident of the State of Nevada and does business under the name CAPITAL CAB in the State of Nevada and conducts the business activities at issue in this case to some substantial extent within Carson City, Nevada.
- 3. The transactions between the plaintiffs and defendant giving rise to this claim, which involved the furnishing of labor by the plaintiffs to the defendant such labor not being fully compensated for as required by law as alleged herein, took place, to some substantial extent, within Carson City, Nevada.

## **CLASS ACTION ALLEGATIONS**

- 4. The plaintiffs bring this action as a class action pursuant to Nev. R. Civ. P. §23 on behalf of themselves and a class of all similarly situated persons employed by the defendant in the State of Nevada.
- 5. The class of similarly situated persons consists of all persons employed by defendant in the State of Nevada during the applicable statute of limitations periods prior to the filing of this Complaint continuing until date of judgment, such persons being employed as taxi cab, livery or limousine drivers (hereinafter referred to as "cab drivers" or "drivers") such employment involving the driving of taxi cabs or other vehicles for the defendant in the State of Nevada.
- 6. The common circumstance of the drivers giving rise to this suit is that while they were employed by defendant they were not paid the minimum wage required by Nevada's Constitution, Article 15, Section 16 for many or most of the days that they worked in that their hourly compensation, when calculated pursuant to the requirements of said Nevada Constitutional Provision, did not equal at least the minimum hourly wage provided for therein.

- 7. The named plaintiffs are informed and believe, and based thereon allege that there are at least 50 putative class action members. The actual number of class members is readily ascertainable by a review of the defendant's records through appropriate discovery.
- 8. There is a well-defined community of interest in the questions of law and fact affecting the class as a whole.
- 9. Proof of a common or single set of facts will establish the right of each member of the class to recover. These common questions of law and fact predominate over questions that affect only individual class members. The individual plaintiffs' claims are typical of those of the class.
- 10. A class action is superior to other available methods for the fair and efficient adjudication of the controversy. Due to the typicality of the class members' claims, the interests of judicial economy will be best served by adjudication of this lawsuit as a class action. This type of case is uniquely well-suited for class treatment since the employer's practices were uniform and the burden is on the employer to establish that its method for compensating the class members complies with the requirements of Nevada law.
- 11. The individual plaintiffs will fairly and adequately represent the interests of the class and have no interests that conflict with or are antagonistic to the interests of the class and have retained to represent them competent counsel experienced in the prosecution of class action cases and will thus be able to appropriately prosecute this case on behalf of the class.
- 12. The individual plaintiffs and their counsel are aware of their fiduciary responsibilities to the members of the proposed class and are determined to diligently discharge those duties by vigorously seeking the maximum possible recovery for all members of the proposed class.
- 13. There is no plain, speedy, or adequate remedy other than by maintenance of this class action. The prosecution of individual remedies by members of the class will tend to establish inconsistent standards of conduct for the defendant and result in the impairment

of class members' rights and the disposition of their interests through actions to which they were not parties. In addition, the class members' individual claims are small in amount and they have no substantial ability to vindicate their rights, and secure the assistance of competent counsel to do so, except by the prosecution of a class action case.

# FACTUAL ALLEGATIONS UNDERLYING THE PARTIES' EMPLOYER/EMPLOYEE RELATIONSHIP

- 14. The plaintiffs, ARTHUR SHATZ and RICHARD FRATIS, at some point after July 1, 2007, pursuant to an agreement with the defendant, drove a "vehicle for hire" such as a taxi cab, limousine or livery vehicle, meaning a vehicle duly licensed by the State of Nevada and/or one or more other empowered governmental authorities to have its driver transport paying passengers and their cargo to various destinations, such vehicle being owned by the defendant and/or operated by the defendant in the defendant's "vehicle for hire" business.
- 15. Although both plaintiffs were treated as "independent contractors" by the defendant, the plaintiffs were, as a matter of law, employees of the defendant and the defendant was, as a matter of law, the employer of the plaintiffs in respect to their activities conducted as part of defendant's "vehicle for hire" business under the "economic realities" of the circumstances, as that term has been defined by the Nevada Supreme Court in *Terry v. Sapphire Gentlemen's Club*, 336 P.3d 951 (2014).
- 16. As part of their employment arrangement with the defendant, plaintiffs were required to pay a daily fee to defendant to "lease" the taxicab they used to perform their work. Such "lease" fee was a nominal \$5.00 per day. After paying the nominal \$5.00 per day "lease" fee to defendant, plaintiffs were required to work a twelve (12) hour shift each day they worked for defendant. Such shift was pre-arranged by defendant and plaintiffs could not choose to work fewer hours than twelve (12) in a single shift. Defendant also directed which days per week plaintiffs were required to work, and the number of such days per week. Plaintiffs' wages paid by defendant were in the form of a "commission split"

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arrangement, under which plaintiffs would receive 50% of the taxicab fares they collected from paying customers during their shift, and defendant would receive 50% of the taxicab fares plaintiffs collected from such customers during their shift.

- 17. As described in paragraph 16, the plaintiffs did not, in reality, operate as the "independent contractors" that defendant claimed they were, as the plaintiffs were unable to set their hours of work or exercise any independent control over the number of hours they chose to work in a given shift. The plaintiffs further had no actual investment in any truly independent business in respect to the work they performed for the defendant, in that the "lease" fee required by defendant from each of its vehicle for hire drivers was \$5.00 or a similar nominal amount per day. Moreover, defendant was as a practical matter not "leasing" any vehicle to the plaintiffs or his other vehicle for hire drivers for \$5.00 or a similar nominal amount per day and his business was dependent upon the fares collected by the plaintiffs and his other vehicle for hire drivers during their shift as defendant had a 50% stake in the total fares so collected, and the success of defendant's business was directly dependent upon the defendant's share of the fares collected by his vehicle for hire drivers and not upon the money defendant collected from the plaintiffs and other vehicle for hire drivers in the form of a nominal "lease" fee. In the event the plaintiffs and defendant's other vehicle for hire operators, who also worked for the defendant under similar arrangements, failed to collect significant passenger fares, defendant would not allow them to continue to "lease" vehicles for \$5.00 or the similar nominal "lease fee" per day that they were charged. Thus, plaintiffs and the defendant's other vehicle for hire drivers were not acting as truly independent business operators but were de facto commission compensated employees of the defendant as a matter of economic reality.
- 18. The economic realities of the relationship between the plaintiffs and defendant's other vehicle for hire drivers and the defendant was one of employment, in that the defendant mandated the hours and days of work of his vehicle for hire drivers and also substantially controlled the amount of money they would earn by, among other things, referring fare paying customers to them via "radio calls." Plaintiffs and defendant's other

vehicle for hire drivers could not decline to accept such radio call assignments and had to follow all of defendant's rules of operation and defendant could refuse to continue to allow the them to drive the defendant's vehicles for hire at anytime, without notice, and without cause. Plaintiffs and defendants other vehicle for hire drivers were treated, in all respects, exactly like employees of the defendant by the defendant.

# AS AND FOR A FIRST CLAIM FOR RELIEF ON BEHALF OF THE NAMED PLAINTIFFS AND ALL PERSONS SIMILARLY SITUATED PURSUANT TO NEVADA'S CONSTITUTION

- 19. The named plaintiffs repeat all of the allegations previously made and brings this First Claim for Relief pursuant to Article 15, Section 16, of the Nevada Constitution.
- 20. Pursuant to Article 15, Section 16, of the Nevada Constitution the named plaintiff and the class members were entitled to an hourly minimum wage for every hour that they worked for defendant and the named plaintiff and the class members were often not paid such required minimum wages.
- 21. The defendant's violation of Article 15, Section 16, of the Nevada Constitution involved malicious and/or fraudulent and/or oppressive conduct by the defendant sufficient to warrant an award of punitive damages for the following, amongst other reasons:
  - (a) Defendant despite having, and being aware of, an express obligation under Article 15, Section 16, of the Nevada Constitution, such obligation commencing no later than July 1, 2007, to advise the plaintiff and the class members, in writing, of their entitlement to the minimum hourly wage specified in such constitutional provision, failed to provide such written advisement;
  - (b) Defendant was aware that the highest law enforcement officer of the State of Nevada, the Nevada Attorney General, had issued a public opinion in 2005 that Article 15, Section 16, of the Nevada Constitution, upon its effective date, would require defendant and other employers of vehicle for hire drivers to compensate such employees with the minimum hourly wage specified in such

constitutional provision. Defendant consciously elected to ignore that opinion and not pay the minimum wage required by Article 15, Section 16, of the Nevada Constitution to its vehicle for hire employees in the hope that it would be successful, if legal action was brought against it, in avoiding paying some or all of such minimum wages;

- (c) Defendant, to the extent it believed it had a colorable basis to legitimately contest the applicability of Article 15, Section 16, of the Nevada Constitution to its taxi driver employees, made no effort to seek any judicial declaration of its obligation, or lack of obligation, under such constitutional provision and to pay into an escrow fund any amounts it disputed were so owed under that constitutional provision until such a final judicial determination was made.
- 22. Defendant engaged in the acts and/or omissions detailed in paragraph 21 in an intentional scheme to maliciously, oppressively and fraudulently deprive its vehicle for hire driver employees of the hourly minimum wages that were guaranteed to those employees by Article 15, Section 16, of the Nevada Constitution. Defendant so acted in the hope that by the passage of time whatever rights such vehicle for hire employees had to such minimum hourly wages owed to them by the defendant would expire, in whole or in part, by operation of law. Defendant so acted consciously, willfully, and intentionally to deprive such vehicle for hire employees of any knowledge that they might be entitled to such minimum hourly wages, despite the defendant's obligation under Article 15, Section 16, of the Nevada Constitution to advise such vehicle for hire employees of their right to those minimum hourly wages. Defendant's malicious, oppressive and fraudulent conduct is also demonstrated by its failure to make any allowance to pay such minimum hourly wages if they were found to be due, such as through an escrow account, while seeking any judicial determination of its obligation to make those payments.
  - 23. The named plaintiffs seek all relief available to them and the alleged class

under Nevada's Constitution, Article 15, Section 16 including appropriate injunctive and equitable relief to make the defendant cease its violations of Nevada's Constitution and a suitable award of punitive damages.

24. The named plaintiffs on behalf of themselves and the proposed plaintiff class members, seek, on this First Claim for Relief, a judgment against the defendant for minimum wages owed since November 28, 2006 and continuing into the future, such sums to be determined based upon an accounting of the hours worked by, and wages actually paid to, the plaintiffs and the class members, a suitable injunction and other equitable relief barring the defendant from continuing to violate Nevada's Constitution, a suitable award of punitive damages, and an award of attorneys' fees, interest and costs, as provided for by Nevada's Constitution and other applicable laws.

# AS AND FOR A SECOND CLAIM FOR RELIEF PURSUANT TO NEVADA REVISED STATUTES § 608.040 ON BEHALF OF THE NAMED PLAINTIFFS AND THE PUTATIVE CLASS

- 25. Plaintiffs repeat and reiterate each and every allegation previously made herein.
- 26. The named plaintiffs brings this Second Claim for Relief against the defendant pursuant to Nevada Revised Statutes § 608.040 on behalf of themselves and the alleged class of all similarly situated employees of the defendant.
- 27. The named plaintiffs have been separated from their employment with the defendant and at the time of such separation were owed unpaid wages by the defendant.
- 28. The defendant has failed and refused to pay the named plaintiffs and numerous members of the putative plaintiff class who are the defendant's former employees their earned but unpaid wages, such conduct by such defendant constituting a violation of Nevada Revised Statutes § 608.020, or § 608.030 and giving such named plaintiffs and similarly situated members of the putative class of plaintiffs a claim against the defendant for a continuation after the termination of their employment with the defendant of the normal daily wages defendant would pay them, until such earned but unpaid wages are actually paid or for 30 days, whichever is less, pursuant to Nevada Revised Statutes § 608.040.
  - 29. As a result of the foregoing, the named plaintiffs seek on behalf of themselves

and the similarly situated putative plaintiff class members a judgment against the defendant 1 for the wages owed to him and such class members as prescribed by Nevada Revised 2 Statutes § 608.040, to wit, for a sum equal to up to thirty days wages, along with interest, 3 4 costs and attorneys' fees. WHEREFORE, plaintiffs demand the relief on each cause of action as alleged 5 6 aforesaid. 7 Plaintiffs demand a trial by jury on all issues so triable. 8 9 **AFFIRMATION** 10 Pursuant to NRS 239B.030 11 The undersigned does hereby affirm that the preceding document, Complaint, does 12 not contain the social security number of any person. 13 Dated this 12th day of January, 2015. 14 15 16 Leon Greenberg Professional Corporation 17 18 19 LEON GREENBERG, Esa. Nevada Bar No.: 8094 20 2965 South Jones Blvd- Suite E-3 Las Vegas, Nevada 89146 21 Tel (702) 383-6085 Fax (702) 385-1827 22 Attorney for Plaintiff 23 24 25 26 27

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VS.

FILED
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CV15-01359
2019-12-16 03:59:41 PM
Jacqueline Bryant
Clerk of the Court
Transaction # 7640932

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# IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

# IN AND FOR THE COUNTY OF WASHOE

JEFF MYERS, individually and on behalf of others similarly situated,

Plaintiff,

vs.

RENO CAB COMPANY, INC.,

Defendant.

ARTHUR SHATZ, and RICHARD FRATIS, individually and on behalf of others similarly situated,

Plaintiffs,

ROY L. STREET, individually and doing business as CAPITAL CAB,

Defendant.

CASE NO.: CV15-01385

**DEPT. NO.: 10** 

**NOTICE OF ENTRY OF ORDER** 

Page 1 of 4

Reno, NV 89509 Phone: (775) 785-0088 PLEASE TAKE NOTICE that an Order Granting Motion for Summary Judgment was entered by the Honorable Elliot A. Sattler on the 16<sup>th</sup> day of December, 2019, in the above-entitled matters. See **Exhibit 1**.

**AFFIRMATION:** The undersigned hereby affirms that the preceding document does not contain the social security number of any person.

DATED this day of December, 2019.

SIMONS HALL JOHNSTON PC 6490 S. McCarran Blvd., #F-46 Reno, Nevada, 89509

MARK G. SIMONS

RICARDO N. CORDOVA, Esq.

Attorneys for Reno Cab Company, Inc. and Roy L. Street, dba Capital Cab

# SIMONS HALL JOHNSTON PC 6490 S. McCarran Blvd., Ste. F-46 Reno, NV 89509 Phone: (775) 785-0088

# **CERTIFICATE OF SERVICE**

Pursua	ant to NRCP 5(b), I certify that I am an employee of SIMONS HALL
JOHNSTON I	PC and that on this date I caused to be served a true copy of NOTICE OF
ENTRY OF O	PRDER on all parties to this action by the method(s) indicated below:
;	by placing an original or true copy thereof in a sealed envelope, with sufficient postage affixed thereto, in the United States mail at Reno, Nevada, addressed to:
<b>V</b> , 1	I hereby certify that on the date below, I electronically filed the foregoing with the Clerk of the Court by using the ECF system which served the following parties electronically:
	Curtis Coulter, Esq. Leon Greenberg, Esq. Attorneys for Jeff Myers
	Curtis Coulter, Esq.  Attorneys for Arthur Shatz, et al.
	by personal delivery/hand delivery addressed to:
	by facsimile (fax) addressed to:
	by Federal Express/UPS or other overnight delivery addressed to:

DATED this / day of December, 2019.

Employee of SIMONS HALL JOHNSTON PC

# SIMONS HALL JOHNSTON PC

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# **EXHIBIT LIST**

NO.	DESCRIPTION	PAGES
1	Order Granting SMJ	10

FILED
Electronically
CV15-01359
2019-12-16 03:59:41 PM
Jacqueline Bryant
Clerk of the Court
Transaction # 7640932

# EXHIBIT 1

# **EXHIBIT 1**

FILED
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CV15-01385
2019-12-16 03:28:08 PM
Jacqueline Bryant
Clerk of the Court
Transaction # 7640703

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VS.

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27 28 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

JEFF MYERS, individually and on behalf of others similarly situated,

RENO CAB COMPANY, INC.,

Plaintiff,

Case No.:

CV15-01359

Dept. No.:

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Defendant.

D ED A TIG

ARTHUR SHATZ and RICHARD FRATIS, individually and on behalf of others similarly situated,

Plaintiffs,

Case No.:

CV15-01385

Dept. No.:

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ROY L. STREET, individually and d/b/a CAPITAL CAB,

Defendants.

# ORDER GRANTING MOTION FOR SUMMARY JUDGMENT

Presently before the Court is the MOTION FOR SUMMARY JUDGMENT ("the Motion") filed by Defendants RENO CAB COMPANY, INC. and ROY L. STREET dba CAPITAL CAB (collectively, "the Defendants") on May 30, 2019. Plaintiffs JEFF MYERS, ARTHUR SHATZ and RICHARD FRATIS (collectively, "the Plaintiffs") filed PLAINTIFFS' RESPONSE IN

OPPOSITION TO DEFENDANTS' MOTION FOR SUMMARY JUDGMENT ("the Opposition") on July 8, 2019. The Defendants filed the REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT ("the Reply") on July 23, 2019. The Court held a hearing on October 16, 2019, and took the matter under advisement.

The COMPLAINT in CV15-01385 was filed on January 16, 2015, in the First Judicial District, and the COMPLAINT in CV15-01359 was filed on July 1, 2015, in the First Judicial District. The parties stipulated to a change of venue, and the matters were transferred to the Second Judicial District. The parties also stipulated to consolidate the two matters for all purposes, except for trial. See SECOND AMENDED STIPULATION FOR CONSOLIDATION (Aug. 19, 2016). This matter is an employment dispute in which the Plaintiffs contend the Defendants failed to pay the Plaintiffs the requisite minimum wage and seek to collect unpaid wages and waiting time penalties. The Plaintiffs are taxicab drivers, and the Defendants are taxicab companies in Washoe County and Carson City. The undisputed facts are as follows: 1) the population in both Washoe County and Carson City, individually, is less than 700,000 people; 2) the lease agreements at issue ("the Leases") were executed between the Plaintiffs and the Defendants; 3) the Plaintiffs signed the Leases; 4) the Nevada Transportation Authority ("the NTA") approved the Leases; and 5) an appropriate Certificate of Public Conveyance and Necessity ("CPCN") was issued to the Defendants allowing them to enter into the Leases. Tr. of Hr'g 6:24; 7:1-24; 8:1-24; 9:1-24; 10:1-21.

The Defendants contend they are entitled to summary judgment because the Plaintiffs are independent contractors as a matter of law under NRS 706.473. The Motion 3:10-17; 4:2-4. The Defendants contend the Plaintiffs are not entitled to claim a minimum wage or waiting time penalties as independent contractors, thus foreclosing their claims as a matter of law. The Motion

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6:15-17; 19:3-12; 24:25-28. The Plaintiffs respond that NRS 706.473 does not define an independent contractor for wage purposes. The Opposition 2:14-17. The Plaintiffs also argue the NTA does not have the power to determine whether an individual is an independent contractor, and compliance with NRS 706.473 does not create an independent contractor relationship for minimum wage purposes. The Opposition 5:18-24; 6:1-2, 18-23; 7:1-7; 9:13-20. The Defendants reply that their compliance with NRS 706.473 is fatal to the Plaintiffs' claims, and the Plaintiffs' argument that NRS 706.473 is inapplicable to wage claims is unsupported by the statutory language. The Reply 3:23-25; 5:15-23; 7:14-28.

NRCP 56(a) allows a party to petition the court for summary judgment on a claim or defense. Shadow Wood Homeowners Ass'n v. New York Cmty. Bancorp, Inc., 132 Nev. 49, 55, 366 P.3d 1105, 1109 (2016). Summary judgment is appropriate where the moving party demonstrates no genuine issue of material fact, thus entitling the party to judgment as a matter of law. NRCP 56(a). A material fact is one that could impact the outcome of the case. Wood v. Safeway, Inc., 121 Nev. 724, 730, 121 P.3d 1026, 1030 (2005) (quoting Anderson v. Liberty Lobby, 477 U.S. 242, 247-48, 106 S. Ct. 2505, 2509-10 (1986)). "The manner in which each party may satisfy its burden of production depends on which party will bear the burden of persuasion on the challenged claim at trial." Cuzze v. Univ. & Cmty. Coll. Sys. of Nev., 123 Nev. 598, 602, 172 P.3d 131, 134 (2007). When the party moving for summary judgment does not bear the burden of persuasion at trial, the movant may satisfy the burden of production for summary judgment by "submitting evidence that negates an essential element of the nonmoving party's claim" or "pointing out that there is an absence of evidence to support the nonmoving party's case." Id. at 602-03, 172 P.3d at 134.

When considering a motion for summary judgment, the district court must view the evidence and any reasonable inferences drawn from it in the light most favorable to the nonmoving party. *Wood*, 121 Nev. at 729, 121 P.3d at 1029. However, the nonmoving party must set forth "specific facts demonstrating the existence of a genuine factual issue." *Pegasus v. Reno Newspapers, Inc.*, 118 Nev. 706, 713, 57 P.3d 82, 87 (2002) (explaining non-moving party may not stand on "general allegations and conclusions"). Such facts must be predicated on admissible evidence, and the non-moving party is not permitted "to build a case on the gossamer threads of whimsy, speculation and conjecture." *Id.* "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Wood*, 121 Nev. at 731, 121 P.3d at 1031.

Statutory construction is a question of law. *Kay v. Nunez*, 122 Nev. 1100, 1104, 146 P.3d 801, 805 (2006). *See also Las Vegas Dev. Grp., LLC v. Blaha*, 134 Nev. Adv. Op. 33, 416 P.3d 233, 236 (2018). The ultimate goal of statutory construction is to give effect to the Legislature's intent in enacting the statute. *Dezzani v. Kern & Assocs., Ltd.*, 134 Nev. Adv. Op. 9, 412 P.3d 56, 59 (2018). The statute's plain language is the best indicator of legislative intent. *Id.* Where the language is clear and unambiguous, a court does not look beyond it to ascertain legislative intent. *State v. Plunkett*, 134 Nev. Adv. Op. 88, 429 P.3d 936, 938 (2018). *See also Blaha*, 134 Nev. Adv. Op. 33, 416 P.3d at 235-36 (explaining court gives language its ordinary meaning where language is plain and unambiguous).

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# NRS 706.4731 provides in relevant part:

- 1. In a county whose population is less than 700,000, a person who holds a certificate of public convenience and necessity which was issued for the operation of a taxicab business may, upon approval from the Authority [NTA], lease a taxicab to an independent contractor who does not hold a certificate of public convenience and necessity. A person may lease only one taxicab to each independent contractor with whom the person enters into a lease agreement. The taxicab may be used only in a manner authorized by the lessor's certificate of public convenience and necessity.
- 2. A person who enters into a lease agreement with an independent contractor pursuant to this section shall submit a copy of the agreement to the Authority for its approval. The agreement is not effective until approved by the Authority.
- 3. A person who leases a taxicab to an independent contractor is jointly and severally liable with the independent contractor for any violation of the provisions of this chapter or the regulations adopted pursuant thereto, and shall ensure that the independent contractor complies with such provisions and regulations.

## NRS 706.475 provides:

- 1. The Authority [NTA] shall adopt such regulations as are necessary to:
  - (a) Carry out the provisions of NRS 706.473; and
  - (b) Ensure that the taxicab business remains safe, adequate and reliable.
- 2. Such regulations must include, without limitation:
  - (a) The minimum qualifications for an independent contractor;
  - (b) Requirements related to liability insurance;
  - (c) Minimum safety standards; and

<sup>1</sup> The Court previously entered an ORDER on June 12, 2017, denying a similar motion for summary judgment filed by the Defendants. In footnote six, the Court stated, "[t]he Court need not consider NRS 706.473 in depth when NRS 608.0155 establishes the criteria for an independent contractor relationship." NRS 608.0155 discusses the conditions which create the presumption an individual is an independent contractor. However, the *Yellow Cab* Court acknowledged the existence of a "statutorily created independent contractor relationship" under NRS 706.463 which does not depend on control, as NRS 608.0155 does. *Yellow Cab of Reno, Inc. v. Second Jud. Dist. Ct.*, 127 Nev. 583, 592, 262 P.3d 699, 704-05 (2011). The Court's conclusion that NRS 706.473 was inapplicable was erroneous given the analysis in *Yellow Cab*. The Court should have examined NRS 706.473 in its previous order. Furthermore, the parties requested the Court analyze NRS 706.473 given its potentially dispositive nature of the Plaintiff's claims, and the Court agreed to do so. *See* STIPULATION AND ORDER VACATING TRIAL, STAYING PROCEEDINGS AND ADDRESSING RELATED ISSUES (May 24, 2019).

(d) The procedure for approving a lease agreement and the provisions that must be included in a lease agreement concerning the grounds for the revocation of such approval.

NAC 706.3753 outlines the requirements for lease agreements between independent contractors and taxicab companies. It provides in relevant part:

- 1. Each lease agreement entered into by a certificate holder and an independent contractor pursuant to NRS 706.473 must:
  - (a) Be maintained by the certificate holder.
  - (b) Be in writing and in a form approved by the Authority [NTA].
  - (c) Identify the use to be made of the taxicab by the independent contractor and the consideration to be received by the certificate holder. The use to be made of the taxicab must conform to the authority granted by the certificate to operate the taxicab.
  - (d) Be signed by each party, or his or her representative, to the agreement.
  - (e) Specifically state that the independent contractor is subject to all laws and regulations relating to the operation of a taxicab which have been established by the Authority and other regulatory agencies and that a violation of those laws and regulations will breach the agreement.
  - (f) Specifically state that the certificate holder is responsible for maintaining:
    - (1) All required insurance associated with the taxicab and the service which is the subject of the agreement in accordance with NAC 706.191;
    - (2) A file which contains the qualifications of the independent contractor to drive the taxicab; and
    - (3) A file for records concerning the maintenance of the taxicab.
  - (g) Specifically state that the lease agreement does not relieve the certificate holder from any of his or her duties or responsibilities set forth in this chapter and chapter 706 of NRS.
  - (h) Specifically state that the taxicab provided pursuant to the lease agreement:
    - (1) Will be painted with the name, insigne and certificate number of the certificate holder; and

- (2) Is in a good mechanical condition that will meet the requirements for operating taxicabs set forth by this State or the county or municipality in which the taxicab will be operated.
  - (i) Specifically state that the independent contractor shall not transfer, assign, sublease or otherwise enter into an agreement to lease the taxicab to another person.
- (j) Specifically state that the independent contractor:
  - (1) Shall not operate the taxicab for more than 12 hours in any 24-hour period; and
  - (2) Shall return the taxicab to the certificate holder at the end of each shift to enable the certificate holder to comply with the provisions of NAC 706.380.
- (k) Contain any other provision which the Authority may determine to be necessary for the protection of the health and safety of members of the public.

The *Yellow Cab* Court instructed district courts to consider whether the statutory and administrative requirements outlined in NRS 706.473 have been satisfied to determine whether an independent contractor relationship exists between a taxicab driver and taxicab company. 127 Nev. at 592, 262 P.3d at 704-05.

The Court will grant the Motion because the Plaintiffs are independent contractors as a matter of law. Contrary to the Plaintiffs' argument, compliance with NRS 706.473 and NAC 706.3753 creates an independent contractor relationship as a matter of law. The *Yellow Cab* Court made this abundantly clear when it opined that "[t]he existence of this statutorily created independent contractor relationship turns not on the issue of control," but on the satisfaction of statutory and administrative requirements. 127 Nev. at 592, 262 P.3d at 704. In this case, all of the requirements in NRS 706.473 and NAC 706.3753 have been satisfied, thus creating an independent contractor relationship between the Plaintiffs and the Defendants. Regarding NRS 706.473, it is undisputed that both Washoe County and Carson City individually have populations less than 700,000 people. It is also undisputed each of the Defendants held the appropriate CPCN to enter

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into the Leases. Neither party disputes the Leases were executed by the Plaintiffs and the Defendants, and the Leases identify the Plaintiffs as independent contractors. The Motion Ex. 4; Ex. 5; Ex. 6. It is further undisputed the NTA approved the Leases. Therefore, all of the statutory requirements under NRS 706.472 have been satisfied.

The Leases contain all of the information required by NAC 706.3753. The Leases were maintained by the Defendants, in writing and in a form approved by the NTA, and state the Defendants will lease a specific taxicab to the Plaintiffs for a rental fee. See Ex. 4 \ 8; Ex. 5 \ 8; Ex. 6 \ 8. See also NAC 706.3753(1)(a)-(c). The Plaintiffs signed their respective Leases, and the Leases identified the Plaintiffs as independent contractors who were subject to all laws and regulations established by the NTA and other regulatory agencies, the breach of which would constitute a breach of the Leases. See Ex. 4 ¶ 10, ¶ 16; Ex. 5 ¶ 10, ¶ 16; Ex. 6 ¶ 10, ¶ 16. See also NAC 706.3753(1)(d)-(e). The Leases state the Defendants are responsible for maintaining all required insurance, files regarding driver qualifications and taxicab maintenance records. See Ex. 4  $\P$  4,  $\P$  18; Ex. 5  $\P$  4,  $\P$  18; Ex. 6  $\P$  4,  $\P$  18. See also NAC 706.3753(1)(f). The Leases indicate the Defendants are not relieved of any of their duties under NRS Chapter 706, and the taxicabs will be painted with the name, insignia and certificate number of the Defendants and are in good mechanical condition. See Ex. 4 ¶ 1, ¶ 3; Ex. 5 ¶ 1, ¶ 3; Ex. 6 ¶ 1, ¶ 3. See also NAC 706.3753(1)(g)-(h). The Leases prohibit the Plaintiffs from transferring, assigning or subleasing the taxicab to anyone else and from operating the taxicab for more than twelve hours in a twenty-fourhour period; the Plaintiffs are also required to return the taxicabs at the end of each shift. See Ex. 4 ¶ 3, ¶ 5, ¶ 6; Ex. 5 ¶ 3, ¶ 5, ¶ 6; Ex. 6 ¶ 3, ¶ 5, ¶ 6. See also NAC 706.3752(1)(i)-(j).

Because all statutory and administrative requirements have been satisfied, the Plaintiffs are independent contractors as a matter of law. As such, the protections afforded to "employees" in the Minimum Wage Amendment ("the MWA") and NRS 608.040 do not apply. The MWA provides, "[e]ach employer shall pay a wage to each *employee* of not less than the hourly rates set forth in this section." Nev. Const. art. 15 ¶ 16(A) (emphasis added). The clear language of the MWA demonstrates it does not apply to independent contractors. Additionally, NRS 608.040 permits "employees" who have been discharged or who have resigned or quit to collect unpaid wages and waiting time penalties. The clear and unambiguous language of NRS 608.040 demonstrates it is applicable to employees only. The use of the term "employee" in the MWA and NRS 608.040 is not mere semantics; rather, it reflects a fundamental employment distinction. As independent contractors, the Plaintiffs are foreclosed from recovery under the MWA and NRS 608.040 as a matter of law.

ELLIOTT A. SATTLER
District Judge

# **CERTIFICATE OF MAILING** Pursuant to NRCP 5(b), I certify that I am an employee of the Second Judicial District Court of the State of Nevada, County of Washoe; that on this \_\_\_\_ day of December, 2019, I deposited in the County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to: **CERTIFICATE OF ELECTRONIC SERVICE** I hereby certify that I am an employee of the Second Judicial District Court of the State of Nevada, in and for the County of Washoe; that on the \_\_\_\_\_\_ day of December, 2019, I electronically filed the foregoing with the Clerk of the Court by using the ECF system which will send a notice of electronic filing to the following: CURTIS B. COULTER, ESQ. LEON GREENBERG, ESQ. DANA SNIEGOCKI, ESQ. MARK G. SIMONS, ESQ. JEREMY B. CLARKE, ESQ. RICARDO N. CORDOVA, ESQ.