IN THE SUPREME COURT OF THE STATE OF NEVADA

Case No. 81710

CHEYENNE NALDER

Appellant,

vs.

GARY LEWIS; and UNITED AUTOMOBILE INSURANCE COMPANY,

Respondents.

ON APPEAL FROM
THE EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

District Court Case No. 07A549111

CHEYENNE NALDER'S APPENDIX
VOLUME 5

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DISTRICT COURT
CLARK COUNTY, NEVADA

CHEYENNE NALDER, Plaintiff, vs. GARY LEWIS; DOES I through V, inclusive, Defendants.	Case No. 07A549111 Dep't No. 20 **OPPOSITION TO CHEYENNE NALDER'S MOTION FOR COSTS AND ATTORNEY'S FEES** Hearing Date: July 7, 2020 Hearing Time: 8:30 a.m.
UNITED AUTOMOBILE INSURANCE COMPANY, Intervener.	

On June 4, 2020, the Ninth Circuit closed the book on this decade-long saga, holding that the judgment in this case has expired and is unenforceable. (Ex. A, ECF 90, Order Dismissing Appeal, at 3.) The court held that plaintiff Cheyenne Nalder and defendant Gary Lewis had waived their arguments for tolling the judgment's expiration. (*Id.* at 4–5.) That final disposition by the Ninth Circuit, applying the Nevada Supreme Court's answers to two certified questions, is *res judicata* as to the parties. *See* NRAP 5(h); *Nalder v. UAIC*, 878

F.3d 754, 758 (9th Cir. 2017). If it were ever true that Nalder's counsel "has been successful in maintaining the viability of the judgment" (Mot. 7:2–4), it is no longer.

This is no time for Nalder to be seeking attorney's fees. Regardless, Nalder never discloses how much she seeks in attorney's fees, and it is just as well. Under any standard, Nalder is not entitled to them. This Court should deny the motion.

A. This Court Lacks Jurisdiction to Award Fees and Costs

Initially, this Court cannot consider the motion while an identical request is pending before the Supreme Court.

1. Nalder Is Still Fighting the Supreme Court's Decision, So the Court Has Not Issued its Remittitur

At Nalder's and Lewis's insistence, this case is still in the Supreme Court. Unhappy with the Supreme Court's decision that had agreed with UAIC and this Court that UAIC could intervene in the 2018 action, Nalder and Lewis filed a motion for reconsideration. (Ex. B, Petitioners' "Motion for Attorney Fees and Costs and for Reconsideration.") Although that motion was not a proper petition for hearing under NRAP 40,[1] it has prevented the Supreme Court from issuing its remittitur or an equivalent notice. NRAP 41(b)(1) (petition for rehearing stays remittitur). The Supreme Court still has jurisdiction over these appellate proceedings for which Nalder seeks fees and costs.

2. Nalder Cannot Ask Both Courts to Award Fees

In addition, Nalder and Lewis have already asked the Supreme Court to

[1] *See generally* Ex. C, "Opposition to Petitioners' 'Motion for Attorney Fees and Costs and for Reconsideration,'" at 1–2 (detailing violations of NRAP 40(a)(2) (no citations to the original petitions or record); 40(b)(1), (4) (no certificate of compliance); and 40(b)(5) (no filing fee)). Petitioners forwent a reply.

award attorney's fees directly.[2] (Ex. B, Petitioners' "Motion for Attorney Fees and Costs and for Reconsideration.") The motion before this Court is thus a second ticket in the same raffle, with Nalder hoping to double her chances that at least one court will grant relief. Because Nalder opted to have the Supreme Court decide her entitlement to fees, she should be bound by that Court's determination.

B. Nalder Never Discloses the Fees She Seeks or the Basis

Nalder has also made it impossible to respond to her motion by withholding the crux of any request for attorney's fees: the dollar amount of those fees. And while Nalder's counsel crows that he has gone above and beyond by "ke[eping] track of all of his time worked on this case" and dutifully "tak[ing] out all of the time related to the new case" (Mot. 7:8–20 (citing *O'Connell vs. Wynn Las Vegas, LLC*, 134 Nev., Adv. Op. 67, 429 P.3d 664, 670 (Nev. Ct. App. 2018))), he attaches no time entries.

So all Nalder has given UAIC and this Court is a bare contingency fee for a case with a judgment that is now worth $0. (*See* Ex. A, ECF 90, Order Dismissing Appeal, at 3.)

C. Because UAIC's Position Was Not Frivolous, Nalder Is Not Entitled to Fees

UAIC's positions were taken in good faith, vindicated in full by this Court, and vindicated in important part by the Supreme Court. Nalder and Lewis are seeking rehearing; UAIC is not. Nalder is not entitled to fees in appellate proceedings, the outcome of which she still resists.

[2] While NRAP 39 divides costs between those taxable in the Supreme Court (NRAP 39(c)) and those taxable in the district court (NRAP 39(e)), there is no such division when it comes to attorney's fees. Nalder and Lewis are seeking the same fees in both courts.

1. Attorney's Fees Are Not Taxable as Costs

Generally, attorney's fees are not costs. Despite Nalder's appeal to Webster's dictionary (Mot. 3:10–16),

> [i]t has been a consistent rule throughout the United States that a litigant has no inherent right to have his attorneys' fees paid by his opponent or opponents. Such an item is not recoverable in the ordinary case as damages, *nor as costs*, and hence is held not allowable in the absence of some provision for its allowance either in a statute or rule of court, or some contractual provision or stipulation.

Smith v. Crown Fin. Servs. of Am., 111 Nev. 277, 281, 890 P.2d 769, 771–72 (1995) (emphasis added) (quoting 1 STUART M. SPEISER, ATTORNEYS' FEES § 12:3 at 463–64 (1973) and describing this as a "sweeping general rule" "applied in legions of cases").

2. Attorney's Fees Are Reserved for Frivolous Appeals

Asking this Court to assess attorney's fees is an extraordinary sanction reserved for gross abuses of the appellate process. NRAP 38. Nalder cites NRS 18.010(2)(b) (Mot. 3:20–25), ignoring that the Supreme Court has expressly rejected that standard for attorney's fees on appeal: "NRS 18.010 does not explicitly authorize attorney's fees on appeal," while "NRAP 38(b) limits attorney's fees on appeal to those instances where an appeal has been taken in a frivolous manner." *Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals*, 114 Nev. 1348, 1356–57, 971 P.2d 383, 388 (1998); *see also Breeden v. Eighth Judicial Dist. Court*, 131 Nev. 96, 98, 343 P.3d 1242, 1243–44 (2015) (applying the NRAP 38 "frivolous" standard to writ petitions).

3. UAIC Prevailed in Significant Part

Fees may be assessed only against a party whose positions the Supreme Court rejected as frivolous. Here, however, it is Nalder and Lewis who are complaining that the Supreme Court, far from dismissing UAIC's arguments as frivolous, *accepted* many of them in a published opinion.

UAIC prevailed on the critical question of its intervention in the 2018 action. (Ex. D, Opinion 8–12.)[3] As their motion for reconsideration in the Supreme Court underscores (Ex. B), Nalder and Lewis wanted UAIC out of the litigation altogether, not merely out of the 2007 action. Indeed, in striking UAIC's intervention in the 2007 action and denying consolidation, the Supreme Court clarified that there is no pending issue in this action: an amendment to substitute Cheyenne for her former guardian "was a ministerial change that did not alter the legal rights and obligations set forth in the original judgment or create any new pending issues." (Ex. D, Opinion 13.)[4] The parties' dispute about enforceability of the 2008 judgment is—or was, until the Ninth Circuit's resolution of that issue (Ex. A, ECF 90, Order Dismissing Appeal)—presented in the 2018 action, to which UAIC is a proper party.[5]

4. Nalder Cannot Excise Her Unsuccessful Position

Nalder ignores this, preferring to slice and dice the writ petition to focus on the limited aspect where she prevailed. According to Nalder's counsel,

> . . . I have isolated the sum of 100.9 hours which are related to the intervention by UAIC. I am not seeking recovery

---

[3] This Court also rejected Nalder's and Lewis's due process arguments based on the service of the motions to intervene. (Ex. D, Opinion 11 n.7.)

[4] Below, counsel for Lewis agreed: if the 2008 judgment had expired, "[i]t's an amendment of the expired judgment." (Ex. E, 5 R. App. 1108:13–17.)

[5] UAIC also prevailed in aspects of a second writ petition filed by Lewis, and with Nalder "aligned" herself (Ex. F, Nalder's Response to Petition (Dkt. 78243)), including the attack on this Court's order vacating their Rule 68 judgment. (Ex. D, Opinion 13–16.) Rejecting the argument that a stay is ineffective until the entry of a written order, the Supreme Court "determine[d] that a minute order granting a stay operates like an administrative or emergency order that is valid and enforceable." (Ex. D, Opinion 15.) The Supreme Court also "reject[ed] Gary's argument that the district court vacating the parties judgment, ex parte, violated due process. We note that the district court could have *sua sponte* vacated the mistakenly entered judgment without notice to the parties." (Ex. D, Opinion 15 (citing NRCP 60(a)).)

> for the other hours in that they were not related to the intervention.
>
> I have incurred more hours where I cannot determine whether those hours involved intervention or not, and also significant hours in the new case. I have not included those hours in this claim for attorney's fees in that UAIC*'s intervention in Cheyenne's new case was allowed to stand by the Nevada Supreme Court*.

(Ex. 2 to Mot., at ¶¶ 20–21 (emphasis added).) It's not clear what this even means. And Nalder's counsel provides no documentation to show how the "100.9 hours" were actually spent.

Regardless, it is impossible to draw a line between time spent contesting UAIC's intervention in this 2007 action and the time spent contesting UAIC's intervention in the 2018 action because the petition never distinguished the two: After electing in the petition to challenge only the timeliness of UAIC's intervention (Ex. G, Petition for Writ of Mandamus), in reply for the first time Nalder and Lewis asked the Supreme Court to consider UAIC's intervention "substantively improper." (Ex. H, Reply (Dkt. 85085), at 14–15.) But even then, Nalder and Lewis did not distinguish between the 2007 and 2018 actions, stating only that "[b]oth actions were ended and settled to the satisfaction of the parties litigant." (*Id.* at 15.)

There is no basis for this Court to award Nalder fees and costs for a petition that the Supreme Court rejected in part, especially when that Court has not provided for such an award. *See* NRAP 39(a)(4) ("[I]f a judgment is affirmed in part, reversed in part, modified, or vacated, costs are taxed only as the [Supreme Court] orders.").

5. UAIC's Arguments Were in Good Faith, and this Court Accepted Them

Finally, even on the aspect of the opinion where Nalder and Lewis prevailed, UAIC maintained its position in good faith. UAIC had argued, and this Court agreed, that the unusual posture of this case—with Nalder and Lewis

straining to revive a decade-old judgment—was different from the ordinary case where a party seeks to vacate a facially valid, unexpired judgment. As this Court found, "we have new litigation" on whether "that judgment continue[s] to exist." (Ex. E, 5 R. App. 1240:19–22.) Based on the Supreme Court's decisions that an expired judgment is void, *Leven v. Frey*, 123 Nev. 399, 410, 168 P.3d 712, 719 (2007), UAIC reasonably believed that after the time for enforcing a judgment has passed without renewal, "a judgment no longer exists to be renewed." (Ex. I, Answer (Dkt. 78085), at 19–20 (citing *Kroop & Kurland, P.A. v. Lambros*, 703 A.2d 1287, 1293 (Md. Ct. Spec. App. 1998)).) UAIC reconciled this with the Supreme Court's eighty-year-old decision in *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734 (1938) (Ex. I, Answer (Dkt. 78085), at 20–21 (citing *Seattle & N. Ry. Co. v. Bowman*, 102 P. 27, 28–29 (Wash. 1909))), and alternatively argued in good faith for its overruling. (*Id.* at 30–37.)

The Supreme Court disagreed that a judgment's expiration merits intervention. (Ex. D, Opinion 7–8.) But it never suggested that UAIC's argument was frivolous. Indeed, the Court in a sense mooted the necessity of intervention by clarifying that the amendment of the judgment in the 2007 action did not create any new issues, as this Court believed. (Ex. D, Opinion 12–13.) *See also Eckerson v. C.E. Rudy, Inc.*, 72 Nev. 97, 98–99, 295 P.2d 399, 399–400 (1956) (noting that "it would more accurately be said that there was no pending action to which the intervention might attach"). It was just a ministerial change, leaving the substantive questions for resolution in the 2018 action. (Ex. D, Opinion 13.)

And even applying the wrong standard in NRS 18.010(2)(b), it is hard to say that UAIC's reason for wanting to intervene—to advance the position (resisted by both Nalder and Lewis) that the 2008 judgment had expired—was unreasonable or for purposes of harassment. In a decision that binds all of the parties here, the Ninth Circuit determined that the judgment indeed expired,

and that the parties have waived their chance to argue otherwise. (ECF 90, Order Dismissing Appeal, at 3–5.)

D. The *Brunzell* Factors Do Not Support a Fee

For all these reasons, Nalder falls far short of demonstrating that any fee would be reasonable.[6] The most complex aspects of the case are those of Nalder's and Lewis's own making—including their desperate efforts to revive the judgment in this action and create a judgment in a new action after the Nevada Supreme Court agreed to accept the second certified question that threatened to eliminate their Ninth Circuit appeal. The result in this matter is not the ministerial substitution of Cheyenne for her guardian on the judgment (which was accomplished *ex parte* and required no special legal skills), but the Ninth Circuit's determination that the judgment in this case is expired. Nalder's mixed bag of success and failure in the writ petition did not prevent her ultimate failure in "maintaining the validity of the judgment." (*See* Mot. 7:2–4.)

CONCLUSION

UAIC does not doubt that Nalder's counsel "took a large risk in litigating this matter on a contingency fee basis." (Mot. 8:5.) The risk was that the Ninth Circuit would do exactly what it has done, and rule that Nalder has no enforceable judgment here. This Court should deny the motion.

[6] As noted above, Nalder's refusal to say how much she is seeking makes it impossible to apply the *Brunzell* factors as to the amount.

Dated this 16th day of June, 2020.

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CERTIFICATE OF SERVICE

I certify that on June 16, 2020, I served the foregoing "Opposition to Cheyenne Nalder's Motion for Costs and Attorney's Fees" through the Court's electronic filing system to the following counsel:

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EXHIBIT A

EXHIBIT A

NOT FOR PUBLICATION

FILED

JUN 4 2020

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

JAMES NALDER, Guardian Ad Litem on behalf of Cheyanne Nalder; GARY LEWIS, individually, Plaintiffs-Appellants, v. UNITED AUTOMOBILE INSURANCE COMPANY, Defendant-Appellee.	No. 13-17441 D.C. No. 2:09-cv-01348-RCJ-GWF ORDER*

Appeal from the United States District Court
for the District of Nevada
Robert Clive Jones, District Judge, Presiding

Argued and Submitted January 6, 2016
Submission Withdrawn June 1, 2016
Resubmitted June 2, 2020
San Francisco, California

Before: O'SCANNLAIN, W. FLETCHER, and PAEZ, Circuit Judges.

We must resolve three motions that are before this court: United Automobile Insurance Company's (UAIC's) Motion to Dismiss for Lack of Standing (Dkt. 44); James Nalder and Gary Lewis's Motion to Supplement the Record (Dkt. 67); and

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

Nalder and Lewis's Motion to Take Judicial Notice, or, in the Alternative to Supplement the Record (Dkt. 83). Because the facts are known to the parties, we repeat them only as necessary to explain our decision.

I

In its Motion to Dismiss for Lack of Standing, UAIC argues that Nalder's default judgment against Lewis expired and is therefore unenforceable. As a result, UAIC contends that Nalder and Lewis no longer have standing to bring their claims against UAIC.

Under Nevada Revised Statute § 11.190(1)(a), a judgment normally expires after six years unless a party either renews the judgment or brings "an action upon [the] judgment." *See Leven v. Frey*, 168 P.3d 712, 715 (Nev. 2007) ("An action on a judgment or its renewal must be commenced within six years under NRS 11.190(1)(a); thus a judgment expires by limitation in six years."). Renewing a judgment requires strict compliance with the procedures set out in Nev. Rev. Stat. § 17.214. *Id.* at 719.

In the case of Nalder's default judgment against Lewis, the Notice of Entry of Judgment was filed on August 26, 2008. Thus, the judgment would have expired on August 26, 2014, unless Nalder or Lewis either renewed the judgment or brought an action upon the judgment. There is no dispute that Nalder and Lewis did not follow the procedures of Nev. Rev. Stat. § 17.214 to renew the judgment.

Therefore, the remaining questions are whether Nalder and Lewis brought an action upon the judgment and, if they did not, whether they can continue to seek consequential damages based on the expired judgment.

The Nevada Supreme Court, answering a certified question from our court, held that Nalder and Lewis's federal action against UAIC for "breach of its duty to defend is not an action upon Nalder's state court judgment against Lewis." *Nalder v. United Auto. Ins. Co.*, No. 70504, 2019 WL 5260073, at *2 (Nev. Sept. 20, 2019). As the court explained, "[a]n 'action upon a judgment' as referenced in [Nev. Rev. Stat. §] 11.190(1)(a) is a distinct cause of action under the common law." *Id.* Because Nalder and Lewis's suit against UAIC is not such an action, it does not renew Nalder's default judgment against Lewis under § 11.190(1)(a).

Furthermore, the Nevada Supreme Court concluded that Nalder and Lewis cannot continue to seek consequential damages for breach of the duty to defend. *Id.* Because Nalder's default judgment against Lewis expired, Lewis is no longer liable to Nalder for that judgment. Consequently, "UAIC is not liable for that judgment as a result of breaching its duty to defend Lewis in the action that led to it." *Id.* at *3. And, because Nalder and Lewis did not suffer an injury as a result of UAIC's failure to defend Lewis, they lack standing.

II

Shortly after the Nevada Supreme Court answered our certified question,

Nalder and Lewis filed a Motion to Supplement the Record. They subsequently filed a Motion to Take Judicial Notice, or, in the Alternative to Supplement the Record.

We have the "inherent authority to supplement the record in extraordinary cases." *Lowry v. Barnhart*, 329 F.3d 1019, 1024 (9th Cir. 2003). However, we normally "will not supplement the record on appeal with material not considered by the trial court." *Daly-Murphy v. Winston*, 837 F.2d 348, 351 (9th Cir. 1987). Moreover, as an appellate court, "[i]t is rarely appropriate for [us] to take judicial notice of facts that were not before the district court." *Flick v. Liberty Mut. Fire Ins. Co.*, 205 F.3d 386, 392 n.7 (9th Cir. 2000).

Nalder and Lewis claim that the proposed record supplements will show that there are still valid and enforceable judgments against Lewis. They also cite Nevada tolling statutes to argue that Nalder's judgment against Lewis did not expire. Thus, the underlying reason why Nalder and Lewis ask us to grant their motion is so that they may present arguments that they still have standing in their suit against UAIC.

If Nalder and Lewis had wanted us to consider their arguments about Nevada tolling statutes, they should have offered them in their response to UAIC's Motion to Dismiss for Lack of Standing over three years ago, before we certified our second question to the Nevada Supreme Court. Because they did not, such

arguments are waived. *See United States v. Dreyer*, 804 F.3d 1266, 1277 (9th Cir. 2015). Furthermore, it is irrelevant whether Nalder has obtained additional judgments against Lewis in Nevada state court because such other judgments were not the basis for their complaint against UAIC in this case.

Accordingly, we conclude that Nalder and Lewis have not presented adequate justification for why we should take the extraordinary steps of supplementing the record or taking judicial notice of facts that were not before the district court.

III

Appellee's Motion to Dismiss for Lack of Standing, filed with this court on March 14, 2017, is GRANTED. Appellants' Motion to Supplement the Record, filed with this court on November 14, 2019, is DENIED. Appellants' Motion to Take Judicial Notice, or, in the Alternative to Supplement the Record, filed with this court on May 1, 2020, is DENIED.

APPEAL DISMISSED.

EXHIBIT B

EXHIBIT B

IN THE SUPREME COURT OF THE STATE OF NEVADA

CHEYENNE NALDER, an individual, and GARY LEWIS Petitioners and Real Parties in Interest, Petitioners, vs. THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK; THE HONORABLE DAVID M. JONES, DISTRICT JUDGE; AND THE HONORABLE ERIC JOHNSON, DISTRICT COURT JUDGE, Respondents, And UNITED AUTOMOBILE INSURANCE COMPANY, Real Party in Interest.	Supreme Court No. 78085
GARY LEWIS Petitioner, vs. THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK; THE HONORABLE ERIC JOHNSON, DISTRICT COURT JUDGE, Respondents, and UNITED AUTOMOBILE INSURANCE COMPANY; and CHEYENNE NALDER, Real Parties in Interest.	Supreme Court No. 78243

(Consolidated original petitions for writs of mandamus challenging district court orders granting intervention, consolidation and relief from judgment in tort actions.)

MOTION FOR ATTORNEY FEES AND COSTS AND FOR RECONSIDERATION

I. INTRODUCTION

Nalder and Lewis request an award of attorney fees and costs and that the Court reconsider and revise the Opinion issued on April 30, 2020, which strives to correct decisions made by Judge David Jones and Judge Eric Johnson. The lower court actions were improperly intervened and wrongly consolidated at UAIC's urging and have caused more than a year of ongoing litigation expenses for the real parties Lewis and Nalder. The Court's Opinion moved the parties closer to the positions they were in prior to the actions taken by UAIC. However, on the portion that was denied--allowing intervention by UAIC in the 2018 Action on the Judgment case (Case No. A-18-772220-C)--the Court overlooked or misapprehended material facts that should be corrected through reconsideration.

Specifically, the Court misstated what actually took place and is taking place in the Court below. There are three misstated facts in the Court's Opinion: 1) Lewis' Third-Party Complaint against UAIC is still pending and is subject to a motion for partial summary judgment. 2) In the Nalder v. Lewis cases below, Plaintiff Cheyanne Nalder is represented by David A. Stephens; and Defendant Gary Lewis is represented by E. Breen Arntz pursuant to *Cumis/Hansen* and, at the

time of intervention, he was also represented by Randall Tindall, who was appointed by UAIC. In the Third Party Complaint of Lewis v. UAIC, Third Party Plaintiff is represented by Thomas Christensen. 3) The settlement and judgment of the Nalder and Lewis dispute resulted from arm's length negotiation between David Stephens and E. Breen Arntz, counsel for the parties. The controversy was resolved. There was no collusion or fraud in the settlement reached between these represented parties.

Reconsideration is also warranted because the court overlooked, misapplied or failed to consider a statute, procedural rule and decision directly controlling a dispositive issue as follows: 1) The Court did not appropriately interpret NRS 12.130. 2) The court did not follow *Dangberg Holdings. v. Douglas Co.*, 115 Nev. 129, 139 (Nev. 1999). 3) The court mistakenly applied *Allstate Ins. Co. v. Pietrosh*, 85 Nev. 310, 454 P.2d 106 (1969), an uninsured motorist intervention to this liability carrier action. The Court should have applied the reasoning in *Hinton v. Beck*, 176 Cal. App. 4th 1378 (Cal. Ct. App. 2009) which held: "Grange [the liability insurer like UAIC here], having denied coverage and having refused to defend the action on behalf of its insured, did not have a direct and immediate interest to warrant intervention in the litigation."

The Court's April 30, 2020 Opinion, as written, will cause confusion for future litigants who are in the unfortunate position of having to stand up to their own insurance companies; and therefore the Opinion must be reheard and corrected.

II. FACTUAL HISTORY

UAIC'S LACK OF GOOD FAITH AND FAIR DEALING IN THIS LITIGATION

A. UAIC Acts in Bad Faith, Multiplying and Delaying the Litigation.

UAIC, in bad faith, intervened, consolidated and appealed the lower Court's ruling in a desperate effort to delay and discharge itself from the consequences of its own bad acts arising from its failure to defend Gary Lewis. UAIC began multiplying the litigation while the Ninth Circuit Court's First Certified Question was fully briefed before this court (see Docket 70504). Instead of doing a good faith investigation and acting to protect UAIC's insured Lewis, UAIC brought a baseless and untimely motion to dismiss the Ninth Circuit appeal for lack of standing. This was promoted by an affidavit of counsel for UAIC suggesting that Nalder needed to renew her judgment in case number 07A549111.

Nalder sought instead through attorney David Stephens (see cases 07A549111 & 18-772220), to obtain an amended judgment because the statute of limitations had been tolled and new judgment under the clear precedent in *Mandlebaum v. Gregovich,* 24 Nev. 154, 50 P. 849 (1897) which holds that a

judgment is still a valid basis for an action on the judgment after ten years because of Lewis' absence from the state of Nevada for eight years (where the *Mandlebaum* judgment was still valid for that purpose after a fifteen year absence from the state.) In addition to the tolling statute applied by the court in *Mandlebaum,* NRS 11.300, other tolling statutes applied: NRS 11.200 (time period in NRS 11.190 runs from last payment); and NRS 11.250 (time period in NRS 11.190 is tolled during minority). Because of this clear on point black letter law in Nevada, a written settlement agreement was entered by the parties and filed with the court. [1]

UAIC was not candid with the courts and did not act in good faith by informing the 9th circuit and this Court that the second question was now moot and counsel's affidavit was false. UAIC improperly intervened and distorted the record and the law, obtaining clearly erroneous rulings allowing intervention to stand and consolidating both cases.[2]

B. UAIC Refuses to Provide an Ethical Defense to its insured, Lewis.

UAIC refused to pay *Cumis*[3] counsel, E. Breen Arntz. UAIC went behind

[1] See Petitioners' Appendix, Docket 78085, bates 0142-0143, Stipulation to Enter Judgment, dated September 13, 2018.

[2] These clearly improper rulings delayed the case caused greater expense and were eventually struck down by Writ in this Docket 78085 & 780243.

[3] *State Farm Mutual Automobile Insurance Company v. Hansen*, 357 P. 3d 338 (2015); *San Diego Navy Federal Credit Union v. Cumis Insurance Society, Inc*., 162 Cal App3d. 358, 208

its insured's back disregarded reasonable requests from counsel for Gary Lewis and directed other attorneys to file unauthorized pleadings on behalf of its insured. UAIC without any supporting law requested and obtained a stay. Judge Johnson refused to set aside the judgment entered by the former judge on the case, Judge Jones.[4] UAIC, in bad faith and without a reasonable basis, appealed. UAIC had no good faith basis to appeal the lower Court's ruling.[5] This is also evident by UAIC's repetitive requests for extensions of time to file an Opening Brief itsbaseless appeal at Docket 79487.

C. UAIC Never Intended to File a Brief in that Appeal.

The mediation of the Docket 79487 appeal became an attempted global mediation of the entire dispute between the parties. The case was not resolved and originally the Opening Brief in that Appeal was due February 11, 2020. At the request of UAIC, it was extended to March 12, 2020 by Stipulation of the parties and Order of the Court pursuant to NRAP 31(b)(2).

The Court's Order dated February 12, 2020, stated "No further extensions of time shall be permitted, except upon motion clearly demonstrating good cause.

Cal Rptr. 494(1984).

[4] The one ruling consistent with the law.

[5] At the hearing in front of Judge Johnson on March 4, 2020 the court asked: What have you appealed? Mr Polsenberg responded at 8:55.30 "You want me to be candid? I don't know what I am going to be arguing ... I am not even entirely positive of how I am going to go ahead with that appeal."

NRAP 31(b)(2); NRAP 31(b)(3)(B)." Despite this, on March 12, 2020, UAIC did not file its Opening Brief, but instead filed a last minute Motion to Extend Time. In Opposition, Real Party in Interest, Gary Lewis, alerted this Court to the *modus operandi* of UAIC in seeking last minute extensions without good cause for purposes of delay. UAIC's primary motive was to seek further, unnecessary delay because UAIC had no good faith arguments for that appeal.

D. UAIC Obtained an Extension in that Appeal to File a baseless Petition for a Writ, Seeking Further Delay.

On April 3, 2020, the Court granted UAIC's Motion for Extension under NRAP 31(b)(3)(B), without specifically finding what good cause claimed by UAIC justified the extension. The Chief Justice ordered UAIC's Opening Brief and Appendix to be filed by April 13, 2020. Instead of working on its brief regarding the very narrow issue in that appeal, on April 10, 2020, counsel for UAIC, Lewis Roca, served an Emergency Writ Petition, a 15 Volume Appendix, and two Motions, creating another Docket in this Court. (See Docket 80965). That Writ requested a stay. It was filed on April 13, 2020, which was the very due date of the Opening Brief and Appendix in the appeal. The real parties in interest then had to oppose the two motions in expedited fashion because they were filed

on an emergent basis. Ultimately, UAIC's Writ and motions were denied by this Court.

E. UAIC Now Seeks Yet Another Delay.

On April 13, 2020, at 5:08pm, UAIC filed yet another last minute Motion to Extend Time to File Opening Brief and Appendix in the appeal. This was its third request for an extension. Again, no extraordinary circumstances for delay were cited, yet, the extension was granted through May 13, 2020.

This Court issued a Writ of Mandamus on April 30, 2020 confirming that UAIC should not have been allowed to intervene in and delay the lower court case for nearly two years. Incredibly, on May 13, 2020, instead of doing the ethical thing, UAIC then filed a "Suggestion of Mootness" requesting the Court delay briefing indefinitely by a request to "suspend the briefing."[6] UAIC should have filed a voluntary dismissal of that Appeal, or its opening brief, or both. The fact that it did not voluntarily dismiss that appeal and that UAIC has also made other filings designed to delay these proceedings and multiply the casework of the counsel for the Real Parties in Interest, not in good faith and with a reasonable basis, are grounds for an award of fees and costs.

///

[6] See footnote three on page 6 of Appellant's Suggestion of Mootness in Docket 79487 .

III. SUPPORTING LAW AND ARGUMENT

A. Even though this court did not properly apply *Dangberg* and NRS 12.130, UAIC's intervention presented claims and defenses that overburden limited judicial resources, hinder the timely resolution of meritorious claims and increase the costs of engaging in business and providing professional services to the public.

The obviously improper intervention in case 07A549111 by UAIC spawned months of litigation expenses on a case that was already to judgment. In order to correct the Court's error brought on by UAIC's disingenuous litigation tactics, the parties had to file two writ petitions. As set forth below, this in itself requires granting of fees and costs to the parties below, Gary Lewis and CheyAnne Nalder.

The court should grant rehearing to properly apply Nevada Law.

Nevada Rule of Appellate Procedure 40 governs Petitions for rehearing and limits the scope as follows:

> **(c) Scope of Application; When Rehearing Considered.**
> (1) Matters presented in the briefs and oral arguments may not be reargued in the petition for rehearing, and no point may be raised for the first time on rehearing.
> (2) The court may consider rehearings in the following circumstances:
> (A) When the court has overlooked or misapprehended a material fact in the record or a material question of law in the case, or
> (B) When the court has overlooked, misapplied or failed to consider a statute, procedural rule, regulation or decision directly controlling a dispositive issue in the case.

B. Proper application of NRS 12.130 and the case law interpreting it makes the need for fees and costs even more apparent

NRS 12.130 requires intervention to happen "before the trial," when there is still a controversy. All of the cases interpreting this statute do not allow intervention if there is no trial to be had. The statute reads:

NRS 12.130 Intervention: Right to intervention; procedure, determination and costs; exception.

1. Except as otherwise provided in subsection 2:
   (a) Before the trial, any person may intervene in an action or proceeding, who has an interest in the matter in litigation, in the success of either of the parties, or an interest against both.
   (b) An intervention takes place when a third person is permitted to become a party to an action or proceeding between other persons, either by joining the plaintiff in claiming what is sought by the complaint, or by uniting with the defendant in resisting the claims of the plaintiff, or by demanding anything adversely to both the plaintiff and the defendant.
   (c) Intervention is made as provided by the Nevada Rules of Civil Procedure.
   (d) The court shall determine upon the intervention at the same time that the action is decided. If the claim of the party intervening is not sustained, the party intervening shall pay all costs incurred by the intervention.
   (e) 2. The provisions of this section do not apply to intervention in an action or proceeding by the Legislature pursuant to NRS 218F.720.

Dangberg Holdings. v. Douglas Co., 115 Nev. 129, 139 (Nev. 1999) holds that:

> **"[A] voluntary agreement of the parties stands in the place of a verdict, and, as between the parties to the record as fully and finally determines the controversy as a verdict could do."**

The intervention was allowed in *Dangberg* not because a judgment would be required, but rather because there was no settlement agreement in the record.[7] That is not the case here. Not only was an agreement reached in the instant case, it was written, signed and filed with the court.[8] This was a reasoned settlement based on the available defenses, not collusive or in bad faith. This Court disregards Lewis' argument that parties can settle during a stay because he failed to cite authority. If a settlement is reached, at any time, however, it would not create case law. A case that is settled by the real parties in interest is not appealed. UAIC's intervention was after the resolution of the case to the satisfaction of the parties. Even in intervention, UAIC will be bound by that agreement.

The court mistakenly applies *Allstate Ins. Co. v. Pietrosh*, 85 Nev. 310, 454 P.2d 106 (1969) to this action. Allstate was an **uninsured motorist carrier** intervening in the underlying tort lawsuit. What we have below in this case is a **liability carrier** intervening in the tort lawsuit. When UAIC got around to requesting intervention in this case, Randall Tindall, who was an attorney paid by UAIC, and an attorney the insured picked that the carrier is refusing to pay under *Cumis/Hansen*, E. Breen Arntz, were already adequately representing the insured's

[7] And apparently no settlement agreement had been reached.
[8] See Petitioners' Appendix, Docket 78085, bates 0142-0143, Stipulation to Enter Judgment, dated September 13, 2018.

interests. Thus the decision in *Am. Home Ass. v. Eighth Dist. Ct.*, 122 Nev. 1229, 1233 (Nev. 2006) applies.

> "Because the insurer here failed to show that its interest was inadequately represented by the injured worker, we deny the insurer's request for extraordinary relief."

Also, UAIC refused to defend or intervene when the lawsuit was filed. The Court should have applied the reasoning in *Hinton v. Beck*, 176 Cal. App. 4th 1378 (Cal. Ct. App. 2009) which held: "Grange [the liability insurer like UAIC here], having denied coverage and having refused to defend the action on behalf of its insured, did not have a direct and immediate interest to warrant intervention in the litigation."

C. UAIC compounded its bad faith intervention and made a frivolous appeal in Docket 79487.

UAIC suggests its still pending appeal should be dismissed because it is moot. The truth is that it was a frivolous appeal from the start, designed only to delay matters and UAIC should be reprimanded and sanctioned for abuse of process.

At the urging of UAIC, upon reaching her majority, CheyAnne consulted David A. Stephens, Esq. regarding the judgment CheyAnne held against Lewis. Stephens moved the trial court to amend the judgment, substituting in CheyAnne

because she had reached her majority and because the statute of limitations had been tolled on the judgment. Judge Jones granted the motion and signed an amended judgment in favor of CheyAnne Nalder and against Gary Lewis on March 26, 2018. Months later, UAIC moved to intervene, without serving its Motion on anyone. At the time UAIC was aware that CheyAnne was represented by David Stephens and Gary Lewis was represented by E. Breen Arntz. UAIC moved to set aside the judgment. The motion was correctly denied. The appeal in Docket 79487. The ruling was made January 9, 2019, the Notice of Appeal was filed on August 21, 2019, and the Court still has had no briefs filed.

D. UAIC has multiplied and complicated these proceedings needlessly.

By repeatedly delaying the filing of the Opening Brief on the appeal following intervention, UAIC has been allowed to use the process to avoid responsibility and inflict extraordinary pain on the real parties in this case. UAIC has never, and cannot, state any good faith basis for the appeal. Recently, in this Docket 78085 & 78243 this Court determined that UAIC's intervention in the lower court action was improper, as Nalder and Lewis had stated all along.

NRS 12.130 only permits intervention prior to trial. After judgment trial is clearly not pending and intervention is improper. Additionally, NRS 12.130(d) provides that "If the claim of the party intervening is not sustained, the party

intervening shall pay all costs incurred by the intervention." Additionally, NRS 34.270 allows Writ applicants Recovery of damages and states if judgment be given for the applicant, the applicant shall recover the damages which the applicant shall have sustained as found by the jury, or as may be determined by the court or master, upon a reference to be ordered, together with costs; and for such damages and costs an execution may issue, and a peremptory mandate shall also be awarded without delay.

This Court should award fees and costs in these writ petitions and in the other docket numbers[9] before this Court wherein UAIC has presented claims and defenses that overburden limited judicial resources, hinder the timely resolution of meritorious claims and increase the costs of engaging in business and providing professional services to the public.

UAIC has been stringing along opposing counsel and this Court. "This court expects all appeals to be pursued with high standards of diligence, professionalism, and competence." *Barry v. Lindner*, 119 Nev. 661, 671, 81 P.3d 537, 543 (2003). " *Carroll v. Carroll*, No. 73534-COA, 17 (Nev. App. May. 7, 2019). NRAP 38(a) states that "If the Supreme Court or Court of Appeals

[9] Dockets 70504, 78085, 78243, 79487 and 80965. This Court, on its own, consolidated the two Writ Petitions of 78085 and 78243, then issued a Writ of Mandamus directing the lower Court to enter an Order and strike pleadings.

determines that an appeal is frivolous, it may impose monetary sanctions." Likewise, NRAP 38(b) states that "When an appeal has frivolously been taken or been processed in a frivolous manner; when circumstances indicated that an appeal has been taken or processed solely for purposes of delay, when an appeal has been occasioned through **respondent's imposition on the court below**; or whenever the appellate processes of the court have otherwise been misused, the court may, on its own motion, require the offending party to pay, as costs on appeal, such attorney fees as it deems appropriate to discourage like conduct in the future."

NRS 18.010 states: In addition to the cases where an allowance is authorized by specific statute, the court may make an allowance of attorney's fees to a prevailing party. Section (b) states: Without regard to the recovery sought, when the court finds that the claim, counterclaim, cross-claim or third-party complaint or defense of the opposing party was brought or maintained without reasonable ground or to harass the prevailing party. **The court shall liberally construe the provisions of this paragraph in favor of awarding attorney's fees in all appropriate situations.** It is the intent of the Legislature that the court award attorney's fees pursuant to this paragraph and impose sanctions pursuant to Rule 11 of the Nevada Rules of Civil Procedure in all appropriate situations to

punish for and deter frivolous or vexatious claims and defenses because such claims and defenses overburden limited judicial resources, hinder the timely resolution of meritorious claims and increase the costs of engaging in business and providing professional services to the public. (Emphasis added.)

Under NRAP 38, this Court may award attorneys' fees, damages, costs, and such other relief as it may fashion. *Imperial Palace v. Dawson*, 715 P. 2d 1318 (1986), citing *In re Herrmann,* 100 Nev. 149, 152, 679 P.2d 246 (1984); *Varnum v. Grady,* 90 Nev. 374, 377, 528 P.2d 1027 (1974). In *City of Las Vegas v. Cragin Industries*, 86 Nev. 933, 478 P.2d 585, (1970), the Nevada Supreme Court stated "actions for declaratory or injunctive relief may involve claims for attorney fees as damages when actions were necessitated by the opposing party's bad faith conduct."

UAIC's improper filings, including its unwarranted Motions for intervention and consolidation, were in bad faith and necessitated a response by Nalder and Lewis. In all of these intertwined actions, UAIC has taken inconsistent positions in the various Courts. The only consistent argument UAIC has made has been the promotion and self-preservation, over that of its insured. UAIC has made desperate attempts to free itself from consequences arising from its breach of the duty to defend in 2007. The issue of what consequences it should

face remains before the Ninth Circuit, on appeal.[10] This amounts to bad faith conduct on the part of UAIC that has multiplied and delayed the litigation and necessitated the Respondents herein to incur additional costs and fees.

III. CONCLUSION

UAIC should pay attorneys fees and costs related hereto to Real Parties in Interest, Lewis and Nalder and the court should rehear and correct the decision.

Dated this 18th day of May, 2020.

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[10] UAIC's counsel has not corrected his Affidavit on file with that Court to reflect the action in the lower Court case since 2017, which is critical to the Ninth Circuit's understanding and analysis. Instead, UAIC has continually tried to prevent the Ninth Circuit from considering the truth.

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing via the Court's eFlex system on May 18, 2020 and thereby served this document upon all registered users in this case.

/s/ Thomas Christensen

DECLARATION OF COUNSEL

I, THOMAS CHRISTENSEN, first being duly sworn hereby declares as follows:

1. I was admitted to the bar of Nevada in December of 1981; my bar number is 2326.
2. I am an attorney duly licensed to practice law in all Courts in the State of Nevada, Federal District Court for the District of Nevada, the United States Court of Appeals for the Ninth Circuit and The Supreme Court of the United States of America. I am the managing member of Christensen Law Offices, LLC and I am counsel of record for Plaintiffs/Appellants James Nalder and Gary Lewis in an action against UAIC pending in the Ninth Circuit. I also represent Gary Lewis as a Third Party Plaintiff in an action instituted in the Eighth Judicial District in 2018. I make this declaration based on my personal knowledge.
3. Regarding the representation of Nalder and Lewis, throughout, I have referred both Nalder and Lewis for independent representation when there is a conflict between them and I have not represented both sides in these actions.
4. UAIC has claimed, in the Nevada state court case, that its failure to act in good faith and treat its insured fairly in 2018 and 2019 are before the Ninth Circuit. This argument was made in an effort to escape liability in the Nevada state court.
5. Cheyanne Nalder is represented by David A. Stephens, Esq., in her amendment of the 2008 judgment and her action on a judgment filed against Gary Lewis in 2018. Gary Lewis, as a defendant in those lawsuits, is represented by E. Breen Arntz, Esq. pursuant to *Cumis/Hansen* because of the obvious conflict between UAIC and Lewis. (Although

UAIC has refused to pay for this representation and in fact sued E. Breen Arntz for damages.)

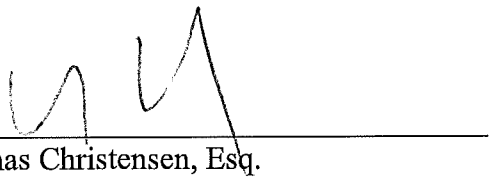
6. I have watched the video of the hearing that took place on March 4, 2020 before Judge Eric Johnson and the quote provided herein at footnote 4, page 3, accurately reflects the discussion between Judge Johnson and Dan Polsenberg, Esq., on behalf of UAIC at that hearing.

7. Any communications to the defense attorneys hired by UAIC to "defend" Gary Lewis against the Nalder judgment were consistent and were made under attorney client privilege. A privilege the defense attorneys did not always respect, because they reported the communication to UAIC, which is the adverse party to Gary Lewis. These communications were: 1) I represent Gary Lewis (not as a defendant in the Nalder v. Lewis litigation) and Nalder (not as a plaintiff in the Nalder v. Lewis litigation) in their claims against UAIC; 2) Gary Lewis welcomes your belated defense if it is likely of success, ethical and non-frivolous; 3) Before taking any action on behalf of Gary Lewis, please let me know the basis for your defense and your evaluation of the likelihood of success; 4) Gary Lewis does not want to use a frivolous or weak defense that may only increase his liability; 5) Nor does he wish to delay the inevitable and create more damage or exposure to him in the end; 6) Gary Lewis does not trust that UAIC is actually looking out for his best interests, so please communicate through me; after all, he has been in litigation with UAIC for ten years. He has been exposed to a multimillion dollar judgment for more than 10 years and is still exposed to it; 7) If UAIC will confirm that if its proposed defense fails, it will pay the judgment, then Gary Lewis does

not need to review your defense; 8) However, if UAIC's position is: if we lose, you are on your own (which has been its approach from the beginning), then Gary Lewis wants to at least be able to evaluate the strength of the defense before embarking on that path.

The undersigned, Thomas F. Christensen, Esq., declares and acknowledges, under penalty of perjury, that the information provided herein is correct to the best of his information and belief and can be supported by documentation if called upon to substantiate the information provided herein.

Dated this 18 day of May, 2020.



Thomas Christensen, Esq.

EXHIBIT C

EXHIBIT C

In the Supreme Court of Nevada

CHEYANNE NALDER, and GARY LEWIS, Petitioners, *vs.* THE EIGHTH JUDICIAL DISTRICT COURT of the State of Nevada, in and for the County of Clark; THE HONORABLE DAVID M. JONES, District Judge; and THE HONORABLE ERIC JOHNSON, District Judge, Respondents, and UNITED AUTOMOBILE INSURANCE COMPANY, Real Party in Interest.	Case No. 78085
GARY LEWIS, Petitioner, *vs.* THE EIGHTH JUDICIAL DISTRICT COURT of the State of Nevada, in and for the County of Clark; THE HONORABLE DAVID M. JONES, District Judge; and THE HONORABLE ERIC JOHNSON, District Judge, Respondents, and UNITED AUTOMOBILE INSURANCE COMPANY, Real Party in Interest.	Case No. 78243 District Court Case Nos. A549111 & A772220

OPPOSITION TO PETITIONERS' "MOTION FOR ATTORNEY FEES AND COSTS AND FOR RECONSIDERATION"

OPPOSITION TO PETITIONERS' "MOTION FOR ATTORNEY FEES AND COSTS AND FOR RECONSIDERATION"

Petitioners' bizarre motion is procedurally and substantively improper. Cheyenne Nalder and Gary Lewis had a chance to petition for rehearing but did not do that. They are in no position to seek attorney's fees while seeking to change the outcome of these writ proceedings. This Court should deny the motion.

A. The Motion Is Procedurally Improper

Nalder's and Lewis's problems begin with form.

1. It Is Not a Proper Petition for Rehearing

This motion fails all of the tests for a petition for rehearing. Its contention that this Court overlooked a material question of law (Mot. 2) is not supported by reference to any page of the original petitions. *See* NRAP 40(a)(2). Its complaints about factual errors are also largely unsupported by record citations.[1] *See id.*; *cf. also In re Discipline of Serota*, 129 Nev. 631, 637 n.5, 309 P.3d 1037, 1041 n.5 (2013) (disregarding counsel's "numerous factual assertions not supported by references to the record and references to facts that are outside the record altogether"). The motion does not comply with NRAP 32 or contain a

[1] All but footnotes 1 and 8 (at pages 4 and 10), which both cite the same settlement agreement.

certificate of compliance. *See* NRAP 40(b)(1), (4). Nalder and Lewis did not pay the $150 filing fee. *See* NRAP 40(b)(5); *cf. also Weddell v. Stewart*, 127 Nev. 645, 648, 261 P.3d 1080, 1082 (2011) (emphasizing the "importance of following the rules pertaining to appellate procedure" and that "failure to pay required fees . . . is not without consequence"). Although Nalder and Lewis threaten UAIC with sanctions (Mot. 11, 14), it is their noncompliant motion that risks such an outcome. NRAP 40(g).

2. It Is Not a Proper Motion for Fees and Costs

Nor is the motion a proper request for fees and costs. It is six pages too long. NRAP 27(d)(2). And it seeks fees in costs in other docket numbers (Mot. 13 & n.9) without actually being filed in those other cases. In two of those cases (Docket Nos. 70504, 80965), this Court has already relinquished jurisdiction by issuing remittitur or an equivalent notice and closing the cases. As this Court has warned, without a request to reopen the appeal or recall remittitur, parties cannot seek relief in a closed case. *Weddell*, 127 Nev. at 652–53, 261 P.3d at 1085 (rejecting, unfiled, a motion for reconsideration in a closed appeal).

3. Petitioners' Disregard for the Rules Prejudices UAIC

Nalder's and Lewis's decision to flout NRAP 40 and NRAP 27 puts

UAIC in a bind. Were this a proper petition, UAIC would not be required (or even permitted) to respond unless the Court so ordered, and UAIC would ordinarily have 14 days and 4,667 words to do so. NRAP 40(b)(3), (d). But by mislabeling their petition a "motion for reconsideration"—and by seeking attorney's fees and costs—Nalder and Lewis seek to shorten both the time and the length for UAIC's response. *Cf.* NRAP 27(a)(3), (d)(2).

B. If Ordered, UAIC Would Oppose the Request for Rehearing

If this Court construes Nalder's and Lewis's motion as a Rule 40 petition and orders an answer, UAIC will oppose rehearing. NRAP 40(d). Their legal arguments are wrong.

1. This Court Correctly Held that UAIC Timely Intervened in the 2018 Action Before Judgment

This Court clarified that "a settlement agreement on its own" cannot "stand[] in the place of a judgment" to bar intervention. (Opinion 9.) "[I]t is the judgment that bars intervention, not the agreement itself reached by the parties." (Opinion 10.) Nalder and Lewis balk, arguing that it was enough that the settlement was "filed with the court" (Mot. 10), though not approved or entered as a judgment. Mere agreement without judgment has never been enough to bar intervention. *See Ryan*

v. Landis, 58 Nev. 253, 75 P.2d 734, 735–36 (1938) ("*judgment* . . . by agreement" (emphasis added)).

2. This Court Correctly Found that UAIC Has an Interest in the 2018 Case

Nalder and Lewis have waived any substantive objection to UAIC's intervention in the 2018 action. After electing in the petition to challenge only the timeliness of UAIC's intervention, in reply for the first time Nalder and Lewis asked this Court to consider UAIC's intervention "substantively improper." (Reply (Dkt. 85085), at 14–15.) Even then, Nalder and Lewis did not distinguish between the 2007 and 2018 action, stating only that "[b]oth actions were ended and settled to the satisfaction of the parties litigant." (*Id.* at 15.)

In any case, the argument to bar UAIC's intervention under California law fails. Criticizing this Court's application of *Allstate Ins. Co. v. Pietrosh*, 85 Nev. 310, 454 P.2d 106 (1969), Nalder and Lewis ask this Court to adopt *Hinton v. Beck*, 98 Cal. Rptr. 3d 612 (Ct. App. 2009), which bars an insurer from intervening in the same action where it has refused to defend its insured. (Mot. 11.) This Court need not decide whether to adopt such a categorical rule, however, because UAIC tendered a defense to Lewis in the 2018 where it intervened. (Mot. 5; 5 R.

App. 1064–65.) Lewis rejected UAIC's appointed counsel (1 R. App. 30, 165), instead expressing eagerness to have a multimillion-dollar judgment entered against himself[2]—notwithstanding signals from the Ninth Circuit[3] (and later confirmation from this Court)[4] that Lewis could escape all liability. UAIC had no one in the 2018 action to represent its interest in showing that the underlying judgment had expired.

C. While Challenging the Aspects of this Court's Opinion in UAIC's Favor, Are Not in a Position to Seek Fees

UAIC's positions were taken in good faith, vindicated in full by the district court, and vindicated in important part by this Court. Nalder and Lewis are seeking rehearing; UAIC is not. They are not entitled to fees in appellate proceedings, the outcome of which they still resist.

1. Attorney's Fees Are Reserved for Frivolous Appeals

Asking this Court to assess attorney's fees is an extraordinary sanction reserved for gross abuses of the appellate process. NRAP 38. Nalder and Lewis cite NRS 18.010 (Mot. 15), ignoring that this Court

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[2] *See*, *e.g.*, 1 R. App. 26 (motion to strike his appointed counsel's request to vacate the judgment against him); 1/22/19 acceptance of offer of judgment, Ex. A.

[3] *Nalder v. UAIC*, 878 F.3d 754, 757 (9th Cir. 2017) ("the statute of limitations [on the 2008 judgment] has passed" and "they have failed to renew the judgment").

[4] Ex. B, Order Answering Certified Questions, at 2–3 ("because the [2008] judgment expired . . . it is no longer enforceable against" Lewis).

has expressly rejected that standard for attorney's fees on appeal: "NRS 18 .010 does not explicitly authorize attorney's fees on appeal," while "NRAP 38(b) limits attorney's fees on appeal to those instances where an appeal has been taken in a frivolous manner." *Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals*, 114 Nev. 1348, 1356–57, 971 P.2d 383, 388 (1998).[5]

2. UAIC Prevailed in Significant Part

Fees may be assessed only against a party whose positions this Court rejected as frivolous. Here, however, it is Nalder and Lewis who are complaining that this Court, far from dismissing UAIC's arguments as frivolous, *accepted* many of them in a published opinion.

First, UAIC prevailed on the critical question of its intervention in the 2018 action. (Opinion 8–12.)[6] As this motion for reconsideration underscores, Nalder and Lewis wanted UAIC out of the litigation altogether, not merely out of the 2007 action. Indeed, in striking UAIC's intervention in the 2007 action and denying consolidation, this Court clarified that there is no pending issue in the 2007 case: an amendment to

[5] They also cite *City of Las Vegas v. Cragin Indus.*, 86 Nev. 933, 478 P.2d 585 (1970) (*see* Mot. 15), but attorney fees as damages must be pleaded and proved in the underlying action—not in a motion for reconsideration on appeal.

[6] This Court also rejected Nalder's and Lewis's due process arguments based on the service of the motions to intervene. (Opinion 11 n.7.)

substitute Cheyenne for her former guardian "was a ministerial change that did not alter the legal rights and obligations set forth in the original judgment or create any new pending issues." (Opinion 13.)[7] The parties' running dispute about enforceability of the 2008 judgment is presented in the 2018 action, to which UAIC is a proper party.

Second, UAIC prevailed in Nalder's and Lewis's attack on the district court's order vacating their Rule 68 judgment. (Opinion 13–16.) Rejecting their argument that a stay is ineffective until the entry of a written order, this Court "determine[d] that a minute order granting a stay operates like an administrative or emergency order that is valid and enforceable." (Opinion 15.) This Court also "reject[ed] Gary's argument that the district court vacating the parties judgment, ex parte, violated due process. We note that the district court could have *sua sponte* vacated the mistakenly entered judgment without notice to the parties." (Opinion 15 (citing NRCP 60(a)).)

3. UAIC's Arguments Were in Good Faith

Even on the aspect of the opinion where Nalder and Lewis prevailed, UAIC maintained its position in good faith. UAIC had argued,

[7] Below, counsel for Lewis agreed: if the 2008 judgment had expired, "[i]t's an amendment of the expired judgment." (5 R. App. 1108:13–17.)

and the district court agreed, that the unusual posture of this case—with Nalder and Lewis straining to revive a decade-old judgment—was different from the ordinary case where a party seeks to vacate a facially valid, unexpired judgment. As the district court found, "we have new litigation" on whether "that judgment continue[s] to exist." (5 R. App. 1126:19–22.) Based on this Court's decisions that an expired judgment is void, *Leven v. Frey*, 123 Nev. 399, 410, 168 P.3d 712, 719 (2007), UAIC reasonably believed that after the time for enforcing a judgment has passed without renewal, "a judgment no longer exists to be renewed." (Answer (Dkt. 78085), at 19–20 (citing *Kroop & Kurland, P.A. v. Lambros*, 703 A.2d 1287, 1293 (Md. Ct. Spec. App. 1998)).) UAIC reconciled this with the Court's eighty-year-old decision in *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734 (1938) (Answer (Dkt. 78085), at 20–21 (citing *Seattle & N. Ry. Co. v. Bowman*, 102 P. 27, 28–29 (Wash. 1909))), and alternatively argued in good faith for its overruling. (*Id.* at 30–37.)

This Court disagreed that a judgment's expiration merits intervention. (Opinion 7–8.) But it never suggested that UAIC's argument was frivolous. Indeed, the Court in a sense mooted the necessity of intervention by clarifying that the amendment of the judgment in the

2007 action did not create any new issues, as the district court believed. (Opinion 12–13.) *See also Eckerson v. C.E. Rudy, Inc.*, 72 Nev. 97, 98–99, 295 P.2d 399, 399–400 (1956) (noting that "it would more accurately be said that there was no pending action to which the intervention might attach"). It was just a ministerial change, leaving the substantive questions for resolution in the 2018 action. (Opinion 13.)

D. UAIC's Filings in Other Cases Are Immaterial

Procedurally, Nalder and Lewis cannot seek fees in other cases. Regardless, UAIC did not abuse the appellate process in any other case.

1. UAIC Acted Properly in the Rule 60(b) Appeal

In Docket No. 79487, UAIC did "the ethical thing" (Mot. 7) in confessing that this Court's decision in these consolidated writ petitions rendered its appeal moot. As UAIC could not have known when or how this Court would resolve these writ petitions, UAIC's requests for extensions in that appeal are not evidence that UAIC "never intended to file a brief." (*Contra* Mot. 5.) As discussed in UAIC's reply to the suggestion of mootness in that case, UAIC would have had meritorious arguments for Rule 60(b) relief. (Ex. C, Reply Brief on Mootness.)

2. The Writ Petition Was Not Frivolous

Likewise, UAIC's writ petition in Docket No. 80965 was taken in

good faith. After the Ninth Circuit determined that the statute of limitations on the 2008 judgment had expired, and this Court adopted that assumption in its answers to the certified questions, UAIC believed that the state district court should abstain from hearing Nalder's and Lewis's argument to undermine that determination. *See* NRAP 5(h); *Nalder*, 878 F.3d at 758 (confirming that this Court's answers would be "res judicata as to the parties"). Although this Court denied the petition in a standard order, citing the purely discretionary nature of this Court's intervention (Order Denying Petition, Ex. D), that did not resolve any substantive issue in the petition.

3. UAIC Prevailed on a Certified Question

Strangest of all is Nalder's and Lewis's request for fees in prosecuting the certified questions in Docket 70504. The Ninth Circuit had warned that "Nalder and Lewis must prevail on both questions," *Nalder*, 878 F.3d at 758, but they prevailed on just one, losing the second. (Ex. B, at 7.) Then, as now, they petitioned this Court for rehearing, and this Court refused. (Order Denying Rehearing, Ex E.)

This Court should do the same here and deny petitioners' motion.

Dated this 26th day of May, 2020.

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CERTIFICATE OF SERVICE

I certify that on May 26, 2020, I submitted the foregoing "Opposition to 'Motion for Attorney's Fees and Costs and for Reconsideration'" for filing *via* the Court's eFlex electronic filing system. Electronic notification will be sent to the following:

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A courtesy copy is also being provided to the respondent district court:

Honorable Eric Johnson
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/s/ Jessie M. Helm
An Employee of Lewis Roca Rothgerber Christie LLP

EXHIBIT D

EXHIBIT D

136 Nev., Advance Opinion 24

IN THE SUPREME COURT OF THE STATE OF NEVADA

CHEYENNE NALDER, AN INDIVIDUAL; AND GARY LEWIS, PETITIONERS AND REAL PARTIES IN INTEREST,
Petitioners,
vs.
THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; THE HONORABLE DAVID M. JONES, DISTRICT JUDGE; AND THE HONORABLE ERIC JOHNSON, DISTRICT JUDGE,
Respondents,
and
UNITED AUTOMOBILE INSURANCE COMPANY,
Real Party in Interest.

No. 78085

FILED
APR 30 2020
ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY
CHIEF DEPUTY CLERK

GARY LEWIS,
Petitioner,
vs.
THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; AND THE HONORABLE ERIC JOHNSON, DISTRICT JUDGE,
Respondents,
and
UNITED AUTOMOBILE INSURANCE COMPANY; AND CHEYENNE NALDER,
Real Parties in Interest.

No. 78243

20-16344

Consolidated original petitions for writs of mandamus challenging district court orders granting intervention, consolidation, and relief from judgment in tort actions.

Petitions granted in part and denied in part.

Christensen Law Offices, LLC, and Thomas Christensen, Las Vegas; E. Breen Arntz, Chtd., and E. Breen Arntz, Las Vegas,
for Petitioner Gary Lewis.

Stephens & Bywater, P.C., and David A. Stephens, Las Vegas,
for Petitioner/Real Party in Interest Cheyenne Nalder.

Lewis Roca Rothgerber Christie LLP and Daniel F. Polsenberg, Joel D. Henriod, J. Christopher Jorgensen, and Abraham G. Smith, Las Vegas; Winner & Sherrod and Matthew J. Douglas, Las Vegas,
for Real Party in Interest United Automobile Insurance Company.

BEFORE GIBBONS, STIGLICH and SILVER, JJ.

OPINION

By the Court, STIGLICH, J.:

These writ petitions arise from litigation involving a 2007 automobile accident where Gary Lewis struck then-minor Cheyenne Nalder. A default judgment was entered against Gary after he and his insurer, United Automobile Insurance Company (UAIC), failed to defend Cheyenne's tort action. After Cheyenne's attempt a decade later to collect on the judgment through a new action, UAIC moved to intervene in and consolidate the decade-old tort lawsuit and this new action, and the district court granted UAIC's motions. In these proceedings, we consider whether intervention and consolidation after final judgment is permissible. Because

we hold that intervention after final judgment is impermissible under NRS 12.130, we conclude that the district court erred in granting intervention in the initial action where a default judgment had been entered but properly granted intervention in the new action where a final judgment had not yet been entered. We also conclude that because an action that reached final judgment has no pending issues, the district court improperly consolidated the two cases. Finally, we conclude that the district court properly vacated a judgment erroneously entered by the district court clerk when a stay was in effect. Accordingly, we grant these petitions for extraordinary relief in part and deny in part.

FACTS

In July 2007, petitioner Gary Lewis struck then-minor petitioner/real party in interest Cheyenne Nalder with a vehicle. James Nalder, as guardian ad litem for Cheyenne, instituted an action in 2007 (Case No. 07A549111, hereinafter the 2007 case) seeking damages. In 2008, the district court entered a default judgment against Gary for approximately $3.5 million. Real party in interest UAIC did not defend the action because it believed that Gary's insurance policy at the time of the accident had expired. Subsequently, in a separate proceeding that was removed to federal court, the federal district court held that the insurance policy between UAIC and Gary had not lapsed because the insurance contract was ambiguous and, therefore, UAIC had a duty to defend Gary. The court, however, only ordered that UAIC pay James the policy limits.[1] Since 2008, James (on behalf of Cheyenne) has collected only $15,000—paid by UAIC—on the $3.5 million judgment.

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[1]James and Gary appealed that decision, which is now pending before the Ninth Circuit.

In 2018, the district court substituted Cheyenne for James in the 2007 case, given that she had reached the age of majority. Cheyenne subsequently instituted a separate action on the judgment (Case No. A-18-772220-C, hereinafter the 2018 case) or alternatively sought a declaration that the statute of limitations on the original judgment was tolled by Gary's absence from the state since at least 2010, Cheyenne's status as a minor until 2016, and UAIC's last payment in 2015. The complaint[2] sought approximately $5.6 million, including the original judgment plus interest.

UAIC moved to intervene in both the 2007 and the 2018 cases. While those motions were pending, Cheyenne and Gary stipulated to a judgment in favor of Cheyenne in the 2018 case. The district court did not approve their stipulation and granted UAIC's motions to intervene in both the 2007 and the 2018 cases. It also granted UAIC's motion to consolidate the 2007 and the 2018 cases, concluding that the two cases shared significant issues of law and fact, that consolidating the cases would promote judicial economy, and that no parties would be prejudiced. After consolidation, the 2018 case was reassigned from Judge Kephart to Judge Johnson, the judge overseeing the 2007 case.

During a hearing on the consolidated cases, the district court orally stayed the proceedings in the 2018 case pending the resolution of certified questions before this court in *Nalder v. United Automobile Insurance Co.*, Docket No. 70504. The district court subsequently granted the stay in a minute order. On the same day, Gary filed an acceptance of an offer of judgment from Cheyenne despite the stay, and the district court clerk entered the judgment the following day. The district court

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[2]Gary brought a third-party complaint against UAIC and its counsel in the 2018 case, which was later dismissed.

subsequently filed a written order granting the stay and, because of the stay, granted UAIC relief from and vacated the judgment.

Cheyenne and Gary filed this petition for a writ of mandamus in Docket No. 78085, asking this court to direct the district court to vacate the two orders granting UAIC's intervention in the 2007 and 2018 cases and to strike any subsequent pleadings from UAIC and related orders. Gary in Docket No. 78243 seeks a writ of mandamus directing the district court to vacate its order consolidating the cases, to reassign the 2018 case back to Judge Kephart, and to vacate its order granting UAIC's motion for relief from judgment. We have consolidated both petitions.

DISCUSSION

A writ of mandamus is available to compel the performance of an act that the law requires as a duty resulting from an office, trust, or station, or to control an arbitrary or capricious exercise of discretion. *Int'l Game Tech., Inc. v. Second Judicial Dist. Court*, 124 Nev. 193, 197, 179 P.3d 556, 558 (2008). Whether to entertain a writ of mandamus is within this court's discretion, and the writ will not be issued if the petitioner has a plain, speedy, and adequate legal remedy. *Smith v. Eighth Judicial Dist. Court*, 107 Nev. 674, 677, 818 P.2d 849, 851 (1991). Generally, orders granting intervention and orders granting consolidation can be challenged on appeal. *See generally, e.g., Lopez v. Merit Ins. Co.*, 109 Nev. 553, 853 P.2d 1266 (1993) (challenging intervention on appeal from final judgment); *Zupancic v. Sierra Vista Recreation, Inc.*, 97 Nev. 187, 625 P.2d 1117 (1981) (challenging consolidation on appeal from permanent injunction). Nonetheless, this court may still exercise its discretion to provide writ relief "under circumstances of urgency or strong necessity, or when an important issue of law needs clarification and sound judicial economy and administration favor the granting of the petition." *Cote H. v. Eighth*

Judicial Dist. Court, 124 Nev. 36, 39, 175 P.3d 906, 908 (2008) (internal quotation marks omitted).

Here, although we recognize that petitioners have a remedy by way of appeal, we exercise our discretion to consider these petitions because they raise important issues of law that need clarification. Namely, we clarify whether intervention is permissible in a case after final judgment has been reached. We also clarify whether consolidation of cases is proper where one case has no pending issues. Sound judicial economy and administration also militate in favor of granting this petition, as our extraordinary intervention at this time will prevent district courts from expending judicial resources on relitigating matters resolved by a final judgment and, additionally, will save petitioners the unnecessary costs of relitigation.

Intervention

Cheyenne and Gary argue that UAIC's intervention was improper in the 2007 and 2018 cases because a final judgment was reached in one and a written settlement agreement in the other. Determinations on intervention lie within the district court's discretion. *See Lawler v. Ginochio*, 94 Nev. 623, 626, 584 P.2d 667, 668 (1978). While we ordinarily defer to the district court's exercise of its discretion, "deference is not owed to legal error." *AA Primo Builders, LLC v. Washington*, 126 Nev. 578, 589, 245 P.3d 1190, 1197 (2010). Because its decision rested on legal error, we do not defer here to the district court's decision to permit UAIC's intervention in the 2007 case ten years after final judgment was entered.

NRS 12.130 provides that "[*b*]*efore the trial*, any person may intervene in an action or proceeding, who has an interest in the matter *in litigation*, in the success of either of the parties, or an interest against both." (Emphases added.) In *Ryan v. Landis*, in interpreting a nearly identical

predecessor to NRS 12.130, we adopted the principle that there could be no intervention after judgment, including default judgments and judgments rendered by agreement of the parties. 58 Nev. 253, 259, 75 P.2d 734, 735 (1938). We reaffirmed that principle in *Lopez v. Merit Insurance Co.*, 109 Nev. at 556-57, 853 P.2d at 1268. In reversing a lower court's decision allowing an insurance company to intervene after judgment, we reasoned, "[t]he plain language of NRS 12.130 does not permit intervention subsequent to entry of a final judgment." *Id.* at 556, 853 P.2d at 1268. We do not intend today to disturb that well-settled principle that intervention may not follow a final judgment, nor do we intend to undermine the finality and the preclusive effect of final judgments.

The record clearly shows that a final judgment by default was entered against Gary in 2008 in the 2007 case. Intervention ten years later was therefore impermissible. We reject UAIC's argument that intervention was permissible because the 2008 final judgment expired and is thus void.[3] Nothing permits UAIC to intervene after final judgment to challenge the validity of the judgment itself.[4] *See Ryan*, 58 Nev. at 260, 75 P.2d at 736

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[3]We additionally reject UAIC's argument that consolidation of the two cases provided a basis for intervention in the 2007 case or that there was a pending issue in the 2007 case. As discussed later, consolidation was improper, as there was no pending issue in the 2007 case. We also decline to consider UAIC's arguments that public policy warrants granting intervention or that NRS 12.130 is unconstitutional, because those arguments are waived. *See Old Aztec Mine, Inc. v. Brown*, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981) ("A point not urged in the trial court . . . is deemed to have been waived and will not be considered on appeal.").

[4]If UAIC wanted to challenge the validity of a judgment, it could have timely intervened before judgment to become a proper party to the litigation to challenge it under NRCP 60. *See* NRCP 60(b)-(c) (2005) (allowing parties

(rejecting the interveners' argument that intervention was timely because the judgment was void); *see also Eckerson v. C.E. Rudy, Inc.*, 72 Nev. 97, 98-99, 295 P.2d 399, 399 (1956) (holding that third parties attempting to intervene to challenge a default judgment could not do so after judgment had been entered and satisfied). We therefore hold that the district court acted in excess of its authority in granting UAIC's motion to intervene in the 2007 case.

Turning to the 2018 case, we determine that the district court properly granted UAIC's motion to intervene. The district court never entered judgment on the stipulation between Cheyenne and Gary. The stipulation therefore lacked the binding effect of a final judgment and did not bar intervention.[5] *Cf. Willerton v. Bassham*, 111 Nev. 10, 16, 889 P.2d 823, 826 (1995) ("Generally, a judgment entered by the court on consent of the parties after settlement or by stipulation of the parties is as valid and binding a judgment between the parties as if the matter had been fully tried, and bars a later action on the same claim or cause of action as the initial suit.").

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to move for relief from judgment). Alternatively, UAIC could have brought an equitable independent action to void the judgment. *See* NRCP 60(b) (permitting independent actions to relieve a party from judgment); *Pickett v. Comanche Const., Inc.*, 108 Nev. 422, 427, 836 P.2d 42, 45 (1992) (allowing nonparties to bring an independent action in equity if they could show that they were "directly injured or jeopardized by the judgment").

[5]We note that even if the court had approved the party's stipulation, there is no final judgment "[u]ntil a stipulation to dismiss this action is signed and filed in the trial court, or until this entire case is resolved by some other final, dispositive ruling . . . ." *Valley Bank of Nev. v. Ginsburg*, 110 Nev. 440, 446, 874 P.2d 729, 734 (1994).

We reject Cheyenne and Gary's argument that their agreement is sufficient to bar intervention. Our precedent holds that it is judgment, not merely agreement, that bars intervention. *Cf. Lopez*, 109 Nev. at 556, 853 P.2d at 1268 ("[T]his court has not distinguished between judgments entered following trial and *judgments entered* . . . by agreement of the parties." (emphasis added)); *see also Ryan*, 58 Nev. at 259-60, 75 P.2d at 735 ("The principle is the same if the *judgment* is by agreement of the parties." (emphasis added)). Allowing the agreement itself to bar intervention would permit the undesirable result of allowing parties to enter into bad-faith settlements and forbidding a third party potentially liable for the costs of the judgment from intervening because settlement was reached. *Cf. United States v. Alisal Water Corp.*, 370 F.3d 915, 922 (2004) ("Intervention, however, has been granted after settlement agreements were reached in cases where the applicants had no means of knowing that the proposed settlements was contrary to their interests.").

We also clarify that to the extent that our prior opinion in *Ryan* relies on *Henry, Lee & Co. v. Cass County Mill & Elevator Co.*, 42 Iowa 33 (1875), that reliance was intended to explain why our statute does not distinguish between a judgment rendered through verdict or through agreement of the parties. *See Ryan*, 58 Nev. at 260, 75 P.2d at 735. We did not, nor do we intend today, to state that a settlement agreement on its own stands in the place of a judgment. Neither does our opinion in *Dangberg Holdings Nevada, LLC v. Douglas County*, 115 Nev. 129, 139-40, 978 P.2d 311, 317 (1999), suggest so. In *Dangberg Holdings*, we only noted that there was nothing in the record to support petitioner's assertion that there was a finalized settlement agreement barring intervention. *See id.* We hold that

it is the judgment that bars intervention, not the agreement itself reached by the parties.

Additionally, we note that UAIC timely moved to intervene when it filed its motion one month before the agreement between Cheyenne and Gary was made. The situation here is distinguishable from the situation in *Ryan*, 58 Nev. at 259, 75 P.2d at 735, where we affirmed the district court's denial of a motion for intervention filed almost a year after judgment, and in *Lopez*, 109 Nev. at 555, 853 P.2d at 1267, where we reversed the grant of a motion to intervene filed after judgment was entered. While NRS 12.130 does not explicitly state whether the filing of the motion for intervention or the granting of the motion is the relevant date in determining timeliness, NRCP 24 permits intervention based on the timeliness of the *motion*. *See* NRCP 24(a) (2005)[6] ("Upon timely application anyone shall be permitted to intervene in an action . . . ."); NRS 12.130(1)(a) ("Before the trial, any person may intervene in an action or proceeding . . . ."); *Allianz Ins. Co. v. Gagnon*, 109 Nev. 990, 993, 860 P.2d 720, 723 (1993) ("Whenever possible, this court will interpret a rule or statute in harmony with other rules and statutes."). We consider the filing of the motion as controlling because any other interpretation would permit collusive settlements between parties one day after an absent third party

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[6]The Nevada Rules of Civil Procedure were amended effective March 1, 2019. *See In re Creating a Comm. to Update and Revise the Nev. Rules of Civil Procedure*, ADKT 522 (Order Amending the Rules of Civil Procedure, the Rules of Appellate Procedure, and the Nevada Electronic Filing and Conversion Rules, Dec. 31, 2018). Any references in this opinion to the Nevada Rules of Civil Procedure apply to the rules that were in effect during the district court proceedings in this case. *See In re Study Comm. to Review the Nev. Rules of Civil Procedure*, ADKT 276 (Order Amending the Nevada Rules of Civil Procedure, July 26, 2004).

tries to intervene or permit judicial delay and bias in determining timeliness.

UAIC also met NRCP 24's requirements for intervention. NRCP 24(a)(2) permits a party to intervene as a right where the party shows that (1) it has a sufficient interest in the subject matter of the litigation, (2) its ability to protect its interest would be impaired if it does not intervene, (3) its interest is not adequately represented, and (4) its application is timely. *Am. Home Assurance Co. v. Eighth Judicial Dist. Court*, 122 Nev. 1229, 1238, 147 P.3d 1120, 1126 (2006). UAIC has shown that it has a sufficient interest in the 2018 case, as it could potentially be liable for all or part of the judgment. Its ability to protect its interests would also be impaired without intervention because as an insurer, it would be bound to the judgment if it failed to defend. *See Allstate Ins. Co. v. Pietrosh*, 85 Nev. 310, 316, 454 P.2d 106, 111 (1969) ("[W]here the [insurance] company is given notice of the action, has the opportunity to intervene, and judgment is thereafter obtained . . . we hold that the company should be bound . . ."). UAIC's interests are not adequately represented by Gary, whose interests are adverse to UAIC's and who is represented by the same counsel as Cheyenne. Lastly, UAIC timely moved to intervene in the 2018 case. UAIC's intervention in the 2018 case was therefore proper.[7]

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[7]We reject Cheyenne and Gary's arguments that UAIC provided them with improper notice of its motions to intervene and thereby deprived them of due process. UAIC complied with NRCP 24 and NRCP 5 to provide Cheyenne with sufficient notice of UAIC's motions. *See* NRCP 5(b)(2) (permitting service by mailing a copy to the attorney or party's last known address or by electronic means); NRCP 5(b)(4) ("[F]ailure to make proof of service shall not affect the validity of the service."); NRCP 24(c) ("A person desiring to intervene shall serve a motion to intervene upon the parties as

Accordingly, we hold that the district court was required by law to deny UAIC leave to intervene in the 2007 case but did not arbitrarily and capriciously act when granting UAIC leave to intervene in the 2018 case.

Consolidation

NRCP 42(a) allows consolidation of pending actions that involve "a common question of law or fact." Like under its identical federal counterpart, a district court enjoys "broad, but not unfettered, discretion in ordering consolidation." *Marcuse v. Del Webb Cmtys., Inc.*, 123 Nev. 278, 286, 163 P.3d 462, 468 (2007). However, this rule "may be invoked only to consolidate actions already pending." *Pan Am. World Airways, Inc. v. U.S. Dist. Court*, 523 F.2d 1073, 1080 (9th Cir. 1975). We determine that the district court improperly consolidated the 2007 and 2018 cases because a recently filed action cannot be consolidated with an action that reached a final judgment.

In *Lee v. GNLV Corp.*, 116 Nev. 424, 426, 996 P.2d 416, 417 (2000), we clarified that "a final judgment is one that disposes of all the issues presented in the case, and leaves nothing for the future consideration of the court, except for post-judgment issues such as attorney's fees and costs." Thus, when a final judgment is reached, there necessarily is no "pending" issue left. *See Simmons Self-Storage Partners, LLC v. Rib Roof, Inc.*, 127 Nev. 86, 91 n.2, 247 P.3d 1107, 1110 n.2 (2011) (noting that where issues remain pending in district court, there is no final judgment); *see also*

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provided in Rule 5."). While we recognize that Gary was not given prior notice of the motions to intervene, Gary had post-hearing opportunities to be heard on the issue. *See Parratt v. Taylor*, 451 U.S. 527, 543-44 (1981) (recognizing that due process rights may be adequately protected by postdeprivation remedies), *overruled on other grounds by Daniels v. Williams*, 474 U.S. 327, 330-31 (1986).

Pending, *Black's Law Dictionary* (10th ed. 2014) (defining "pending" as "[r]emaining undecided; awaiting decision").

No pending issue remained in the 2007 case. A default judgment was entered against Gary in 2008 in the 2007 case, which resolved all issues in the case and held Gary liable for about $3.5 million in damages. Amending the 2008 judgment in 2018 to replace James' name with Cheyenne's was a ministerial change that did not alter the legal rights and obligations set forth in the original judgment or create any new pending issues. *See Campos-Garcia v. Johnson*, 130 Nev. 610, 612, 331 P.3d 890, 891 (2014) (noting that an "amended judgment" that does not alter legal rights and obligations leaves the original judgment as the final, appealable judgment). While the 2007 and 2018 actions share common legal issues and facts, no issue or fact is pending in the 2007 action that permits it to be consolidated with another case.

We reiterate our goal of promoting judicial efficiency in permitting consolidation. *See Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 852, 124 P.3d 530, 541 (2005). Allowing a case that has reached final judgment to be consolidated with a newer case undermines that goal by permitting relitigation of resolved issues and requiring parties to spend unnecessary additional court costs. We hold that the district court improperly granted UAIC's motion to consolidate the 2007 and 2018 cases.[8]

Relief from judgment

Finally, we address whether the district court erred in vacating the judgment entered by the clerk pursuant to NRCP 68 after Gary filed an

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[8]Because we hold that the district court abused its discretion in granting consolidation, we do not reach Gary's due process arguments against the motion.

acceptance of Cheyenne's offer of judgment. NRCP 60(b)(1) allows the district court to relieve a party from judgment for "mistake, inadvertence, surprise, or excusable neglect." Here, the district court granted UAIC's motion for relief from the judgment because the clerk mistakenly entered judgment when the case was stayed. Reviewing the district court's decision on whether to vacate a judgment for an arbitrary and capricious exercise of discretion, *Cook v. Cook*, 112 Nev. 179, 181-82, 912 P.2d 264, 265 (1996), we determine that the district court did not err.

Gary argues that the district court improperly voided the judgment resulting from Cheyenne and Gary's settlement because judgment was entered before the written stay was filed. While we recognize that judgment was entered before the written stay was filed, we note that it was entered *after* the district court entered a minute order granting the stay.

Generally, a "court's oral pronouncement from the bench, the clerk's minute order, and even an unfiled written order are ineffective." *Millen v. Eighth Judicial Dist. Court*, 122 Nev. 1245, 1251, 148 P.3d 694, 698 (2006) (quoting *Rust v. Clark Cty. Sch. Dist.*, 103 Nev. 686, 689, 747 P.2d 1380, 1382 (1987)). These include "[d]ispositional court orders that are not administrative in nature, but deal with the procedural posture or merits of the underlying controversy." *State, Div. of Child & Family Servs. v. Eighth Judicial Dist. Court*, 120 Nev. 445, 455, 92 P.3d 1239, 1246 (2004). However, "[o]ral orders dealing with summary contempt, case management issues, scheduling, administrative matters or emergencies that do not allow a party to gain a procedural or tactical advantage are valid and enforceable." *Id.*

We determine that a minute order granting a stay operates like an administrative or emergency order that is valid and enforceable. A stay suspends the authority to act by operating upon the judicial proceeding itself rather than directing an actor's conduct. *Nken v. Holder*, 556 U.S. 418, 428-29 (2009). It is analogous to a judge orally disqualifying himself in *Ham v. Eighth Judicial Dist. Court*, 93 Nev. 409, 410-11, 566 P.2d 420, 421-22 (1977), which we deemed administrative because it did not direct the parties to take action, dispose of substantive matters, or give any party a procedural or tactical advantage. *State, Div. of Child & Family Servs.*, 120 Nev. at 453, 92 P.3d at 1244. A stay preserves the "*status quo ante*," and thus the parties may not modify the rights and obligations litigated in the underlying matter.[9] *Westside Charter Serv., Inc. v. Gray Line Tours of S. Nev.*, 99 Nev. 456, 460, 665 P.2d 351, 353 (1983). We hold that the district court's minute order was an effective stay and the clerk mistakenly entered Cheyenne and Gary's settlement judgment. We likewise reject Gary's argument that the district court vacating the parties' judgment, ex parte, violated due process. We note that the district court could have *sua sponte* vacated the mistakenly entered judgment without notice to the parties. *See* NRCP 60(a) ("[C]lerical mistakes in judgments . . . arising from oversight or omission may be corrected by the court at any time of its own initiative . . . and after such notice, if any, as the court orders."). In *Marble*

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[9]Gary argues that parties can settle during a stay. We need not consider that argument because he fails to cite to any supporting authority for this proposition. *See Edwards v. Emperor's Garden Rest.*, 122 Nev. 317, 330 n.38, 130 P.3d 1280, 1288 n.38 (2006) (providing that appellate courts need not consider claims that are not cogently argued or supported by relevant authority). Even assuming arguendo that parties can settle on their own during a stay, nothing permits *entry* of that settlement agreement by the court during a stay.

v. Wright, 77 Nev. 244, 248, 362 P.2d 265, 267 (1961), we distinguished a clerical error as "a mistake or omission by a clerk, counsel, judge, or printer [that] is not the result of the exercise of the judicial function" and "cannot reasonably be attributed to the exercise of judicial consideration or discretion." The clerk's entry here of the judgment was a clerical mistake that did not involve any judicial discretion. Therefore, notice was not required, Gary's due process rights were not violated, and the district court properly vacated the judgment.

CONCLUSION

We conclude that intervention after final judgment is impermissible, and the district court erred in granting intervention in the 2007 case. We also conclude that an action that reached final judgment has no pending issues, and therefore, the district court improperly consolidated the 2007 and 2018 cases. Finally, we conclude that a minute order granting a stay is effective, and the district court properly vacated the erroneously entered settlement judgment between the parties. Accordingly, we grant in part and deny in part Cheyenne and Gary's petition in Docket No. 78085 and direct the clerk of this court to issue a writ of mandamus instructing the district court to vacate its order granting UAIC leave to intervene in Case No. 07A549111 and to strike any related subsequent pleadings and orders. We also grant in part and deny in part Gary's petition in Docket No. 78243 and direct the clerk of this court to issue a writ of mandamus instructing the district court to vacate its order granting UAIC's motion to

consolidate Case Nos. 07A549111 and A-18-772220-C, and to reassign Case No. A-18-772220-C to Judge Kephart.[10]

_____, J.
Stiglich

We concur:

_____, J.
Gibbons

_____, J.
Silver

[10]Gary also seeks our intervention to direct the district court to strike as void any orders issued in the 2018 case by Judge Johnson regarding the third-party complaint. We decline that request because Gary has failed to demonstrate why he is seeking this relief and any allegations of conflicts of interest in the petition do not relate to Judge Johnson. *See Edwards*, 122 Nev. at 330 n.38, 130 P.3d at 1288 n.38.

EXHIBIT E

EXHIBIT E

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

JAMES NALDER, et al, Plaintiffs, vs. GARY LEWIS, et al, Defendants. AND ALL RELATED PARTIES	)	CASE NO. 07A549111 A-18-772220-C DEPT NO. XX **Transcript of Proceedings**

BEFORE THE HONORABLE ERIC JOHNSON, DISTRICT COURT JUDGE

DEFENSE'S MOTION TO WITHDRAW ON ORDER SHORTENING TIME DEFENDANT'S MOTIONS TO DISMISS AND MOTIONS FOR RELIEF DEFENDANT'S MOTIONS TO STRIKE MOTIONS TO DISMISS AND FOR RELIEF UAIC'S MOTION FOR RELIEF, MOTION TO DISMISS PLAINTIFFS' COMPLAINT, MOTION FOR COURT TO DENY STIPULATION TO ENTER JUDGMENT BETWEEN PLAINTIFF AND LEWIS, AND OPPOSITION TO THIRD PARTY PLAINTIFF LEWIS'S MOTION FOR RELIEF FROM ORDER AND JOINDER IN MOTIONS FOR RELIEF FROM ORDERS ON ORDER SHORTENING TIME

WEDNESDAY, JANUARY 9, 2019

APPEARANCES:

FOR THE PLAINTIFFS:	DAVID ALLEN STEPHENS, ESQ.
FOR THE THIRD PARTY PLAINTIFF GARY LEWIS:	THOMAS F. CHRISTENSEN, ESQ.
FOR THE DEFENDANT GARY LEWIS:	BREEN E. ARNTZ, ESQ.
FOR THIRD PARTY DEFENDANTS:	DAN R. WAITE, ESQ. MATTHEW J. DOUGLAS, ESQ. THOMAS E. WINNER, ESQ.

RECORDED BY: ANGIE CALVILLO, COURT RECORDER
TRANSCRIBED BY: JULIE POTTER, TRANSCRIBER

THE COURT: Okay. Now I'm -- but, I mean, that's -- that's obviously -- I mean, you refer to it as a minor demonstration that the judgment is still valid, but if the judgment isn't still valid in view of the underlying three and a half million dollars, I mean, that UAIC may be liable for, it obviously is -- I don't -- you know, whether or not that judgment is still valid is not what I would consider a minor -- minor question.

MR. CHRISTENSEN: Well, it actually -- and I apologize for calling it a minor question. It's -- with regard to the one aspect, that's not even the question in the first case. In the -- in the amendment of the judgment to Cheyenne Nalder, that is just an amendment of the judgment. That does nothing.

THE COURT: Well, I mean, if it's -- I would agree. I mean, if it had expired, I mean, it doesn't --

MR. CHRISTENSEN: It's an amendment of the expired judgment.

THE COURT: -- it doesn't --

MR. CHRISTENSEN: If it's --

THE COURT: It's an amendment of an expired judgment.

MR. CHRISTENSEN: If it's still valid, it's an amendment of a valid judgment.

THE COURT: Okay. Yeah.

MR. CHRISTENSEN: And we, of course, say it's an amendment of a valid judgment. But so to set aside that order

whether or not the judgment continued. I definitely would agree you would have had to -- you know, that there had to be more done in that regard. So if I -- if that's the way I look at it, I mean, how is that handicapping you in some way?

MR. DOUGLAS: Well, Your Honor, I understand your point and clearly, you know, something to consider. The problem is, you know, I don't know eventually what an appellate court might say, and to us this looked like an attempt to an end around the jurisdiction of the Supreme Court and -- and somehow sanctify what was an expired judgment without going through the renewal process that [indiscernible] requires --

THE COURT: Let me -- let me tell you how I'm leaning on terms of your -- well, let me deal with -- with the issue relating to intervention. I don't see any issue with the intervention in the 2018 case. I have serious concerns in reference to the 2007 case, but I do think that there are distinctions factually between those cases that say once you've got a final judgment you can't come hopping into it.

And what's happening here, which is, you know, does that judgment continue to exist. And, essentially, we have new litigation on that, which I think -- so I am going to be denying the motion to strike the intervention. I'm leaning -- I mean, my inclination at this point is to deny your motion to -- for relief from judgment pursuant to NRCP 60. But I want to make it clear in any -- in my order that, you know, I just see that as

CERTIFICATION

I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

AFFIRMATION

I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

Julie Potter
Kingman, AZ 86402
(702) 635-0301

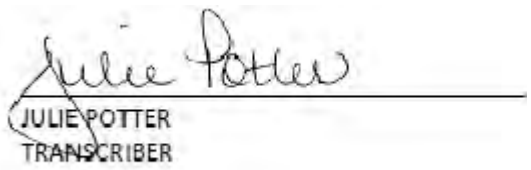

EXHIBIT F

EXHIBIT F

IN THE SUPREME COURT OF THE STATE OF NEVADA

GARY LEWIS,

Petitioner,

vs.

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK THE HONORABLE ERIC JOHNSON, DISTRICT COURT JUDGE,

Respondent,

And
UNITED AUTOMOBILE INSURANCE COMPANY, AND CHEYENNE NALDER,

Real Parties in Interest.

Supreme Court No. 78243

RESPONSE OF CHEYENNE NALDER TO PETITION FOR WRIT OF MANDAMUS

Real Party in Interest, Cheycnne Nalder, through her attorneys, Stephens & Bywater, P.C., hereby notes that her interests are much more aligned with the interests of Gary Lewis relative to the instant Petition for Writ of Mandamus, and thus, she

hereby advises this Court that she does not anticipate filing an answer to the Petition for Writ of Mandamus.

Dated this 16th day of April, 2019.

_S/ David A Stephens_____
DAVID A. STEPHENS, ESQ.
Nevada Bar No. 00902
STEPHENS & BYWATER, P.C.
3636 North Rancho Drive
Las Vegas, Nevada 89130
Attorney for Cheyenne Nalder

CERTIFICATE OF SERVICE

I hereby certify that this document was filed electronically with the Nevada Supreme Court on the 16th day of April, 2019. Electronic service of the foregoing "**RESPONSE OF CHEYENNE NALDER TO PETITION FOR WRIT OF MANDAMUS**" shall be made in accordance with the Master Service List as follows:

Matthew Douglas, Esq.
Atkin Winner & Sherrod
1117 South Rancho Drive
Las Vegas, NV 89102
Attorney for Real Party in Interest
United Automobile Insurance Company

Thomas F. Christensen, Esq.
Christensen Law Offices
1000 S. Valley View Boulevard
Las Vegas, NV 89107
Attorney for Petitioner Gary Lewis

E. Breen Arntz, Esq.
5545 Mountain Vista, Suite E
Las Vegas, NV 89120
Attorney for Gary Lewis

I further certify that I served a copy of this document by mailing a true and correct copy thereof, postage prepaid, at Las Vegas, Nevada, addressed as follows:

The Honorable Eric Johnson
Department XX
Regional Justice Center, Courtroom 12A
200 Lewis Ave
Las Vegas, Nevada 89155

_S/ David A. Stephens
Employee of Stephens and Bywater, P.C.

EXHIBIT G

EXHIBIT G

IN THE SUPREME COURT OF THE STATE OF NEVADA

CHEYENNE NALDER, an individual, and GARY LEWIS Petitioners and Real Parties in Interest vs. EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK THE HONORABLE DAVID JONES AND ERIC JOHNSON, DISTRICT COURT JUDGES, Respondents, And UNITED AUTOMOBILE INSURANCE COMPANY, Respondent.	Supreme Court No. _____ District Court Case No. 07A549111 Consolidated with 18-A-772220 DEPT. NO: XX

PETITION FOR WRIT OF MANDAMUS

DAVID A. STEPHENS, ESQ.
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Telephone: (702) 656-2355
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Attorney for Cheyenne Nalder

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Telephone: (702) 384-8000
breen@breen.com
Attorney for defendant Gary Lewis

INTRODUCTION

Petitioners, CHEYENNE NALDER and GARY LEWIS ("Petitioners") by and through their attorneys of record, DAVID A. STEPHENS, ESQ., E. BREEN ARNTZ, ESQ., respectively, hereby petition for a Writ of Mandamus, pursuant to NRS §34.160 – 34.310 and NRAP 21, directing the Eighth Judicial District Court of the State of Nevada ("District Court") or Respondent court to:

Vacate its October 19, 2018 orders; wherein, the District Court granted leave to intervene after Judgment had already been entered in these actions. This Petition is supported by the attached Memorandum of Points and Authorities, the accompanying Appendix, all papers filed with the District Court in this matter, and argument by counsel that the Court may entertain.

DATED this 7th day of February, 2019.

S/David A Stephens
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Telephone: (702) 384-8000
breen@breen.com
Attorney for defendant Gary Lewis

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TABLE OF AUTHORITIES

Cases

Statutes

AFFIDAVIT OF DAVID A. STEPHENS, ESQ. IN SUPPORT OF PETITION FOR WRIT OF MANDAMUS

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

DAVID A. STEPHENS, ESQ., being first duly sworn, deposes and says:

1. That I am an attorney at law duly licensed to practice in the State of Nevada, with my office being located at 3636 North Rancho Drive, Las Vegas, Nevada 89130 and I represent the Petitioner, Cheyenne Nalder.
2. That the following narrative of facts and procedural history are based on my own personal knowledge, or are based on my belief and understanding as counsel. Petitioners personally are not personally giving this Affidavit because the salient issues involved in this Petition are issues of law and procedure.
3. Pursuant to NRS § 34.160, Petitioners request relief in the form of a Writ of Mandamus directing the Respondent Court to: Vacate its October 19, 2018 Order, wherein the District Court Granted leave to UAIC to intervene after Judgment had already been entered. (See Ex. 6). Further, all pleadings filed by UAIC in the Nalder v. Lewis litigation should be stricken and Orders entered at UAIC's request be voided.

4. Pursuant to NRS § 34.160, Petitioners further request relief in the form of a Writ of Mandamus directing the Respondent Court to: Vacate its October 19, 2018 Order wherein the District Court Granted leave to UAIC to intervene after settlement had already been filed. (See Ex. 7). Further, all pleadings filed by UAIC should be stricken and Orders entered at UAIC's request be voided.
5. That a Writ review is necessary because as Petitioner contends and believes there are no disputed factual issues existing regarding the fact that intervention was not granted until after judgment was entered, and there are no legal issues as intervention is **never** permitted after judgment is entered in any action. Petitioners do not have a plain, speedy and adequate remedy in the ordinary course of law.
6. That Judgment was entered on August 26, 2008 in favor of James Nalder as guardian ad litem of Cheyanne Nalder and against Gary Lewis. (See Ex. 1.)
7. That an Amended Judgment was entered on March 28, 2018 in favor of Cheyenne Nalder and against Gary Lewis. (See Ex. 2.)
8. That a complaint was filed in Case No 18-A-772220 and the main claim was an action on the August 26, 2008 judgment pursuant to *Mandelbaum v. Gregovich*, 24 Nev. 154, 50 P. 849 (1897).

9. That the parties resolved the dispute and signed and filed a stipulation settling the case of 18-A-772220 on September 13, 2018. (See Ex. 4).

10. That United Automobile Insurance Company, who was not a party at the time, or at any time prior to judgment being entered, filed defectively noticed motions to intervene in both actions. (See Ex. 3.)

11. That service of both motions was defective on the face of the certificates of service. (See Ex. 3).

12. That I was not served with either of UAIC's Motions to Intervene, as detailed in my Opposition and subsequent Motion to Set Aside. (See Ex. 5.)

13. That on October 19, 2019, subsequent to the entry of the final judgment and settlement in these respective matters, the lower court granted UAIC's motions. (See Ex. 6 & 7.)

14. This Petition is made and based upon the Memorandum of Points and Authorities attached below and the exhibits contained in the concurrently filed appendix.

15. Attached as **Exhibit 1** to Petitioner's Appendix is a true and correct copy of the Notice of Entry of Judgment in favor of James Nalder (August 26, 2008).

16. Attached as **Exhibit 2** to Petitioner's Appendix is a true and correct copy of the Amended Judgment in favor of Cheyenne Nalder (March 28, 2018).

17. Attached as **Exhibit 3** to Petitioner's Appendix is a true and correct copy of UAIC's Motions to Intervene (August 16, 2018 & August 17, 2018).

18. Attached as **Exhibit 4** to Petitioner's Appendix is a true and correct copy of the signed and filed Stipulation settling the case of 18-A-772220 (September 13, 2018).

19. Attached as **Exhibit 5** to Petitioner's Appendix is a true and correct copy of my Opposition (October 8, 2019) and subsequent Motion to Set Aside (December 13, 2018).

20. Attached as **Exhibit 6** to Petitioner's Appendix is a true and correct copy of the Order filed granting Intervention in Case 07A549111 (October 19, 2019).

21. Attached as **Exhibit 7** to Petitioner's Appendix is a true and correct copy of the Order filed granting Intervention in Case A-18-772220-C (October 19, 2019).

///

///

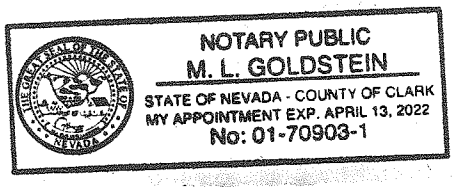
22. Attached as **Exhibit 8** to Petitioner's Appendix is a true and correct copy of UAIC's motion to consolidate on Order Shortening Time (sans exhibits) (November 26, 2018)

FURTHER AFFIANT SAYETH NAUGHT.

DAVID A. STEPHENS, ESQ.

Subscribed and sworn to before me
this 7th day of January, 2019.

NOTARY PUBLIC, in and for said County and State



AFFIDAVIT OF E. BREEN ARNTZ, ESQ. IN SUPPORT OF PETITION FOR WRIT OF MANDAMUS

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

E. BREEN ARNTZ, ESQ., being first duly sworn, deposes and says:

1. That I am an attorney at law duly licensed to practice in the State of Nevada, with my office being located at and I represent the Petitioner, Gary Lewis, who resides in California.
2. That the following narrative of facts and procedural history are based on my own personal knowledge, or are based on my belief and understanding as counsel. Petitioners personally are not personally giving this Affidavit because the salient issues involved in this Petition are issues of law and procedure.
3. Pursuant to NRS § 34.160, Petitioners request relief in the form of a Writ of Mandamus directing the Respondent Court to:Vacate its October 19, 2018 Order, wherein the District Court Granted leave to UAIC to intervene after Judgment had already been entered in this action. (See Ex. 6). Further, all pleadings filed by UAIC in the Nalder v. Lewis

litigation should be stricken and Orders entered at UAIC's request be voided.

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5. That a Writ review is necessary because as Petitioner contends and believes there are no disputed factual issues existing regarding the fact that intervention was not granted until after judgment was entered, and there are no legal issues as intervention is **never** permitted after judgment is entered in any action. Petitioners do not have a plain, speedy and adequate remedy in the ordinary course of law.
6. That Judgment was entered on August 26, 2008 in favor of James Nalder as guardian ad litem of Cheyanne Nalder and against Gary Lewis. See Ex. 1.
7. That, an Amended Judgment was entered on March 28, 2018 in favor of Cheyenne Nalder and against Gary Lewis. See Ex. 2.

8. That a complaint was filed in Case No 18-A-772220 and the main claim was an action on the August 26, 2008 judgment pursuant to *Mandelbaum v. Gregovich*, 24 Nev. 154, 50 P. 849 (1897) .

9. That the parties resolved the dispute and signed and filed a stipulation settling the case of 18-A-772220 on September 13, 2018. See Ex. 4.

10. That United Automobile Insurance Company, who was not a party at the time, or at any time prior to judgment being entered, filed defectively noticed motions to intervene in both actions. *See* Ex 3.

11. That neither I nor my client nor any other attorney on his behalf was served with either of UAIC's Motions to Intervene.

12. That on October 19, 2019, even though subsequent to the entry of the final judgment and filing of the settlement in these respective matters, the lower court granted UAIC's motions. See Ex. 6 & Ex. 7.

13. This Petition is made and based upon the Memorandum of Points and Authorities attached below and the exhibits contained in the concurrently filed appendix.

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20. Attached as **Exhibit 7** to Petitioner's Appendix is a true and correct copy of the Order filed granting Intervention in Case A-18-772220-C (October 19, 2019).

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21. Attached as **Exhibit 8** to Petitioner's Appendix is a true and correct copy of UAIC's motion to consolidate on Order Shortening Time (sans exhibits) (November 26, 2018)

FURTHER AFFIANT SAYETH NAUGHT.

E. Breen Arntz, Esq.

STEPHANIE MARTINEZ
Notary Public-State of Nevada
APPT. NO. 18-1983-1
My Appt. Expires 01-10-2022

Subscribed and sworn to before me
this 6 day of February, 2019.

NOTARY PUBLIC, in and for said
County and State

II. STATEMENT OF RELIEF SOUGHT

Petitioners request that this Honorable Court: Issue a Writ of Mandamus requiring the District Court to vacate its prior order allowing UAIC to intervene subsequent to judgment being entered in this action, and enter an order denying the said motion as NRS 12.130 does not permit intervention subsequent to trial or settlement or the entry of a judgment in any action.

Petitioners further request that this Honorable Court: Issue a Writ of Mandamus directing the District Court to strike any and all Pleadings filed in the Nalder v. Lewis actions by UAIC after the granting of its Intervention.

III. STATEMENT OF RELEVANT FACTS

A. Relevant Procedural Facts

On June 3, 2008, the lower court signed the final judgment in this action in favor of Petitioner, CHEYENNE NALDER, (a minor) through her guardian ad litem James Nalder and against the sole Defendant in that action, GARY LEWIS. (Ex. 1.) Notice of Entry of that Judgment was filed on August 26, 2008. (Ex 1.) This final judgment resolved this dispute as to the parties involved. On March 22, 2018, Petitioner Cheyenne Nalder filed her Ex Parte

Motion to Amend the Judgment to reflect her own name because she was no longer a minor. The Amended Judgment was thereafter filed on March 28, 2018. See, Ex. 2.

More than 10 years after the original, final judgment in this case was filed, United Automobile Insurance Company, filed a Motion to Intervene. See, Ex. 3. The Motions, based on the certificates of "service," were not served on any of the parties, but was ultimately opposed by Cheyenne Nalder's counsel. The Opposition and Motion to Aside later filed detailed not only the procedural defects of UAIC's Motion, but also included the very clear and well settled case law that does not allow for intervention after a final judgment or settlement. See Ex. 5. Even though the Nevada Supreme Court has clearly and consistently held that "in all cases" intervention must be before judgment is entered and that intervention is **never** permitted after judgment is entered or settlement reached, the lower Court, without hearing oral argument, allowed UAIC to Intervene. The Order was filed and entered on October 19, 2018. See, Ex. 6 & 7. Since its intervention, UAIC has made several strategic filings which complicate this previously resolved matter, including a Motion to Consolidate this action with another action. See Ex. 8. This action was, many

years ago, resolved, yet now is consolidated with a new action that involves different facts and issues of law. This Writ is therefore necessary.

IV. STATEMENT OF THE LAW

A. Writ of Mandamus Authority

NRAP 21 sets forth the procedural rules required to qualify for a Writ of Mandamus. Rule 21(b) sets forth the general requirements of a Writ Petition. Writ Petitions require a statement of: (a) the relief sought; (b) the issues presented; (c) the facts necessary to understand the issues presented by the petition; and (d) the reasons why the writ should issue, including points and legal authorities.

Mandamus is an extraordinary remedy, and the decisions as to whether a petition will be entertained lies within the discretion of the Supreme Court. *Poulos v. Eighth Judicial Dist. Court of State of Nev. In and For Clark County*, 98 Nev. 272, 652 P.2d 1177 (1974). Mandamus should not be used unless the usual and ordinary remedies fail to provide a plain, speedy, and adequate remedy, and without it there would be a failure of justice. *See*, *Stromberg v. Second Jud. Dist. Ct. ex rel. County of Washoe*, 125 Nev. 1, 200 P.3d 509, 511 (2009). This Court "will exercise [its] discretion to consider writ petitions despite the existence of an otherwise adequate legal remedy when an important issue of law needs

clarification, and this court's review would serve considerations of public policy, sound judicial economy, and administration." *City of N. Las Vegas v. Eighth Judicial Dist. Court ex. Rel. County of Clark*, 122 Nev. 1197, 1204, 147 P.3d 1109, 1114 (2006).

V. ARGUMENT

a. Intervention was Improper.

Intervention was unknown at common law and is creature of statute. *Geis v. Geis*, 125 Neb. 394, 250 N.W. 252 (1933). In Nevada, NRS 12.130 permits a party to intervene under certain circumstances. The statute, in its entirety, reads as follows:

> **NRS 12.130 Intervention: Right to intervention; procedure, determination and costs; exception.**
>
> 1. Except as otherwise provided in subsection 2:
>
> (a) **Before the trial,** any person may intervene in an action or proceeding, who has an interest in the matter in litigation, in the success of either of the parties, or an interest against both.
>
> (b) An intervention takes place when a third person is permitted to become a party to an action or proceeding between other persons, either by joining the plaintiff in claiming what is sought by the complaint, or by uniting with the defendant in resisting the claims of the plaintiff, or by demanding anything adversely to both the plaintiff and the defendant.

(c) Intervention is made as provided by the Nevada Rules of Civil Procedure.

(d) The court shall determine upon the intervention at the same time that the action is decided. If the claim of the party intervening is not sustained, the party intervening shall pay all costs incurred by the intervention.

2. The provisions of this section do not apply to intervention in an action or proceeding by the Legislature pursuant to NRS 218F.720. (Emphasis added.)

As the Court can see, NRS 12.130 specifically states "before the trial any person may intervene in an action or proceeding, who has an interest in the matter in litigation, in the success of either of the parties, or an interest against both." The Nevada Supreme Court has previously held "***The plain language of NRS 12.130 does not permit intervention subsequent to the entry of a final judgment***." *Lopez v. Merit Insurance Co.*, 853 P.2d 1266, 1268 (1993) (emphasis added).

In *Lopez*, Plaintiffs, Eric and Erwin Lopez, sued Defendant Leone for injuries stemming from a motor vehicle crash. Eric and Erwin agreed to accept Leone's policy limits in exchange for a covenant not to execute. Eric and Erwin then brought suit against Leone for purposes of having a judgment entered to collect applicable UM/UIM coverage from Merit Insurance. Eric and Erwin notified Merit about the action. The district court allowed Eric and Erwin to "prove up"

their damages in a hearing, and subsequently entered default judgments in favor of Eric and Erwin in excess of $100,000.00 each. "No appeal was taken from these judgments, and they became final." *Id.* at 1267. Subsequent to the entry of judgment in *Lopez*, Merit Insurance sought to have the judgments set aside. As the Court noted:

> Facing potential liability arising out of these judgments on its uninsured/underinsured motorist policy with Eric and Erwin's mother, Merit, on October 28, 1991, filed a "Motion To Set Aside Default Judgments And To Intervene." The district court granted both motions, finding that Eric and Erwin "did not give proper notice of the action and its trial to MERIT INSURANCE COMPANY. *Id*.

The Supreme Court reversed the lower court, holding that intervention cannot be had **under any circumstances** after judgment has been entered in an action. The Court explained its position as follows:

> NRS 12.130(1) provides that "***before the trial***, any person may intervene in an action or proceeding, who has an interest in the matter in litigation, in the success of either of the parties, or an interest against both." NRS 12.130(2) further provides that an intervenor may join the plaintiff "in claiming what is sought," or may join the defendant "in resisting the claims of the plaintiff." ***The plain language of NRS 12.130 clearly indicates that intervention is appropriate only during ongoing litigation***, where the intervenor has an opportunity to protect or pursue an interest which will otherwise be infringed. ***The plain language of NRS***

> ***12.130 does not permit intervention subsequent to the entry of a final judgment.***
>
> *Id.* at 1267-1268 (emphasis added).

The decision in *Lopez* reiterated the long standing prohibition against intervention post judgment. Dating all the way back to 1938, the Nevada Supreme Court has held that ***intervention cannot be had after a final judgment is entered***. *See, Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734. (1938). In *Ryan* the Court adopted the holding from a California decision a decade before which held that "***in all cases [intervention] must be made before trial***." *Id.* (citing *Kelly v. Smith* 204 Cal. 496, 268 P. 1057 (1928). The Nevada Supreme Court has subsequently confirmed "In refusing to allow intervention subsequent to the entry of a final judgment, ***this court has not distinguished between judgments entered following trial and judgments entered by default or by agreement of the parties."*** *Lopez v. Merit Insurance Co.*, 853 P.2d 1266, 1268 (1993) (emphasis added).

In *Dangberg Holdings. v. Douglas Co.*, 115 Nev. 129, 139 (Nev. 1999) the Supreme Court further clarified that intervention after judgment, **which includes settlement**, is not possible.

> **The plain language of NRS 12.130 does not permit intervention subsequent to the entry of a final judgment.** Lopez v. Merit Ins. Co., 109 Nev. 553, 556, 853 P.2d 1266, 1267-68 (1993). Additionally, in Ryan v. Landis, 58 Nev. 253, 260, 75 P.2d 734, 735 (1938)

> (quoting *Henry Lee Co. v. Elevator Co.*, 42 Iowa 33 (1918)), we reiterated that: "intervention must be made before the trial commences. After the verdict all would admit it would be too late to intervene. But **a voluntary agreement of the parties stands in the place of a verdict, and, as between the parties to the record as fully and finally determines the controversy as a verdict could do."** *Dangberg Holdings. v. Douglas Co.*, 115 Nev. 129, 139 (Nev. 1999). Emphasis added.

The Court has subsequently reiterated that NRS 12.130 does not permit intervention subsequent to the entry of a final judgment and that "***[i]n all cases***" intervention can only be granted before judgment is entered. *Id*.

Indeed, the Nevada Supreme Court has detailed its reasoning as to why NRS 12.130 does not permit intervention subsequent to the entry of final judgment and why intervention must "in all cases" be made before judgment is entered. The Court has explained, "It is not the intention of the statute that one not a party to the record shall be allowed to interpose and open up and renew a controversy which has been settled between the parties to the record, either by verdict or voluntary agreement. *Ryan v. Landis*, 58 Nev. 253, 260, 75 P.2d 734, 735. (1938) (quoting *Henry Lee & Co. v. Cass County Mill & Elevator Co.*, 42 Iowa 33 (1875).

In 1956, in the case of *Eckerson v. Rudy*, the Court not only recognized the long standing line of authority from the Nevada Supreme Court mandating that intervention cannot be had after judgment has been entered, but also noted that such a holding is supported by public policy. In that action, the appellant claimed that a default judgment was improperly entered, and that the appellant should have been allowed to intervene to set the default judgment aside. The Court held, "This they may not do by intervention where the controversy is ended and settled to the satisfaction of the parties litigant." *Eckerson v. Rudy*, 72 Nev. 97, 295 P.2d 399, 400 (1956).

In 1968, in the case of *McLaney v. Fortune Operating Co.*, the Nevada Supreme Court reversed the lower court's decision to allow intervention after judgment had been entered. The opinion states "The lower court allowed [appellants] to intervene . . . after judgment. ***The motion to intervene came too late and should have been denied***." *McLaney v. Fortune Operating Co.*, 84 Nev. 491, 499, 444 P.2d 505, 510 (1968).

In 1993, in *Lopez v. Merit Insurance Co.*, 853 P.2d 1266 (1993), the Nevada Supreme Court again confirmed its long held position that "in all cases" intervention cannot be granted after the entry of judgment. The Court detailed the long and consistent line of authority upholding NRS 12.130, which does not allow

intervention after judgment has been entered. The Court discussed case after case where appellants, over the course of several decades, had asked district courts to allow them to intervene for myriad reasons. Without exception, every time a district court judge found that intervention could not be had after judgment had been entered the district court judge's decision was upheld. Without exception, every time a district court judge allowed intervention after judgment was entered the district court judge's decision was reversed. ***In the instant Writ, Petitioners seek nothing other than to be treated the same way every other litigant who has presented this issue to the Court has been treated since 1938.***

In the instant action, a final judgment was entered on August 26, 2008. That judgment had remained on the docket that way for the better part of ten years. In 2018, the judgment creditor, (who had recently reached the age of majority), petitioned the Court to Amend the judgment to reflect her own name. ***Subsequent*** to final judgment being entered, and ***subsequent*** to the Amended final judgment being entered, UAIC was allowed to intervene in this matter. There is no dispute that the motion to intervene was granted subsequent to final judgment being entered. There is no dispute that Nevada authority holds that NRS 12.130 ***does not permit*** intervention subsequent to the entry of a final judgment, or that "in all

cases" intervention is not allowed after judgment. Intervention can never be (and has never been) permitted after a final judgment has been entered, and should not have been permitted by the lower court in this action.

It is not disputed that in case number 18-A-772220 the parties to the litigation entered into a written settlement agreement filed in the action (Ex. 4) and the Court below still allowed intervention contrary to the long line of cases.

The lower court's orders allowing UAIC to intervene subsequent to final judgment or settlement being entered flies in the face of almost a century of clear and consistent holdings from the Nevada Supreme Court which have, in the most broad terms possible ("in all cases") unequivocally held that intervention cannot be allowed for any reason after judgment has been entered. UAIC's concerns, just like the concerns raised by Merit Insurance about not being properly notified in *Lopez*, do not change the fact that intervention can never be (and never has been) allowed after judgment has been entered. UAIC cannot identify, and the lower court did not identify, a single case in all of Nevada's jurisprudence where intervention has ever been allowed subsequent to judgment being entered. The lower court's order should be vacated as it violated the core principles of *stare*

decisis which required that UAIC's motions for intervention subsequent to the entry of final judgment or settlement be denied.

b. Procedural Due Process was Denied to Petitioners.

The United States Constitution as well as the Constitution of the State of Nevada guarantee that a person must receive due process before the government may deprive him of his property. See, U.S Const. amend. XIV, § 1 ("nor shall any State deprive any person of life, liberty, or property, without due process of law"); Nev. Const. art. 1, § 8(5) ("No person shall be deprived of life, liberty, or property, without due process of law."). This Court has recognized that procedural due process "requires notice and an opportunity to be heard." *Maiola v. State*, 120 Nev. 671, 675, 99 P.3d 227, 229 (2004); see also *Browning v. Dixon*, 114 Nev. 213, 217, 954 P.2d 741, 743 (1998).

The requirements of procedural due process apply to the deprivation of interests encompassed by the Fourteenth Amendment's protection of liberty and property. When protected interests are implicated, the right to some kind of prior hearing is paramount. *Board of Regents v. Roth*, 408 U.S. 564, 569–71 (1972). UAIC's failure on the face of both pleadings to properly serve them renders them void as a violation of due process requiring the voiding of the orders allowing intervention.

VI. CONCLUSION AND RELIEF SOUGHT

As a result of the foregoing, Petitioners pray for this Honorable Court to grant relief via a Writ of Mandamus directing the District Court to vacate its order allowing UAIC to intervene subsequent to final judgment, and enter an order denying said motion in case no 07A549111. Further, Petitioners seek direction to the lower Court that any filings proffered by UAIC in case 07A549111 be stricken from the record and any Orders issued at UAIC's request be stricken as void in Case 07A549111.

Further, Petitioners seek a Writ of Mandamus directing the District Court to vacate its order allowing UAIC to intervene subsequent to settlement, and enter an order denying said motion in case no 18-A-772220. Petitioners likewise seek direction to the lower Court that any filings proffered by UAIC in case 18-A-772220, not related to the third-party complaint, be stricken from the record and any Orders issued at UAIC's request, not related to the third-party complaint be stricken as void in case 18-A-772220.

Dated: 2/6/19

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_S/ E Breen Arntz_____
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Attorney for defendant Gary Lewis

NRAP 26.1 DISCLOSURE STATEMENT

The undersigned counsel of record certifies that the following are the persons and entities as described in NRAP 26.1(a) (1), and must be disclosed. These representations are made in order that the justices of this Court may evaluate possible disqualification or recusal:

E. Breen Arntz, Esq., Attorney for Defendant Gary Lewsi

David A. Stephens, Esq., Stephens & Bywater, P.C., Attorneys for Cheynne Nalder

Thomas F. Christensen, Esq., Christensen Law Offices, Attorneys for Third Party Plaintiff Gary Lewis

DATED this 6th day of February, 2019.

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Attorney for Defendant Gary Lewis

ROUTING STATEMENT

This matter is not retained by the Supreme Court under NRAP 17(a) nor is it presumptively assigned to the Court of Appeals pursuant to NRAP 17(b). Petitioners believe the Supreme Court should retain this writ because it relates to a matter that is currently pending before the Supreme Court pursuant to NRAP 17(a)(6). The Supreme Court has accepted two certified questions from the Ninth Circuit Court of Appeals in Supreme Court Case No. 70504. Intervenor misrepresented the issues the Supreme Court is deciding in Case No. 70504 in order to influence the trial court regarding the simple issues of a common law action on a judgment pursuant to *Mandelbaum v. Gregovich*, 24 Nev. 154, 50 P. 849 (1897). In addition, the judgment amount is over $3,000,000.

CERTIFICATE OF COMPLIANCE

I hereby certify that I have read the above and foregoing brief and to the best of my knowledge, information and belief, it is not frivolous or interposed for any improper purposes. I further certify that this brief complies with all applicable Nevada Rules of appellate procedure, in particular NRAP 28(e), which requires every assertion in the brief regarding matters in the record to be supported by appropriate references to the records. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of appellate Procedure.

DATED this 6th day of February, 2019.

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CERTIFICATE OF SERVICE

Pursuant to NRAP 21(a)(1) and NRAP 25(c)(1), I hereby certify that I am an employee of Stephens and Bywater and that on the 7th day of February, 2019, I caused the foregoing **PETITION FOR WRIT OF MANDAMUS** to be served as follows:

[X] personal, including deliver of the copy to a clerk or other responsible person at the office of counsel; and/or

[ ] by mail; and/or

The Honorable David Jones
Eighth judicial District Court
Department XXIX
Regional Justice Center, Courtroom 3B
200 Lewis Ave
Las Vegas, Nevada 89155
Respondent Judge

The Honorable Eric Johnson
Eighth Judicial District Court
Department XX
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EXHIBIT H

EXHIBIT H

IN THE SUPREME COURT OF THE STATE OF NEVADA

CHEYENNE NALDER, an individual, and GARY LEWIS

Petitioners,

vs.

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK THE HONORABLE DAVID JONES AND ERIC JOHNSON, DISTRICT COURT JUDGES,

Respondents,

And
UNITED AUTOMOBILE INSURANCE COMPANY,

Real Party in Interest.

Supreme Court No. 78085

District Court Case No. 07A549111
Consolidated with 18-A-772220
DEPT. NO: XX

REPLY TO ANSWER TO PETITION FOR WRIT OF MANDAMUS

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I. Introduction

In order to justify intervention, UAIC attacks the validity of the 2018 judgment in the 2007 case and the settlement reached in the 2018 case prior to its intervention. UAIC argues for an exception or to overrule the clear Nevada case law and statutory scheme against intervention after settlement or judgment.[1] UAIC attempts to close this circular reasoned loop by conflating the two methods for extending the effect of a judgment available to judgment creditors in Nevada. UAIC hopes this Court will disregard the effect of the statutory tolling scheme applicable to both methods.

The two methods are the common law action on a judgment discussed at length in *Mandlebaum v. Gregovich*, 24 Nev. 154, (Nev. 1897) (which is and always has been the basis of the actions below) and statutory judgment renewal pursuant to NRS 17.214 (which is not a part of the actions below). This is the same order the two methods are listed in the Statute of Limitations in NRS 11.190. UAIC's failure to distinguish or even discuss the *Mandlebaum* case acts as an admission that this writ for relief is well grounded and **must** be granted.

To compound matters for UAIC, it also admits in its briefing before this Court

[1] UAIC wants an exception to the black letter law in Nevada on intervention to protect its interests that were forfeited by it when it breached its duty to defend years ago.

in Case No. 70504, on the second certified question, that the very action brought by Nalder below is appropriate and timely:

> "And in order to continue to serve as evidence for their consequential damages claim, the [2008] judgment had to remain valid and enforceable, which required that the judgment be renewed pursuant to the requirements of NRS 17.214 or, **alternatively, required Mr. Nalder to bring an action on the judgment against Mr. Lewis**..."

(See UAIC response brief on second certified question, page 13.)

Though *Leven v. Frey*, 123 Nev. 399, 168 P.3d 712 (2007), did not deal with any of the tolling statutes associated with NRS 11.190, it is consistent in approving the two methods -- the common law action on a judgment or, alternatively, renewing a judgment through NRS 17.214. "An action on a judgment or its renewal must be commenced within six years[2] under NRS 11.190(1)(a)" *Leven v. Frey*, 123 Nev. 399, 403, 168 P.3d 712, 715 (2007).

In their brief before this Court UAIC goes on to state ". . . [T]his Court's decision in *Mandlebaum v. Gregovich*, 24 Nev. 154, 50 P. 849 (1897) . . . arose from an action filed by a judgment creditor and his assignee against a judgment debtor to recover on an unsatisfied prior judgment obtained by the creditor against the debtor."

---

[2] *Leven* did not involve any tolling statutes, as did *Mandlebaum*. The expiration of the statute of limitations on the 2008 judgment was tolled by NRS 11.200 and NRS 11.250 and was tolled and continues to be tolled by NRS 11.300. This tolling extends the time for both an action on the judgment and statutory renewal under NRS 17.214.

Id. at 157. This Court ultimately affirmed the new judgment entered in favor of the judgment creditor and his assignee, holding, in pertinent part, that while the statutory right of execution on the prior judgment had been barred by the passage of more than nine[3] years' time, the statute of limitations on the judgment creditor's right to file an action on the prior judgment was tolled due to the judgment debtor's absence from the state. *Id.* at 158-161." Thus, UAIC has adopted the holding in *Mandlebaum* that is directly on point regarding the continued validity of the judgment and settlement in the two cases below.

II. Facts

a. In Nevada, statute of limitations expire not judgments.

UAIC plays fast and loose with the facts. UAIC constantly refers to an "expired" judgment when referring to the judgment in the 2007 litigation entered

[3] UAIC misstates the age of the *Mandlebaum* judgment. *The Mandlebaum* judgment was 15 years old -- 5 years older than the judgment in this case. "The averments of the complaint and the undisputed facts are that, at the time of the rendition and entry of the judgment in 1882, the appellant was out of the state, and continuously remained absent therefrom until March, 1897, thereby preserving the judgment and all rights of action of the judgment creditor under the same. **Notwithstanding nearly fifteen years had elapsed** since the entry of the judgment, yet, for the purposes of action, the judgment was not barred — **for that purpose the judgment was valid.**" *Mandlebaum v. Gregovich*, 24 Nev. 154, 159 (Nev. 1897). (Emphasis added.) In the present action, it is undisputed that the judgment debtor has been absent from the state since at least 2010 and continues outside the state tolling the statute of limitations pursuant to *Mandlebaum* and NRS 11.300. Having adopted this holding, UAIC is estopped from now arguing it does not apply.

in 2018. Rather than restate the entire history of the litigation between Nalder, Lewis and UAIC, in order to correct UAIC's numerous misstatements, Nalder and Lewis refer the Court to the accurate rendition of the procedural and factual history of this litigation contained in Lewis' Writ, (Supreme Court Case No. 78243). Petitioners will only highlight the facts most relevant to this petition for writ.

b. **The 2008, 2018 and 2019 judgments are valid.**

The 2008 judgment is valid pursuant to *Mandelbaum.* At the time of intervention, and now, the 2007 case had/has a judgment dated 2018, and was/is therefore "facially" valid. The judgment never expired.[4] Even if a judgment in Nevada could or would "expire" with the expiration of the statute of limitations, the statute of limitations on this judgment was tolled by NRS 11.200 (payments on

[4] UAIC has cited **no** Nevada caselaw regarding judgments expiring. The Maryland case cited by UAIC actually holds: "Expiration of the judgment due to the passage of twelve years had to be pleaded as an affirmative limitations defense by the judgment debtor. Thus, it was possible for the judgment to be renewed, even if more than twelve years had passed since its entry, if the judgment debtor did not object to renewal, by raising limitations. See Paul V. Niemeyer Linda M. Schuett, *Maryland Rules Commentary*, 485-86 (2d ed. 1992). With the advent of Rule 2-625, that changed: Under [the new rule] a money judgment automatically expires after twelve years from its date of entry." *Kroop Kurland v. Lambros*, 118 Md. App. 651, 665 (Md. Ct. Spec. App. 1998). Thus, the *Kroop* case cited by UAIC in its brief but not contained in its table of cases is the result of a statutory scheme which does not exist in Nevada.

the judgment), NRS 11.250 (minority), and NRS 11.300 (defendant absent from the State of Nevada).

c. **Nalder retained David A. Stephens.**

After reaching the age of majority, Nalder retained David Stephens, Esq., because of the false allegations made by counsel for UAIC regarding the expiration of the judgment.

d. **Lewis retained E. Breen Arntz.**

Lewis retained E. Breen Arntz, Esq., to defend against Nalder's claims in Nevada when it became apparent that no Nevada attorney selected by UAIC would provide an ethical non-frivolous defense.

e. **David Stephens, Esq., and E. Breen Arntz, Esq., entered into and filed a stipulation resolving the 2018 litigation.**

Because the Mandelbaum case is directly on point and controlling David Stephens, Esq., and E. Breen Arntz, Esq., signed and filed a stipulation settling the 2018 litigation. The stipulation was submitted to the Honorable David Jones for his signature.

f. **UAIC directs Randall Tindall, Esq., to file pleadings on behalf of Lewis without his knowledge or consent.**

This request was in direct violation of Lewis' requests to UAIC to clear all actions with him before filing them. Randall Tindall, Esq., filed pleadings claiming to be representing Lewis in both cases without any authority from Lewis.

g. **UAIC was allowed to intervene in both actions.**

Service of both motions to intervene were defective on their face. (See P. App 5 at 166-172). The only person listed for service on either motion was David A. Stephens, Esq. No method of service was checked on the 2007 case with a 2018 judgment on file. On the 2018 case with the settlement agreement on file the electronic service was erroneously checked because David Stephens, Esq., had not yet registered for electronic service. (See P. App 5 at 166-172). Both motions were granted without a hearing, via minute order stating "no opposition having been filed" even though oppositions were filed. Both motions were granted by the same judge who later recused himself because of a relationship with UAIC's chosen defense counsel at the time of intervention was granted, Randall Tindall, Esq.

h. **The Court did not stay the entire case, either orally or in minutes at the January 9, 2019 hearing.**

Instead, the Court stated on the record it would review some of the issues

again and some would be decided at the subsequent hearing date of January 23, 2019. (5 R. App. 1141 Lines 15-22)[5] Nalder sent an offer of judgment to Lewis in anticipation of a favorable ruling at the January 23, 2019 hearing on Nalder's motion for summary judgment. Lewis was fearful that if he did not accept the offer of judgment, he would ultimately end up with a larger judgment against him. Lewis, through *Cumis/Hansen*[6] defense counsel E. Breen Arntz, Esq., forwarded the offer of judgment to UAIC for comment. However, under the Nevada Rules of Civil Procedure then in effect, neither UAIC nor the judge was required to be noticed. In fact, it is improper to notify the judge of an offer of judgment until after the case is concluded. Lewis then accepted the offer of judgment.

i. **The judgment was validly entered by the Clerk.**

The Court exceeded its jurisdiction and breached the parties' due process and constitutional rights in voiding the judgment at the ex-parte urging of UAIC, not giving any time for a response or a hearing.

---

[5] Mr. Douglas: ... we could stay that or grant that. The Court: it's on calendar for next week. Mr. Douglas: Oh, it's on calendar next week. Okay. Is that the 23rd? The Clerk: Yes. Mr. Douglas: Okay. Sorry. We'll deal with it then. The Court: Well, I'll look at it and -- Mr. Douglas: we'll deal with it then. The Court: But all right.

[6] *San Diego Navy Federal Credit Union v. Cumis Insurance Society,* 162 Cal. App. 3d 358 (Cal. Ct. App. 1984); *State Farm Mut. Auto. Ins. Co. v. Hansen*, 131 Nev. Ad. Op. 74, 357 P.3d 338 (2015)

III. A Writ of Mandamus is the only appropriate remedy in this case.

"A writ of mandamus is available to compel the performance of an act that the law requires as a duty resulting from an office, trust, or station or to control an arbitrary or capricious exercise of discretion. *See* NRS 34.160; *Int'l Game Tech., Inc. v. Second Judicial Dist. Court*, 124 Nev. 193, 197, 179 P.3d 556, 558 (2008)." *Gralnick v. Eighth Judicial Dist. Court of Nev.*, No. 72048, at *1 (Nev. App. Mar. 21, 2017).

In the face of all Nevada cases and the clear language of NRS 12.130, stating that intervention is available ***only*** before settlement or judgment, UAIC filed a Response in which UAIC claimed a Writ of Mandamus is not an appropriate remedy in this case. It asks this Court to find NRS 12.130 unconstitutional and overrule every case dealing with insurance company intervention post-judgment. UAIC hopes the Court will ignore all the tolling statutes contained in NRS chapter 11. UAIC hopes this Court will not follow the clear precedent of *Mandlebaum* and disregard the common law right to an action on a judgment.

In the 2007 action, an amended judgment was entered in May of 2018 by the District Court; and, in the 2018 case, a settlement agreement was filed and ***thereafter*** UAIC was allowed to intervene in both cases. UAIC does not dispute these facts. UAIC's response admits that UAIC never intervened in the underlying actions until

after the lower court had already entered judgment and *after* the settlement was signed and filed. (*See* Response at P. 15 and 16.)

UAIC's Response completely ignores the clear Nevada law holding that "***The plain language of NRS 12.130 does not permit intervention subsequent to the entry of a final judgment.***" *Lopez v. Merit Insurance Co.*, 109 Nev. 553, 853 P.2d 1266, 1268 (1993). (Emphasis added). Indeed UAIC's response fails to distinguish, address, or even as much as acknowledge the Nevada Supreme Court's holding in *Lopez*. UAIC's response likewise completely ignores the clear mandate found in NRS 12.130 that intervention must be sought before trial in any action.

UAIC then attempts to convolute the clear holding in *Dangberg* that intervention is not allowed after settlement.

> "Additionally, in *Ryan v. Landis*, 58 Nev. 253, 260, 75 P.2d 734, 735 (1938) (quoting *Henry Lee Co. v. Elevator Co.*, 42 Iowa 33 (1918)), we reiterated that: ... intervention must be made before the trial commences. After the verdict all would admit it would be too late to intervene. But **a voluntary agreement of the parties stands in the place of a verdict**, and, as between the parties to the record as fully and finally determines the controversy as a verdict could do.""

Dangberg Holdings. v. Douglas Co., 115 Nev. 129, 139, 978 P.2d 311 (1999)

In *Dangberg,* there was no settlement agreement in the record and so intervention was allowed. In this case, the settlement agreement was signed and filed in the case prior to intervention. Allowing intervention was an abuse of discretion. In the 2007 action, the lower court entered Judgment in favor of Cheyenne Nalder and against the underlying Defendant Gary Lewis in May of 2018. Thereafter, UAIC moved to intervene. The lower court granted the motion to intervene **after** Judgment had been entered. The lower court's actions directly violated the Nevada Supreme Court's holding in *Lopez* that intervention cannot be permitted after judgment has been entered. *Id.* The lower court's error will not be remedied by forcing Cheyenne Nalder to continue to litigate and incur expenses and delays and possible improper rulings by the Ninth Circuit or this Court (See, Supreme Court Case No. 70504).

It would be wholly improper to force Nalder and Lewis to relitigate an action that has already been resolved to the satisfaction of the parties involved in the action. Indeed, this has been the Supreme Court's very point for the last 80 years in holding, "It is not the intention of the statute that one not a party to the record shall be allowed to interpose and open up and renew a controversy which has been settled between the parties to the record, either by verdict or voluntary agreement." *Ryan v. Landis*, 58

Nev. 253, 260, 75 P.2d 734, 735. (1938) (quoting *Henry Lee & Co. v. Cass County Mill & Elevator Co.*, 42 Iowa 33 (1875).

The Nevada Supreme Court reiterated this long held position in *Eckerson v. Rudy*, when yet another recalcitrant insurance carrier sought to intervene and set aside a judgment after it had already been entered. The Court held, "This they may not do by intervention where the controversy is ended and settled to the satisfaction of the parties litigant." *Eckerson v. Rudy*, 72 Nev. 97, 295 P.2d 399, 400 (1956). UAIC's response does not address any of this clear case law and certainly does not provide any authority indicating the Nevada Supreme Court has altered its position that "***in all cases***" intervention must be made before judgment is entered. *See*, *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734. (1938) ("***in all cases [intervention] must be made before trial.***") (citing *Kelly v. Smith* 204 Cal. 496, 268 P. 1057 (1928); *see also*, *Lopez v. Merit Insurance Co.*, 109 Nev. 553, 853 P.2d 1266, 1268 (1993) ("In refusing to allow intervention subsequent to the entry of a final judgment, ***this court has not distinguished between judgments entered following trial and judgments entered by default or by agreement of the parties.***") (Emphasis added).

Not only is UAIC's intervention not timely, it is substantively improper for two reasons. First, its interests are represented by counsel for Lewis. Because there are disagreements about what course of action is ethical and non-frivolous, does not

mean the interests are not represented. An insured's duty of cooperation[7] does not extend to unethical frivolous defenses. UAIC would have to show that Lewis refusal to participate in a frivolous defense was unreasonable and prejudiced UAIC. *Belz v. Clarendon America Insurance*, 158 Cal. App. 4th 615, 625 (Cal. Ct. App. 2007). Second, the United States District Court has found that UAIC breached its duty to defend.[8] Even if intervention had been timely, which it clearly is not, UAIC waived its right to direct the defense, to have cooperation from Lewis and its right to intervene when it refused to defend Lewis and failed to indemnify him. The California court in *Hinton v. Beck*, 176 Cal. App. 4th 1378 (Cal. Ct. App. 2009) has held: "Grange, having denied coverage and having refused to defend the action on behalf of its insured, did not have a direct and immediate interest to warrant intervention in the litigation."

Both actions were ended and settled to the satisfaction of the parties litigant. Yet, the lower court improperly granted both of UAIC's motions to intervene. The only proper remedy is for this Honorable Court to issue a Writ of Mandamus

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[7] Lewis owes no duty of cooperation because UAIC breached the duty to defend long ago. Lewis continues to welcome and cooperate with any ethical non-frivolous defense provided by UAIC.

[8] UAIC has not appealed that determination. The Ninth Circuit has yet to decide whether the federal district court erred in not allowing the breach of the duty to defend to go to the jury as one basis for a bad faith claim.

directing the lower court to vacate its October 19, 2018 Orders and allow both of these matters to yet again be ended and settled to the satisfaction of the parties litigant.

IV. The District Court's Order was a manifest abuse of and arbitrary and capricious exercise of discretion.

This petition included the long held position of the Nevada Supreme Court that "in all cases" intervention must be made before judgment or settlement. *Kelly v. Smith* 204 Cal. 496, 268 P. 1057 (1928); *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734. (1938); *Eckerson v. Rudy*, 72 Nev. 97, 295 P.2d 399, 400 (1956); *McLaney v. Fortune Operating Co.*, 84 Nev. 491, 499, 444 P.2d 505, 510 (1968) (holding that a post judgment motion to intervene should be denied); *Lopez v. Merit Insurance Co.*, 109 Nev. 553, 853 P.2d 1266, 1268 (1993) ("The plain language of NRS 12.130 does not permit intervention subsequent to the entry of a final judgment.")

UAIC failed to address any of the above noted authority, and did not even attempt to explain how the lower court's actions could be deemed proper in any way, given the plain language of NRS 12.130 that does not allow intervention post judgment. Indeed, the only excuse UAIC argues for is that the passage of time now allows intervention. UAIC argues that tolling statutes don't apply to judgments. UAIC argues that Nevada does not follow the common law. The lower court was

advised of the Nevada Supreme Court's holding that "in all cases" intervention must be made before judgment is entered. Yet, the lower court determined that the Supreme Court's holding applied in all cases, ***except this one.*** The lower court does not have discretion to allow a party to do what the Supreme Court has held "they may not do." See, *Eckerson v. Rudy*, 72 Nev. 97, 295 P.2d 399, 400 (1956) (in discussing post judgment intervention, holding "This they may not do by intervention where the controversy is ended and settled to the satisfaction of the parties litigant.") The lower court's action was an absolute and obvious abuse of discretion.

V. The District Court's actions were in excess of its jurisdiction.

As noted in section "II" above, the Nevada Supreme Court's clear and consistent holdings that "in all cases" intervention must be made before trial, and that intervention is not permitted after settlement or judgment, left the lower court with no authority to set aside the Judgment entered or refuse the settlement reached by the parties given UAIC did not intervene until after both actions had been concluded. UAIC's response does not identify any authority provided by the lower court to openly defy the clear precedent set forth by our Supreme Court as identified above.

VI. UAIC ARGUES FOR THE FIRST TIME ON APPEAL THAT NRS 12.130 IS UNCONSTITUTIONAL.

UAIC continues, in bad faith, to argue issues and change positions. UAIC is not attempting in good faith to change the law but rather in bad faith and purposefully misstating the record, hiding the applicable law, misstating the law, misleading the Court, increasing the costs of litigation and abusing the system. Below UAIC ignored NRS 12.130, preferring not to inform the District Court that it prevented intervention herein and now UAIC brings it forward asking the Supreme Court to find it unconstitutional. This demonstrates that UAIC's arguments below were not in good faith because it could not have been trying to change the law for it did not even acknowledge the law below.

CONCLUSION AND RELIEF SOUGHT

As a result of the foregoing, Nalder and Lewis pray for this Honorable Court to grant relief via a Writ of Mandamus directing the District Court to vacate its order

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allowing UAIC to intervene subsequent to settlement or final judgment, and enter an order denying the motions to intervene.

DATED this 26 day of August, 2019.

DAVID A. STEPHENS, ESQ.
Nevada Bar No. 00902
STEPHENS & BYWATER, P.C.
3636 North Rancho Drive
Las Vegas, Nevada 89130
Attorney for Cheyenne Nalder

CERTIFICATE OF COMPLIANCE

I hereby certify that I have read the above and foregoing reply brief and to the best of my knowledge, information and belief, it is not frivolous or interposed for any improper purposes. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e), which requires every assertion in the brief regarding matters in the record to be supported by appropriate references to the records. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

DATED this 26 day of August, 2019.

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3636 North Rancho Drive
Las Vegas, Nevada 89130
Attorney for Cheyenne Nalder

CERTIFICATE OF SERVICE

Pursuant to NRAP 21(a)(1) and NRAP 25(c)(1), I hereby certify that I am an employee of Stephens & Bywater, P>C., and that on the 26 day of August, 2019, I caused the foregoing **REPLY IN SUPPORT OF WRIT OF MANDAMUS** to be served as follows:

[ ] personal, including deliver of the copy to a clerk or other responsible person at the office of counsel; and/or

[X] by mail; and/or

The Honorable David Jones
Eighth judicial District Court
Department XXIX
Regional Justice Center, Courtroom 3B
200 Lewis Ave
Las Vegas, Nevada 89155
Respondent Judge

The Honorable Eric Johnson
Eighth Judicial District Court
Department XX
Regional Justice Center, Courtroom 12A
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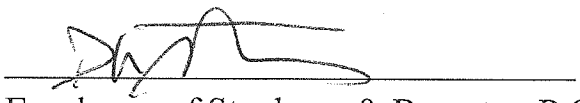

Employee of Stephens & Bywater, P.C.

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

AFFIDAVIT OF DAVID A. STEPHENS

David A. Stephens, ESQ. , first being duly sworn deposes and says:

1. I was, at all times relevant an attorney duly licensed to practice in the State of Nevada and that I have personal knowledge of the facts stated herein.

2. I was retained by Ms. Nalder upon her reaching the age of majority as a result of false allegations made by UAIC regarding the status of her judgment that she seeks to collect from UAIC.

3. I understood that that generally a judgment renewal would be done within 90 days of the expiration of the six year statute of limitations. However I believed, in her case, that tolling statutes apply to the time for renewal and there were at least three statutes that applied in her case. The earliest of these tolling statutes would suggest her renewal affidavit may be arguably too early not filed in a ninety day period in the year 2021.

4. Thus, rather than jumping to a renewal of her judgment that was arguably too early I believed an action on a judgment was a wiser choice. I believed that her judgment formed a valid basis for a common law action on the judgment under the Mandelbaum case that it could be filed from then and up until at least 2021 because the statute of limitations is tolled. Unlike statutory renewal the action on a judgment does not have to be brought within 90 days of expiration. I believed filing to enforce the judgment would provide her with a new judgment even though the old judgment was still valid as the statute of limitations had not run.

5. I thought that that filing to enforce the judgment would be a relatively simply straight forward process because there were no valid defenses and Mandelbaum was a case directly on point, where the judgment creditor brought an action on a judgment that was fifteen

years old and received a new judgment because the defendant did not live in the state of Nevada. In her case the judgment was ten years old and the defendant did not live in the State of Nevada for the last eight years. I could find no contrary authority.

6. I then obtained an amended judgment in the name of my adult client citing the tolling statutes in the application. I then filed my action on the judgment and served the defendant and sent a copy to UAIC. I heard from Steve Rogers. He advised me that he had been retained by UAIC to defend Mr. Lewis in this case.

7. Later, I received notice that Mr. Rogers was not going to represent Lewis and that E. Breen Arntz, Esq., would be representing him as Cumis counsel because UAIC was in litigation with Gary Lewis. Mr. Rogers did not provide any contrary authority to Mandelbaum.

8. Mr. Arntz agreed with the analysis and the clear precedent and we entered into a stipulation for a judgment to settle the matter and save everyone time, additional attorney fees, and inconvenience. I filed the stipulation and submitted it to the judge.

9. Randall Tindall, Esq., filed a motion to set aside the 2018 judgment in the 2007 ccase, and another motion to dismiss my case filed in 2018. I asked Mr. Arntz what was going on in that these actions were causing additional damages to my client. Mr. Arntz informed me that Mr. Tindal was acting solely on behalf of UAIC and without any authorization from Mr. Lewis and that his client had reported Mr. Tindal to the State Bar of Nevada. Even though Mr. Lewis was represented by both defense counsel appointed by UAIC (Tindal) and Cumis/Hansen counsel selected by Mr. Lewis (Arntz) the Court allowed UAIC to intervene and refused (by inaction without reason) to sign a judgment.

10. At the very first actual hearing in the case on January 9, 2019 the Honorable Eric Johnson dismissed one of my client's claims and stated that he would look at other claims in that I still had a pending motion for summary judgment set for January 23, 2019. He did not

orally stay any actions. I sent an offer of judgment to the Mr. Lewis's attorney because now attorney time was piling up and UAIC was abusing the judicial process to delay a decision on the merits which I was sure would be in my client's favor. UAIC had not cited any contrary authority and ignored Mandlebaum and the tolling statutes. The offer of judgment was accepted and filed with the clerk as required by the rules.

11. Judge Johnson then signed an order shortening time and then before I could even file a response and well before the hearing date Judge Johnson issued an order voiding the judgment because he alleges the action was stayed by him. I have never seen this kind of activity without giving an opportunity to be heard. I have never had a Judge refuse to sign a judgment based on a signed stipulation.

FURTHER AFFIANT SAYETH NAUGHT.

David A. Stephens, Esq.

SUBSCRIBED and SWORN to before
me this 20th day of August, 2019.

Notary Public in and for said County and State.

NOTARY PUBLIC
M. L. GOLDSTEIN
STATE OF NEVADA - COUNTY OF CLARK
MY APPOINTMENT EXP. APRIL 13, 2022
No: 01-70903-1

EXHIBIT I

EXHIBIT I

Case No. 78085

In the Supreme Court of Nevada

CHEYANNE NALDER, and GARY LEWIS,

Petitioners,

vs.

THE EIGHTH JUDICIAL DISTRICT COURT of the State of Nevada, in and for the County of Clark; THE HONORABLE DAVID M. JONES, District Judge; and THE HONORABLE ERIC JOHNSON, District Judge,

Respondents,

and

UNITED AUTOMOBILE INSURANCE COMPANY,

Real Party in Interest.

District Court Case Nos.
A549111 & A772220

UNITED AUTOMOBILE INSURANCE COMPANY'S ANSWER

With Supporting Points and Authorities

DANIEL F. POLSENBERG (SBN 2376)
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Attorneys for Real Party in Interest
United Automobile Insurance Company

NRAP 26.1 DISCLOSURE

The undersigned counsel of record certifies that the following are persons and entities as described in NRAP 26.1(a), and must be disclosed. These representations are made in order that the judges of this court may evaluate possible disqualification or recusal.

Real party in interest United Automobile Insurance Company (UAIC) is a privately held limited-liability company. No publicly traded company owns more than 10% of its stock.

UAIC is represented by Thomas E. Winner and Matthew J. Douglas at Atkin Winner & Sherrod, and by Daniel F. Polsenberg, Joel D. Henriod, and Abraham G. Smith at Lewis Roca Rothgerber Christie, LLP.

Dated this 10th day of July, 2019.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: */s/ Daniel F. Polsenberg*
DANIEL F. POLSENBERG (SBN 2376)
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INTRODUCTION

To petitioners Cheyanne Nalder and Gary Lewis, a decade-old judgment against Lewis has untold power. Although the judgment expired without its renewal under NRS 17.214, that has not stopped them from seeking (1) to amend it; (2) to beget a new action and a new (or renewed) judgment; and (3) to brandish it to prevent Lewis's insurer, United Automobile Insurance Company (UAIC), from intervening in either action or consolidating the two. Now they have asked for this Court's extraordinary intervention to keep the district court from making the very determinations about the judgment's expiration that would confirm that intervention and consolidation are justified.

The effect of an expired judgment on a district court's discretion in matters of intervention or consolidation might be an interesting issue, but it poorly and prematurely teed up in this petition. This Court should deny the petition.

ROUTING STATEMENT

Although UAIC disagrees with petitioner's characterizations about the record, UAIC agrees that it makes sense for the Supreme

Court to retain the petition because of its familiarity with the issues in the certified question, Docket No. 70504.

ISSUES PRESENTED

1. In an action purporting to renew a judgment, does a district court have discretion to let the defendant's insurer intervene before the trial or judgment in the action?

2. An expired judgment is a void judgment, *Leven v. Frey*, 123 Nev. 399, 410, 168 P.3d 712, 719 (2007), and a void judgment may be vacated under NRCP 60(b)(4) at any time, including by the court on its own motion, *Rawson v. Ninth Judicial Dist. Court*, 133 Nev., Adv. Op. 44, 396 P.3d 842, 848 & n.4 (2017). When a plaintiff seeks to revive an expired judgment against an insured, does a district court have discretion to let the insurer intervene to contest the expired judgment's validity, especially when the insured refuses to do so?

3. If *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734 (1938) holds otherwise, should that case be reconsidered or overruled?

STATEMENT OF FACTS

A. The Accident

Cheyenne Nalder alleges that on July 8, 2007 Gary Lewis negligently struck her with his car. (1 R. App. 2.)[1]

B. The 2007 Lawsuit

On October 9, 2007, Nalder through her guardian ad litem filed suit against Lewis. (1 R. App. 1.) Lewis did not answer, and eight months later the district court entered a default judgment for $3.5 million. (1 R. App. 5, 6–7.)

C. The Bad-Faith Action Against UAIC

Nalder then sued Lewis's former insurer, UAIC, in federal court, based on an assignment of Lewis's rights to a claim for bad faith. (1 R. App. 231–32; 11 R. App. 2531.)

1. Due to an Ambiguity, the Accident Is Deemed Covered

The federal court initially granted UAIC summary judgment because at the time of the accident, Lewis had let his policy lapse. (1 R.

[1] "R. App." refers to real party in interest UAIC's appendix.

App, 87, 99, 231–32.) The Ninth Circuit found an ambiguity in the renewal statement, however (1 R. App. 104, 11 R. App. 2547), and on remand the district court construed the ambiguity against UAIC to imply a policy covering the 2007 accident. (1 R. App. 110, 232.)

UAIC paid Nalder the $15,000 policy limits and $90,000 for her attorney's fees.

2. The Judgment Against Lewis Expires

Nalder appealed, however, because she considered the entire $3.5 million default judgment a consequential damage of UAIC's failure to defend, even though UAIC had acted in good faith. (1 R. App. 110.)

Pending that appeal, Nalder let that default judgment expire without renewing it under NRS 17.214. (1 R. App. 15.)

3. This Court Accepts Certified Questions on the Availability of Consequential Damages

The Ninth Circuit certified to this Court two questions: first, whether an insurer who mistakenly but in good faith denies coverage can be liable for consequential damages beyond the payment of policy limits and the costs of defense; and second, whether the expiration of the judgment without renewal cuts off the right to seek, in an action

against the insurer, consequential damages based on that judgment. (2 R. App. 257, 268.)

D. Nalder "Amends" the Expired Judgment in the 2007 Suit

Shortly after this Court accepted the second certified question, Nalder moved *ex parte* to "amend" the expired 2008 judgment to be in her own name rather than that of her guardian ad litem. (1 R. App. 62, 71, 74; 2 R. App. 273, 282; P. (Dkt. 78085) App. 6–7;[2] 5 R. App. 1108 (describing the amendment as "an amendment of the expired judgment").)[3]

[2] "P. (Dkt. #) App." refers to the petitioners' appendix in the indicated docket.

[3] Coverage counsel initially moved on Lewis's behalf to vacate the amended judgment. (1 R. App. 26–28; 4 R. App. 841, 852) After the district court in a minute order granted UAIC permission to intervene (4 R. App. 839, 10 R. App. 2313) but before the entry of a written order (4 R. App. 874), Lewis, through another attorney, alleged that coverage counsel had not conferred with Lewis about the motion and moved to strike it. (1 R. App. 26–28.) Two days later, the district court entered its written order granting UAIC permission to intervene (1 R. App. 31), and UAIC was able to file its own motion to vacate the judgment (1 R. App. 35). Both Nalder and Lewis opposed the motion. (1 R. App. 78, 134.)

E. Nalder Brings a New Action Testing the Validity of the Expired Judgment

A few days later, on April 3, 2018, Nalder filed a new complaint against Lewis as a purported "action on the judgment," seeking a new $3.5 million judgment (minus $15,000 plus interest) and a declaration that the six-year limitation for bringing such an action had not expired. (10 R. App. 2284–88.)

F. UAIC Intervenes in the Pending Actions and Moves to Consolidate Them

To contest Nalder's new effort to revive the expired 2008 default judgment against its insured, UAIC moved to intervene in both actions and moved for their consolidation. (P. (Dkt. 78085) App. 8; 10 App. 2083; 1 R. App. 227; P. (Dkt. 78085) App. 213; 11 R. App. 2610.) The motion to intervene was properly served both by mail and by electronic service (3 R. App. 732–74), and the motion to consolidate was properly e-served (11 R. App. 2624); Nalder and Lewis opposed both motions. (1 R. App. 8, 2 R. App. 310, 3 R. App. 741, 4 R. App. 754, 763, 10 R. App. 2308, 2329, 11 R. App. 2685, 2743.) Seeking to create a judgment in the 2018 action, Nalder and Lewis submitted a stipulated judgment against

Lewis for the full amount requested in Nalder's complaint. (3 R. App. 595, 4 R. App. 771.)

The district court granted intervention in both cases (1 R. App 31, 10 R. App. 2450),[4] and the judge in the lower-numbered 2007 case ordered the related cases consolidated (P. (Dkt. 78243) App. 2). The district court did not enter judgment on Nalder's and Lewis's stipulation. (5 R. App. 1133–34.)

G. While the Case is Stayed, Nalder and Lewis Try to Create a Judgment in the 2018 Action

On January 9, 2019, the district court orally dismissed part of Nalder's 2018 complaint and stayed the remaining proceedings. (5 R. App. 1129, 1141–42.) The district court gave no indication that the order staying proceedings was anything other than immediate; in fact, the district court made it clear that it was refusing to sign Nalder's and

[4] At the time, both cases were pending before Judge David Jones in Department 29. On October 24, 2018, a week after UAIC's intervention, Judge Jones disclosed his prior work with Lewis's then-coverage counsel, Randy Tindall. (1 R. App. 76–77.) Upon objection by Nalder's counsel and a request to refer Tindall to the state bar, Judge Jones voluntarily recused himself. (1 R. App. 76–77.) (The claim against Tindall was later dismissed. (5 R. App. 1169.)) The 2007 case was eventually reassigned to Judge Eric Johnson in Department 20, who granted consolidation. (11 R. App. 2626.)

Lewis's proposed judgment. (5 R. App. 1132–33, 7 R. App. 1664–66.) And again in a minute order on January 22, 2019, the district court granted a stay pending this Court's resolution of the certified questions. (7 R. App. 1664–66, 9 R. App. 2159.)

Yet that same day, Nalder and Lewis worked to evade the stay before a written order memorializing the then-in-effect stay could be entered (6 R. App. 1311, 1316–18[5]): Nalder served and Lewis accepted an offer of judgment for over $5 million, and they submitted the judgment to the clerk for entry. (5 R. App. 1194, 1197, 1201.) As the notice of acceptance and the clerk's entry of judgment were filed at the same minute (5 R. App. 1194, 1201), neither UAIC nor the district judge had advance notice of this judgment. UAIC moved to vacate the judgment. (5 R. App. 1176, 8 R. App. 1853.) Based on the mistake or inadvertence in the clerk's entering judgment while the case was stayed, the district court vacated the judgment. (7 R. App. 1656, 1666–67.)

[5] *See also* 9 R. App. 2002–04 (counsel's comments on the draft order, including the denial of Nalder's and Lewis's stipulation and the granting of the stay).

Nalder and Lewis complained that in vacating the judgment the district court violated their due process, and they asked the court to reinstate the judgment on grounds that the oral ruling and minute order could not restrain the parties until the entry of a written order staying the case. (6 R. App. 1328, 1487; 10 R. App 2272.) The district court denied the motions, noting that it had stayed the matter at the previous hearing, that the judgment entered by the clerk was void, and that vacating merely "put us back to where I thought I clearly had indicated I wanted us to be" at the time the district court stayed the case. (10 R. App. 2283; 7 R. App. 1656, 1666–67; 10 App. 2286–87.)

SUMMARY OF THE ARGUMENT

United Automobile Insurance Company timely intervened. In the 2018 action, intervention was timely because that case—seeking to revive an expired judgment from 2008—has not proceeded to trial or judgment.

And in the underlying 2007 action, intervention is likewise appropriate because (1) that case is consolidated with the 2018 action in which UAIC's intervention is proper, (2) UAIC intervened not to reopen what the parties did in 2008 but to prevent Nalder from reopening that

expired judgment, (3) to the extent Nalder raises doubts about the 2008 judgment's expiration, the district court has not ruled on that mixed question of law and fact, so the objection to intervention is premature.

If a wooden reading of *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734 (1938) would prevent intervention in these circumstances, that case should be reconsidered or overruled.

ARGUMENT

Standard of review: Intervention may be as of right or permissive. Determining whether a party has met the requirements to intervene as of right "is within the district court's discretion." *Hairr v. First Judicial Dist. Court*, 132 Nev., Adv. Op. 16, 368 P.3d 1198, 1201 (2016) (quoting *Am. Home Assurance Co. v. Eighth Judicial Dist. Court*, 122 Nev. 1229, 1238, 147 P.3d 1120, 1126 (2006)). And "[a] district court's ruling on permissive intervention is subject to 'particularly deferential' review." *Id.*, 132 Nev., Adv. Op. 16, 368 P.3d at 1202 (quoting *United States v. City of New York*, 198 F.3d 360, 367 (2d Cir. 1999)). This is true even on the question of timeliness. *Lawler v. Ginochio*, 94 Nev. 623, 626, 584 P.2d 667, 668 (1978).

I.

INTERVENTION IS SUBSTANTIVELY PROPER

Apart from the question of timeliness, there is little dispute that the district court acted within its discretion to allow intervention, whether as of right or for permissive intervention.

A. Intervention Gives Voice to Unrepresented Positions and Protects the Integrity of the Judicial Process

Intervention is an essential tool for protecting the integrity of the judicial process and ensuring that Courts resolve legal issues correctly. Rule 24 offers two paths to intervention: The district court *must* let a party intervene when a statute confers such a right or

> when the applicant claims an interest relating to the property or transaction which is the subject of the action and the applicant is so situated that the disposition of the action may as a practical matter impair or impede the applicant's ability to protect that interest, unless the applicant's interest is adequately represented by existing parties.

NRCP 24(a); *Am. Home Assurance Co.*, 122 Nev. at 1238, 147 P.3d at 1126.[6]

[6] UAIC refers to the rules in effect as of the time of intervention in 2018.

But even without such an interest, the district court may allow intervention "when an applicant's claim or defense and the main action have a question of law or fact in common." NRCP 24(b)(2). In exercising discretion, the court should consider whether intervention will "unduly delay or prejudice the adjudication of the rights of the original parties." NRCP 24(b). Of course, a case may take longer to resolve whenever a proposed intervenor demands "anything adversely to both the plaintiff and the defendant," but that kind of "prejudice" is baked into the statutory right of intervention itself. NRS 12.130(1)(b); *see also St. Charles Tower, Inc. v. County of Franklin*, No. 4:09-CV-987-DJS, 2010 WL 743594, at *6–7 (E.D. Mo. Feb. 25, 2010) ("[P]rejudice that results from the mere fact that a proposed intervenor opposes one's position and may be unwilling to settle always exists when a party with an adverse interest seeks intervention." (quoting *United States v. Union Elec. Co.*, 64 F.3d 1152, 1159 (8th Cir. 1995))). The question is whether the delay in *moving* for intervention causes undue harm. *Lawler*, 94 Nev. at 626, 584 P.2d at 669; *St. Charles Tower*, 2010 WL 743594, at *6–7 (citing *Union Elec. Co.*, 64 F.3d at 1159).

B. The District Court Had Discretion to Allow UAIC's Intervention

The district court had good cause to allow UAIC's intervention here. UAIC had a right to intervene based on its interest in preventing an expired judgment from being enforced or revived against its insured—for which Nalder expressly seeks to hold UAIC liable in the bad-faith lawsuit. NRCP 24(a). And given Lewis's refusal to cooperate in UAIC's defense—going so far as to collaborate with Nalder in trying to get a multimillion-dollar judgment entered against himself, and to prevent UAIC from protecting Lewis against such a judgment—there is no question that the original parties left UAIC's interest inadequately represented. NRCP 24(a). Had Lewis cooperated in the defense, UAIC arguably would not have needed to intervene; his refusal made intervention essential. *Cf. Hairr*, 132 Nev., Adv. Op. 16, 368 P.3d at 1201–02 (upholding denial of intervention where "petitioners and the State have the same ultimate objective" and petitioners could not "point to any arguments that the State was refusing to make"). Plus, the question of the judgment's expiration without renewal in the bad-faith lawsuit (now pending before this Court as a certified question) dovetails the main question in the 2007 litigation: whether the judgment can be amended

or revived after its expiration. In fact, to have refused intervention in these circumstances would have been an abuse of discretion.

II.

UAIC'S INTERVENTION IN THE 2018 ACTION, IN WHICH THERE IS NO JUDGMENT, WAS TIMELY

The real issue, then, is timing.

Half of Nalder's and Lewis's petition fails on its own terms. They tether their petition to the statement in *Lopez v. Merit Insurance Co.*, 109 Nev. 553, 556, 853 P.2d 1266, 1268 (1993) that "NRS 12.130 does not permit intervention subsequent to the entry of a final judgment." But there is no judgment—final or otherwise—in the 2018 action. (5 R. App. 1132–33.)

They point to the statement that "a voluntary agreement of the parties stands in the place of a verdict" (Pet'n 23–24 (citing *Dangberg Holdings v. Douglas County*, 115 Nev. 129, 978 P.2d 311 (1999)), neglecting that what counts is not the mere agreement, but "*judgment* . . . by agreement." *Ryan v. Landis*, 58 Nev. 253, 75 P.2d 734, 735–36 (1938) (emphasis added). *Estate of Lomastro ex rel. Lomastro v. Am. Family Ins. Grp.*, 124 Nev. 1060, 1071 n.29, 195 P.3d 339, 347 n.29

(2008) (describing *Lopez* as holding that "intervention after *entry of judgment* on a settlement agreement was not timely" (emphasis added)). In *Eckerson v. C.E. Rudy, Inc.*, for example, it was important in denying intervention that the parties had not only settled, but that "[b]y the time the application for intervention was made a default judgment had been entered." 72 Nev. 97, 98–99, 295 P.2d 399, 399–400 (1956).

Here, in contrast, UAIC timely sought intervention before Nalder and Lewis submitted their proposed judgment. The district court did not enter judgment on that settlement. So even on the notion that a judgment cuts off all rights of intervention, the district court properly let UAIC intervene in the 2018 action.

And as discussed immediately below, that categorical view about the timing of intervention misreads the rule, the statute, and the case law.

III.

UAIC'S INTERVENTION IN THE 2007 ACTION, WHICH NALDER IS TRYING TO REVIVE, WAS TIMELY

The petition's objection to UAIC's intervention in the 2007 action is equally unfounded. First, because UAIC's intervention in the 2018 action was timely and that action has been consolidated with the 2007 action, kicking UAIC out of the consolidated action would have been untenable. Second, UAIC's intervention in the 2007 action was itself timely because UAIC is not seeking a new or different judgment; UAIC is just preventing Nalder from transforming the old, expired judgment into a valid one. No case forbids intervention in this circumstance, and other jurisdictions approve it. Third, even if the validity of the 2008 judgment were enough to prevent intervention, that mixed question of law and fact has not been resolved, making this petition premature. And fourth, if Nalder and Lewis are correct that this Court's cases forbid intervention even to point out a judgment's voidness due to expiration—an issue that could be raised by nonparty *amici* or the court on its own motion—those cases should be reconsidered or overruled.

A. The 2007 Action Is Consolidated with the 2018 Action, in which UAIC Properly Intervened

Because UAIC properly intervened in the 2018 action, it is a proper party to this action, which has now been consolidated with the 2007 action. Nalder and Lewis assume that a party must justify intervening in each of a consolidated action's constituent cases before intervention in any one of those cases will be honored for the consolidated action. There is no basis for that assumption. As set forth in the answer to the petition in Docket No. 78243, consolidation was proper. So UAIC's demonstrated right to intervene in the 2018 action renders them a proper party to this now-consolidated action.

B. Intervention Properly Attaches to Nalder's Pending Quest to Revive an Expired Judgment

1. What Cuts Off Intervention Is the Absence of a Pending Issue, Not a Judgment

This Court's "cases generally reflect that intervention is timely if the procedural posture of the action allows the intervenor to protect its interest." *Estate of Lomastro*, 124 Nev. at 1071 n.29, 195 P.3d at 347 n.29. So while an intervenor "must take the action as he finds it," *Ryan*, 58 Nev. 253, 75 P.2d at 736, if a "matter[] would otherwise be subject to reconsideration," the intervenor can raise that issue just as

well as any party. *Estate of Lomastro*, 124 Nev. at 1068 n.10, 195 P.3d at 345 n.10 (quoting *Arizona v. California*, 460 U.S. 605, 615 (1983)).

The entry of a judgment does not, in itself, cut off the right to intervene. Although this Court has occasionally denounced as untimely attempts to intervene to reopen a final judgment—"where the controversy already is ended and settled to the satisfaction of the parties litigant"— "it would more accurately be said that there was no pending action to which the intervention might attach." *Eckerson*, 72 Nev. at 98–99, 295 P.2d at 399–400, *quoted in Lopez*, 109 Nev. at 556, 853 P.2d at 1268.

a. USUALLY, AN INTERVENOR IS PRECLUDED ONLY FROM MOST CHALLENGES TO A FACIALLY VALID JUDGMENT

"No intervention after a final judgment" is a decent rule of thumb, for in most cases only a *party* to a judgment can appeal that judgment or challenge it in the district court. *See Anthony S. Noonan IRA, LLC v. Bank of New York Mellon*, No. 71365, 429 P.3d 294 (Nev. Oct. 12, 2018) (unpublished table disposition) (citing *Lopez*, 109 Nev. at 556–57, 853 P.2d at 1268–69). That includes most motions under Rule 60(b). *Id.* And in many cases, such as when an insured is pursuing tort claims

that will require the insurer to pay out uninsured-motorist benefits, the need for intervention becomes clear well before the judgment. *See Lopez*, 109 Nev. at 556–57, 853 P.2d at 1268–69.

b. AN EXPIRED JUDGMENT IS NOT A JUDGMENT

Not so with a judgment that, without facing a threat of being reopened or relitigated, simply expires by its own terms. In contrast with a judgment that appears valid on its face, after the time for enforcing a judgment has passed without renewal, "a judgment no longer exists to be renewed." *Kroop & Kurland, P.A. v. Lambros*, 703 A.2d 1287, 1293 (Md. Ct. Spec. App. 1998) (citations omitted). The expired judgment is void. *Leven v. Frey*, 123 Nev. 399, 410, 168 P.3d 712, 719 (2007). And that can be raised not just on direct appeal from proceedings to enforce that judgment, but as a collateral attack in the underlying case. *Rawson v. Ninth Judicial Dist. Court*, 133 Nev., Adv. Op. 44, 396 P.3d 842, 848 & n.4 (2017); NRCP 60(b)(4). Not only can the *parties* mount such an attack, but the court on its own motion can, too. *A-Mark Coin Co., Inc. v. Redfield's Estate*, 94 Nev. 495, 498, 582 P.2d 359, 361 (1978). The burden for establishing renewal rests with the party asserting its continued validity. *Leven*, 123 Nev. at 405, 168 P.3d at 717. "Either a

judgment is void or it is valid. Determining which it is may well present a difficult question, but when that question is resolved, the court must act accordingly." 11 WRIGHT & MILLER, FEDERAL PRACTICE AND PROCEDURE § 2862 (3d ed.). In a real sense, when the parties take action to revive and expired judgment, they are no longer operating "*after* a final judgment."

Other jurisdictions have held that an interested party such as an insurer can bring a Rule 60(b) motion to vacate certain judgments against its insureds—even without the insured's consent. *Crawford v. Gipson*, 642 P.2d 248, 249–50 (Okla. 1982) (citing *Kollmeyer v. Willis*, 408 S.W.2d 370 (Mo. Ct. App. 1966)). Particularly when the *plaintiff* undertakes to enforce a void judgment, "any interested person[] may show such nullity." *Gumina v. Dupas*, 159 So. 2d 377, 379 (La. Ct. App. 1964).

Ryan v. Landis, 58 Nev. 253, 75 P.2d 734 (1938) is not to the contrary. There, this Court rejected intervention as "a proper remedy to vacate a judgment alleged to be void," *id.*, 58 Nev. 253, 75 P.2d at 735–36, relying on the Washington Supreme Court's decision in *Seattle & N. Ry. Co. v. Bowman*, 102 P. 27 (Wash. 1909). That case, however, makes

clear that it is not talking about a motion under modern Rule 60(b)(4); far from it, the proposed intervenors in *Bowman* who claimed defective service did not directly attack the judgment in the trial court but came up with that theory only on appeal:

> As the judgment is regular upon its face and recites due and personal service, it would seem that the validity of such service and the question whether the person upon whom it had been made was an authorized officer of the defendant *could only be questioned in a proceeding directly attacking the judgment, properly instituted by motion or petition* . . . .

102 P. at 28–29 (emphasis added). The problem was not that such a motion was unavailable to the proposed intervenors, but that they elected not to use it.

But even supposing that good reasons exist for denying a third party the right to challenge as void a judgment that is "regular upon its face," there is no reason to bar intervention that merely points out a judgment's facial invalidity due to expiration. As the court could so conclude on its own, or with the help of *amici*, so should an intervenor be able to make that same point. *Cf.*, *e.g.*, *United States v. Windsor*, 570 U.S. 744, 755 (2013) (*amicus* appointed to argue that the Court lacks jurisdiction, a position not taken by either party).

2. Nalder's Attempt to Revive an Expired Judgment Creates a New, Pending Issue in the 2007 Case

Here, the district court appreciated the difference between intervening in a case after a valid, final judgment and intervening in new litigation to revive an expired judgment:

> But I do see, you know, a distinction between that case, those cases, and what we have here, which is you now have essentially the prospect of new litigation, which is that 2018 case, on—to enforce that 2007 judgment.
>
> And that new litigation creates new issues, which is whether that judgment has expired . . . or has been renewed. And I think definitely UAIC . . . has an interest in that and meets the elements necessary to intervene.

(5 R. App. 1132–33.) UAIC is not challenging or seeking to reopen the 2007 judgment, even in the sense discussed in *Ryan v. Landis*. Those issues were long ago decided, and but for Nalder's harried reaction to this Court's certified question, that case would have stayed closed. Rather, it is Nalder who is attempting to resuscitate a decade-old judgment without timely renewing it under NRS 17.214. (5 R. App. 1109–10 (describing this case as "litigation to declare that judgment a valid or continuing, renewed or whatever, judgment").) That new controversy has not gone to trial or otherwise to judgment, and while that dispute hinges in part on what to make of a document called "judgment" in the

docket from 2008, UAIC's intervention in this present, pending dispute is timely.

C. The Undeveloped Record Underscores the Impropriety of Writ Relief

Nalder and Lewis are not just wrong in their legal position. They are also bringing this challenge in the wrong form: a premature petition for extraordinary relief rather than an appeal in the ordinary course. Because the status of the 2008 judgment is uncertain, and Nalder and Lewis swear that nothing this Court does will resolve it, this Court cannot prejudge the validity of the 2008 judgment to bar intervention.

1. Orders Granting Intervention Are Appealable, and this Court Should Not Hear the Petition

When a district court has *denied* intervention, the party seeking intervention cannot appeal, so "a mandamus petition is an appropriate method to seek review of such an order." *Hairr*, 132 Nev., Adv. Op. 16, 368 P.3d at 1200 (citing *Am. Home Assurance Co.*, 122 Nev. at 1234, 147 P.3d at 1124).

In contrast, a party contesting an order *granting* intervention can do so on appeal. *See Lopez*, 109 Nev. at 554, 853 P.2d at 1266. This

Court should abstain from hearing the petition now and allow the district court to more fully develop the issues.

2. This Court Should Not Grant Mandamus in the Face of Legal and Factual Uncertainty

"Mandamus is an important escape hatch from the final judgment rule, but such relief must be issued sparingly and thoughtfully due to its disruptive nature. Advisory mandamus, like any form of interlocutory review, carries the significant negative risks of delaying the ultimate resolution of the dispute and undermining the 'mutual respect that generally and necessarily marks the relationship between . . . trial and appellate courts.'" *Archon Corp. v. Eighth Judicial Dist. Court*, 133 Nev., Adv. Op. 101, 407 P.3d 702, 709 (2017) (quoting *Bauman v. U.S. Dist. Court*, 557 F.2d 650, 653 (9th Cir. 1977)).

3. Further Findings Are Necessary to Resolve the Threshold Question of Renewal or Expiration

Here, even assuming for a moment Nalder's and Lewis's position that a final judgment precludes intervention, it is far too early to say whether there *is* such a judgment. Integral to their argument against intervention is the assumption that they will prevail in her new claim about renewal, proving a final judgment in the 2007 action. But the

case is stayed pending this Court's resolution of the certified questions (6 R. App. 1311, 1316–18), and even then, Lewis and Nalder repeatedly assert that this Court is "NOT deciding if the judgment is expired." (*E.g.*, 6 R. App. 1330, 1489; 10 R. App. 2277.) The district court will eventually consider this Court's decision, any decision from the Ninth Circuit, and its own factfinding to decide whether the 2008 judgment is valid. The district court's decision may provide grounds for the district court to reconsider the intervention question or for an appeal.

For now, though, that remains uncertain. Simply assuming that they win on this crucial question is an abuse of the extraordinary writ procedure.

D. Preventing Intervention Would Produce Waste and Absurd Results

Ignoring the circumstances that call for intervention in a case such as this—where a party is attempting to revive a facially invalid judgment—would produce tremendous waste and perverse results.

1. Denying Intervention Would Waste this Court's Resources

That UAIC has intervened to participate in the consolidated case below, rather than to appeal to this Court, highlights an absurd consequence of Nalder's and Lewis's petition. By their logic, this Court's work would triple: this Court would grant their petition, then UAIC would file its own petition challenging a judgment affecting its interests without its joinder, then the district court would join UAIC as a party, and finally, after a final judgment, the losing party could appeal.

Something similar happened in the two-part saga of *Gladys Baker Olsen Family Trust ex rel. Olsen v. Olsen*. In part one, the district court entered a judgment invading the assets of a nonparty trust, removing the nonparty trustee, and taking other adverse actions. 109 Nev. 838, 839, 858 P.2d 385, 385 (1993) (*Olsen I*). The trust moved to intervene after the judgment, but "only for purposes of appealing" the order. *Id.* This Court vacated the intervention order, noting that the district court could not grant intervention solely to confer party status for standing to appeal. *Id.* at 841–42, 858 P.2d at 386–87. Without being a proper party, the trust lacked standing to appeal the order, so this Court dismissed the appeal without prejudice to file a writ petition instead. *Id.*

In part two, this Court heard and granted the petition heard the trust's writ petition challenge to the order of June 2, 1993. *Gladys Baker Olsen Family Trust ex rel. Olsen v. Eighth Judicial Dist. Court*, 110 Nev. 548, 874 P.2d 778 (1994) (*Olsen II*). This Court held that "joinder rather than knowledge of a lawsuit and opportunity to intervene is the method by which potential parties are subjected to the jurisdiction of the court." *Id.* at 553, 874 P.2d at 781. The trust was an indispensable party to a judgment regarding trust property, and "failure to join an indispensable party may be raised by the appellate court sua sponte." *Id.* at 554, 874 at 782 (citing *Schwob v. Hemsath*, 98 Nev. 293, 646 P.2d 1212 (1982)). This Court vacated the order as void and remanded for the trust to be . . . joined as a party. *Id.*

It cannot be that every time a court fails to join an indispensable party to a judgment—rendering the judgment void—the party and the district court are powerless to remedy that defect and instead must petition this Court for extraordinary relief. Rather, the problem in *Olsen* was that the district court tried to confer *only* appellate standing, without actually joining the trust to any proceedings in the district court. By contrast, the recognition that the judgment was void—something,

again, the district court could decide *sua sponte*—freed the court to join the trust as a party to the district-court proceedings.

Here, too, it would be absurd to deny UAIC intervention now, only to have to vacate the judgment affecting UAIC's rights on the basis that UAIC was an indispensable party who ought to have been joined. Instead, the district court properly exercised its discretion to join UAIC, not merely to appeal a judgment between other parties, but to participate as an indispensable party in Nalder's pending efforts to revive a judgment that on its face appeared expired.

2. Denying Intervention Would Spur Collusive Settlements

A basic principle of intervention is that an intervening party cannot "be prejudiced by not doing an act that they had no right to do" before the intervention. *State ex rel. Moore v. Fourth Judicial Dist. Court*, 77 Nev. 357, 361, 364 P.2d 1073, 1075–76 (1961).

Yet to deny intervention in these circumstances would also create a disastrous template for collusive settlements in preparation for a claim against an insurer. The defendant could refuse to cooperate with the insurer, stipulate to an exorbitant judgment, then prevent the insurer from coming in to vacate the judgment on behalf of the insured.

3. Denying Intervention Would Give UAIC Fewer Rights than an Amicus

As discussed, where the court has power to act on its own motion, anyone could appear *amicus* to assist the court's resolution. Indeed, this Court has approved of "allowing a proposed intervenor to file an amicus brief" where doing so "is an adequate alternative to permissive intervention." *See, e.g.*, *Hairr*, 132 Nev., Adv. Op. 16, 368 P.3d at 1203 (quoting *McHenry v. Comm'r*, 677 F.3d 214, 227 (4th Cir. 2012)). And *amici* can appear at any stage of litigation, including rehearing on appeal. *E.g.*, *Powers v. United Services Auto. Ass'n*, 115 Nev. 38, 40–41, 979 P.2d 1286, 1287–88 (1999); *Bahena v. Goodyear Tire & Rubber Co.*, 126 Nev. 606, 608, 245 P.3d 1182, 1184 (2010). In such a circumstance, it makes no sense to bar a party whose interests are adversely affected from intervening to make the same arguments. *Id.* (recognizing that amicus briefing may be inadequate when the proposed intervenor's interests are not represented by the original parties).

E. If *Ryan v. Landis* Is Read to Prevent Intervention, It Should Be Overruled

The rule UAIC proposes—that an intervenor may appear after judgment when (1) the judgment appears void on its face, (2) the original parties raise new issues regarding the validity of the facially void judgment, (3) the dispute does not reopen or relitigate any issue in the original judgment, and (4) the court or *amici* could raise the same arguments, without the original parties' acquiescence—does no violence to the principles that thread through the case law from *Ryan* to *Eckerman* to *Lopez* to *Lomastro*. It remains true that "[a]n intervener must take the action as he finds it": the intervenor cannot make arguments regarding previously decided issues that, under NRCP 60(b) or NRAP 3A only a party could make. *Ryan*, 58 Nev. 253, 75 P.2d at 736. And these limitations preserve the "simplicity, clarity and certainty" of a jurisdiction rule that nonetheless does not force absurd, and duplicative, writ petitions or appeals. *See Olsen I*, 109 Nev. 838, 841, 858 P.2d 385, 387 (1993). It would simply bring Nevada into the mainstream of jurisdictions interpreting Rule 24. *See McDonald v. E. J. Lavino Co.*, 430 F.2d 1065, 1071 (5th Cir. 1970) (describing limits on intervention after judg-

ment, including that the intervention not reopen or relitigate the original lawsuit); *see generally* 7C WRIGHT & MILLER, FEDERAL PRACTICE AND PROCEDURE § 1916 & n.23 (3d ed.) (listing cases in nearly every circuit allowing intervention in limited circumstances after a final judgment);.[7]

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[7] *SEC v. U.S. Realty & Improvement Co.*, 310 U.S. 434, 458–461 (1940); *Flynt v. Lombardi*, 782 F.3d 963 (8th Cir. 2015); *Blum v. Merrill Lynch Pierce Fenner & Smith Inc.*, 712 F.3d 1349 (9th Cir. 2013); *United States v. City of Detroit*, 712 F.3d 925 (6th Cir. 2013); *In re Lease Oil Antitrust Litig.*, 570 F.3d 244 (5th Cir. 2009*); Tweedle v. State Farm Fire & Cas. Co.*, 527 F.3d 664 (8th Cir. 2008); *Alstom Caribe, Inc. v. Geo. P. Reintjes Co.*, 484 F.3d 106 (1st Cir. 2007); *Elliott Indus. Ltd. P'ship v. BP Am. Prod. Co.*, 407 F.3d 1091 (10th Cir. 2005); *Acree v. Republic of Iraq*, 370 F.3d 41, 50 (D.C. 2004); *Tocher v. City of Santa Ana*, 219 F.3d 1040 (9th Cir. 2000); *Pansy v. Borough of Stroudsburg*, 23 F.3d 772 (3d Cir. 1994); *United States ex rel. McGough v. Covington Techs. Co.*, 967 F.2d 1391 (9th Cir. 1992); *Beckman Indus., Inc. v. Int'l Ins. Co.*, 966 F.2d 470 (9th Cir. 1992); *Ceres Gulf v. Cooper*, 957 F.2d 1199 (5th Cir. 1992); *Officers for Justice v. Civil Serv. Comm'n*, 934 F.2d 1092 (9th Cir. 1991); *United Nuclear Corp. v. Cranford Ins. Co.*, 905 F.2d 1424 (10th Cir. 1990); *United States v. Yonkers Bd. of Educ.*, 902 F.2d 213 (2d Cir. 1990); *Grubbs v. Norris*, 870 F.2d 343 (6th Cir. 1989); *Bank of Am. Nat'l Trust & Savs. Ass'n v. Hotel Rittenhouse Assocs.*, 844 F.2d 1050 (3d Cir. 1988); *Fiandaca v. Cunningham*, 827 F.2d 825 (1st Cir. 1987); *Hill v. W. Elec. Co.*, 672 F.2d 381, 387 (4th Cir. 1982); *Brown v. Eckerd Drugs, Inc.*, 663 F.2d 1268, 1278 (4th Cir. 1981), *vacated on other grounds*, 457 U.S. 1128 (1982); *Howse v. S/V "Canada Goose I",* 641 F.2d 317 (5th Cir. 1981); *Fleming v. Citizens For Albemarle, Inc.*, 577 F.2d 236 (4th Cir. 1978); *McDonald*, 430 F.2d 1065 (reversing denial of insurer's motion to intervene); *Shy v. Navistar Int'l Corp.*, 291 F.R.D. 128 (S.D. Ohio 2013); *Nextel Commc'ns of Mid-Atlantic, Inc. v. Town of*

Hanson, 311 F. Supp. 2d 142 (D. Mass 2004); *S. Pac. Co. v. City of Portland*, 221 F.R.D. 637 (D. Or. 2004); *Van Etten v. Bridgestone/Firestone, Inc.*, 117 F. Supp. 2d 1375 (S.D. Ga. 2000), *vacated on other grounds sub nom. Chi. Tribune Co. v. Bridgestone/Firestone, Inc.*, 263 F.3d 1304 (11th Cir. 2001); *Smith v. Bd. of Election Comm'rs*, 586 F. Supp. 309 (N.D. Ill. 1984); *Wilson v. Sw. Airlines Co.*, 98 F.R.D. 725 (N.D. Tex. 1983); *In re Franklin Nat'l Bank Secs. Litig.*, 92 F.R.D. 468 (E.D.N.Y. 1981); *Armstrong v. Bd. of Sch. Dirs.*, 471 F. Supp. 827, 846 (E.D. Wis. 1979); *New York State ex rel. New York County v. United States*, 65 F.R.D. 10 (D.D.C. 1974); *EEOC v. Am. Tel. & Tel. Co.*, 365 F. Supp. 1105 (E.D. Pa. 1973), *aff'd*, 506 F.2d 735 (3d Cir. 1974); *Winders v. People*, 45 N.E.3d 289, 293 (Ill. App. Ct. 2015); *R.D.B. v. A.C.*, 27 So. 3d 1283, 1286 (Ala. Civ. App. 2009); *Olver v. Fowler*, 168 P.3d 348, 352–53 (Wash. 2007); *Ex parte Caremark RX, Inc.*, 956 So. 2d 1117, 1129 (Ala. 2006); *City of Chicago v. Ramirez*, 852 N.E.2d 312, 322 (Ill. Ct. App. 2006); *Johnson Turf & Golf Mgmt., Inc. v. City of Beverly*, 802 N.E.2d 597, 600 (Mass. App. Ct. 2004); *Jenkins v. City of Coll. Park*, 840 A.2d 139, 146 (Md. 2003); *Taylor v. Abernethy*, 560 S.E.2d 233, 236 (N.C. Ct. App. 2002); *Wichman v. Benner*, 948 P.2d 484, 488 (Alaska 1997); *Humana Health Plans, Inc. v. Durant*, 650 So. 2d 203, 204 (Fla. Dist. Ct. App. 1995); *Cruz Mgmt. Co., Inc. v. Thomas*, 633 N.E.2d 390, 393 (Mass. 1994); *Blue Cross/Blue Shield of R.I. v. Flam ex rel. Strauss*, 509 N.W.2d 393, 396 (Minn. Ct. App. 1993) (reversing denial of insurer's motion to intervene to vacate judgment against insured); *Weimer v. Ypparila*, 504 N.W.2d 333, 336 (S.D. 1993); *Rosenbalm v. Commercial Bank of Middlesboro*, 838 S.W.2d 423, 427 (Ky. Ct. App. 1992); *Bouhl v. Gross*, 478 N.E.2d 620, 624 (Ill. App. Ct. 1985) *Petition of City of Shawnee*, 687 P.2d 603, 612 (Kan. 1984) ("The trial court not only had jurisdiction to grant the motion to intervene, but also authority to grant relief from the final judgment . . . ."); *Salvatierra v. Nat'l Indem. Co.*, 648 P.2d 131, 135 (Ariz. Ct. App. 1982); *Vicendese v. J-Fad, Inc.*, 389 A.2d 1021, 1024 (N.J. Super. Ct. 1978); *Elwell v. Vt. Commc'ns Mktg. Grp., Inc.*, 349 A.2d 218, 220 (Vt. 1975) (""While there is some authority for the proposition that intervention after final judgment is untimely, we feel that the better view is that intervention may be permitted even after final judgment where those already parties are not prejudiced, and

But if *Ryan* and its progeny are read to bar *every* intervention in a case whose docket includes a document labeled "judgment," this Court should reconsider those cases today.

1. The Washington Authority on which Ryan *Relied Has Been Discarded*

Stare decisis is at its weakest when the cases relied upon to create a rigid rule have themselves been discarded. *In re Estate of Sarge*, 134 Nev., Adv. Op. 105, 432 P.3d 718, 722 (2018) (overruling *Mallin v. Farmers Ins. Exch.*, 106 Nev. 606, 797 P.2d 978 (1990), which had relied on now-overruled federal cases).

Here, as discussed, *Ryan* rejected "the proposition that intervention is a proper remedy to vacate a judgment alleged to be void" based on a Washington Supreme Court case, though that case did not actually

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that where there is real potential for harm to the intervenor intervention should be denied as untimely only in extreme circumstances."); *E. Constr. Co. v. Cole*, 217 N.W.2d 108, 110 (Mich. Ct. App. 1974); *Wags Transp. Sys., Inc. v. City of Miami Beach*, 88 So. 2d 751, 752 (Fla. 1956); *Zeitinger v. Hargadine-McKittrick Dry Goods Co.*, 250 S.W. 913, 916 (Mo. 1923); *Sizemore v. Dill*, 220 P. 352, 355 (Okla. 1923); *Casey v. Ohio State Nurses Ass'n*, 114 N.E.2d 866, 867–68 (Ohio Ct. App. 1951); *Brown v. Brown*, 98 N.W. 718, 721 (Neb. 1904).

categorically bar such a remedy. *See Ryan*, 58 Nev. 253, 75 P.2d at 735–36 (citing *Seattle & N. Ry. Co. v. Bowman*, 102 P. 27 (Wash. 1909)).

But even if it did, Washington has abandoned such a categorical approach, holding now intervention is permitted after judgment upon a "strong showing" of the factors. *Olver v. Fowler*, 168 P.3d 348, 352–53 (Wash. 2007); *compare also Safely v. Caldwell*, 42 P. 766 (Mont. 1895) (cited in *Ryan* and prohibiting intervention after default judgment), *with In re Marriage of Glass*, 697 P.2d 96, 99 (Mont. 1985) ("motions to intervene made after judgment are not per se untimely").

2. Under Ryan*'s Strict Reading, NRS 12.130 Would Be Unconstitutional*

Cases such as *Ryan v. Landis* often invoke NRS 12.130's reference to intervention "[b]efore the trial" as a limitation on the time for intervention. It is not. The Legislature was simply respecting the separation of powers, enacting a substantive standard for intervention ("an interest in the matter in litigation") and allocating costs, NRS 12.130(1), but not treading on the judiciary's exclusive power to "manage the litigation process" and "provide finality." *See Berkson v. LePome*, 126 Nev. 492, 501, 245 P.3d 560, 566 (2010) (invalidating NRS 11.340, a statute

allowing plaintiffs to refile claims after their reversal on appeal, for violating separation of powers).

The Legislature can "sanction the exercise of inherent powers by the courts," but it cannot "limit or destroy" them. *Lindauer v. Allen*, 85 Nev. 430, 434, 456 P.2d 851, 854 (1969). Thus, a statute that attempted to limit the preclusive effect of a judgment was unconstitutional for interfering with a "judicial function." *State Farm Mut. Auto. Ins. Co. v. Christensen*, 88 Nev. 160, 162–63, 494 P.2d 552, 553 (1972). If possible, however, this Court reads statutes so as not to impinge on the judiciary's rulemaking, adjudicative, and other incidental powers. *Borger v. Eighth Judicial Dist. Court*, 120 Nev. 1021, 1029–30, 102 P.3d 600, 606 (2004). In *Borger*, for example, because the expert-affidavit requirement for medical-malpractice claims "contains no explicit prohibition against amendments [of defective affidavits], and because legislative changes in the substantive law may not unduly impinge upon the ability of the judiciary to manage litigation," this Court held that district courts retained their discretion to allow amendments. *Id.* "Retention of this discretion . . . is consistent with well-recognized notions of separation of legislative and judicial powers." *Id.*

Thus, the Nebraska Supreme Court held that a statute allowing intervention "before the trial commences" could not restrict the judiciary from allowing intervention after judgment:

> [H]owever that section may affect the right of a party to intervene, we are satisfied that it was not intended, and should not be permitted, to require a court to pursue an erroneous theory to a worthless decree, nor to curtail, in any degree, its power to do complete justice, so long as it retains jurisdiction of the cause and the parties.

Brown v. Brown, 98 N.W. 718, 721 (Neb. 1904).

Here, too, this Court should read NRS 12.130 to avoid an unconstitutional infringement on judicial power. The Legislature cannot *force* the judiciary to accept intervention after a final judgment; that is why the statute only addresses intervention "[b]efore the trial." At the same time, though, the Legislature cannot *restrict* the judiciary's rulemaking authority or *ad hoc* decisionmaking to permit intervention in limited circumstances after a final judgment; the statute simply does not address it. The court remains free to apply its own rules of civil procedure, as the federal courts and many state courts have, to govern post-judgment intervention. The district courts retain jurisdiction after judgment over some matters, including to declare a judgment void. So

to read NRS 12.130 as categorically barring intervention after the trial would render the statute unconstitutional for infringing on the judiciary's exclusive power.

IV.

NALDER AND LEWIS WERE ACCORDED DUE PROCESS THROUGH PROPER, TIMELY SERVICE

Nalder and Lewis do not articulate any due process violation. They claim to have been improperly served (Pet'n 28), but substantial evidence shows that they were properly served (3 R. App. 732–74, 11 R. App. 2609) and indeed opposed the motions. (1 R. App. 8, 2 R. App. 310, 3 R. App. 741, 4 R. App. 754, 763, 10 R. App. 2293, 2314, 11 R. App. 2670, 2728.) Any error, moreover, would have been harmless because Nalder and Lewis had repeated opportunities to be heard on reconsideration. (2 R. App. 310 (countermotion to set aside intervention order); 6 R. App. 1328 (motion for reconsideration); 6 R. App. 1487 (motion for reconsideration); 10 R. App. 2272 (joinder in motion for reconsideration).) Regardless, this Court is ill-equipped to decide that fact question in the first instance. *See Beazer Homes Holding Corp. v. Eighth Judicial Dist. Court*, 128 Nev. 723, 736, 291 P.3d 128, 137 (2012) ("The district court

is in the best position to analyze the facts and circumstances of this case . . . .").

CONCLUSION

For the foregoing reasons, this Court should deny the petition.

Dated this 10th day of July, 2019.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: */s/Daniel F. Polsenberg*
DANIEL F. POLSENBERG (SBN 2376)

By: */s/Abraham G. Smith*
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CERTIFICATE OF COMPLIANCE

1. I certify that this brief complies with the formatting, typeface, and type-style requirements of NRAP 32(a)(4)–(6) because it was prepared in Microsoft Word 2016 with a proportionally spaced typeface in 14-point, double-spaced Century Schoolbook font.

2. I certify that this brief complies with the type-volume limitations of NRAP 32(a)(7) because, except as exempted by NRAP 32(a)(7)(C), it contains 7869 words.

3. I certify that I have read this brief, that it is not frivolous or interposed for any improper purpose, and that it complies with all applicable rules of appellate procedure, including NRAP 28(e). I understand that if it does not, I may be subject to sanctions.

Dated this 10th day of July, 2019.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

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CERTIFICATE OF SERVICE

I certify that on July 10, 2019, I submitted the foregoing ANSWER for filing *via* the Court's eFlex electronic filing system. Electronic notification will be sent to the following:

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Attorney for Cheyenne Nalder

DISTRICT COURT

CLARK COUNTY, NEVADA

CHEYENNE NALDER, Plaintiff, vs. GARY LEWIS, Defendants. UNITED AUTOMOBILE INSURANCE COMPANY, Intervenor.	CASE NO.: 07A549111 DEPT NO.: XX Hearing Requested

REPLY IN SUPPORT OF CHEYENNE NALDER'S MOTION FOR FEES AND COSTS

Date: 7/7/2020
Time: 8:30 a.m.

Cheyenne Nalder, ("Cheyenne"), through her attorney, David A. Stephens, Esq., files this reply in support of her motion for fees and costs in the above entitled matter.

I. JURISDICTION TO HEAR MOTION

This Court retains the jurisdiction to hear this motion for fees and costs.

Cheyenne believes that the motion for rehearing referred to in United Automobile Insurance Company's, (UAIC), opposition to her motion for fees and costs is a motion for

rehearing of the Writ decision. A petition for writ does not affect the jurisdiction of this Court to proceed with the case.

A slightly more problematic concern deals with the appeal filed by UAIC from this Court's order denying its motion to set aside the judgment in this case. That appeal is Case No. 79487.

Since the Supreme Court issued the order on the writ deciding that UAIC had improperly intervened in this case and was not a proper party in this case, UAIC has filed a "Notice of Mootness" with the Nevada Supreme Court. However, as of this writing, the Supreme Court has not yet decided anything with respect to the UAIC appeal and a remittitur has not issued.

Generally the Supreme Court retains sole jurisdiction over an appeal until a remittitur is issued transferring jurisdiction back to the District Court. See *Buffington v. State*, 110 Nev. 124, 126, 868 P.2d 643,644 (1994). However when circumstances arise such that the Supreme Court does not have jurisdiction, the district court is not divested of jurisdiction. See *Ruff v. Clark County School District*, 103 Nev. 686, 688, 747 P.2d 1380, 1382 (1987), noting that a proper and timely filing of the notice of appeal is jurisdictional. See also *Knox vs. Dick*, 99 Nev. 514, 516, 665 P.2d 267, 269 (1993), noting that an appeal from a non-appealable order does not divest a trial court of jurisdiction.

If the Nevada Supreme Court reverses a district court's determination that a party may intervene, the Nevada Supreme Court loses jurisdiction to entertain the intervening party's appeal. *Gladys Baker Olsen Family Tr. ex rel. Olsen v. Olsen*, 109 Nev. 838, 841–42, 858 P.2d 385, 387 (1993); *cf. also Lopez v. Merit Ins. Co.*, 109 Nev. 553, 558, 853 P.2d 1266, 1269 (1993). The intervening party can no longer seek any relief in the case, so any appeal from the

denial of a particular motion would be moot. *See Lopez*, 109 Nev. at 558, 853 P.2d at 1269 (vacating not just order allowing intervention, but order granting intervenor's Rule 60(b) motion).

It is Cheyenne's position that being in view of the fact that UAIC is no longer a party in this case due to the decision on the writ with respect to intervention, that the appeal by UAIC does not now divest this court of jurisdiction and that this Court can proceed to decide this motion. UAIC, not being a proper party, does not have the right to appeal.

II. DOUBLE RECOVERY

The Opposition, without citing any authority for the proposition, states that a litigant cannot file two motions for fees and costs. Cheyenne has not found any law that prohibits filing two motions for attorney's fees.

If UAIC is concerned about Cheyenne making a double recovery, then that concern is easily remedied. Should this Court award attorneys fees prior to the Supreme Court deciding the motion for fees, or alternatively should the Supreme Court award attorneys fees prior to this court making a decision Cheyenne Nalder will certainly supplement either the Supreme Court matter or this matter in order to avoid any double recovery of attorney's fees and costs.

III. DISCLOSURE OF FEES SOUGHT AND BASIS

Cheyenne disclosed the basis of the fees sought and the hours she believes were spent on this case due to the improper intervention of UAIC into the 2007 case. She specifically noted that her attorney was working on a contingency fee agreement. Her attorney noted that he had spent more than 200 hours litigating this case and that he could allocate specifically 100.9 hours to work due to the improper intervention of UAIC into the 2007 case. He specifically noted he

removed all hours related to the 2018 case and also all hours in which he could not determine whether those hours were directly related just to the 2007 intervention. Thus, no hours were included in the request unless he was certain they related to the intervention by UAIC into the 2007 case.

Cheyenne is seeking that the Court apply its discretion and apply a reasonable hourly rate to the hours worked and make an award of attorney's based on that calculation[1].

Although UAIC complains that counsel for Cheyenne cannot separate the hours, counsel for Cheyenne believes that he has to do it in that Cheyenne can only recover for fees under NRS 12.130 for costs related to the intervention. Thus, he had to and when he was uncertain he opted to not include those hours.

IV. CLAIM PRECLUSION AND ISSUE PRECLUSION

While this is not the time to argue res judicata and the effect, if any, of the Ninth Circuit's most recent decision in the bad faith case, suffice it to say Cheyenne maintains that the judgment against Mr. Lewis is not now worthless.

That decision has no effect on this motion for fees and costs which is based upon an inappropriate intervention by UAIC in this matter, which was successfully litigated.

V. ATTORNEY'S FEES

UAIC cites *Smith v. Crown Financial Services of America*, as follows:

"It has been a consistent rule throughout the United States that a litigant has no inherent right to have his attorneys' fees paid by his opponent or opponents. Such

---

[1] Counsel's normal hourly rate is $300.00 per hour.

> an item is not recoverable in the ordinary case as damages, nor as costs, and hence is held not allowable in the absence of some provision for its allowance either in a statute or rule of court, or some contractual provision or stipulation."

Smith v. Crown Financial Services of America, 111 Nev. 277, 281, 890 P.2d 769, 771-772(Nev. 1995),

This case, however, is no ordinary case. UAIC intervened in an action where a judgment had already been entered. This intervention was contrary to all Nevada case law and NRS 12.130. Cheyenne agrees that there is no inherent right to attorney's fees, absent some provision. Here there is a specific statute requiring an intervenor to pay the costs of a failed intervention. Given all of these circumstances, costs should include attorney's fees.

In this motion Cheyenne is not seeking attorney's fees under NRAP 38 for the attorney's fees incurred in the appeal and writ process. She is seeking attorney's fees under NRS 12.130 and NRS 18.010(2)(b) for intervening, contrary to existing law, without reasonable grounds.

The fact that UAIC prevailed on some aspects of its claim, such as intervention in the 2018 case does not prevent an award of attorney's fees here.

> "The trial court also based its refusal to award fees upon the fact that it dismissed only a few of the Boyces' claims for failure to present sufficient evidence. In fact, only one of the Boyces' claims survived the trial. The prosecution of one colorable claim does not excuse the prosecution of five groundless claims. Trus Joist Corp. v. Safeco Ins. Co. of Am., 153 Ariz. 95, 735 P.2d 125, 140 (Ct.App.1986) (case remanded for trial court to apportion attorney's fees between grounded and groundless claims); Department of Revenue v. Arthur,

153 Ariz. 1, 734 P.2d 98, 101 (Ct.App.1986) ("The fact that not all claims are frivolous does not prevent an award of attorneys' fees."); Fountain v. Mojo, 687 P.2d at 501 ("[A] prevailing party must be afforded an opportunity to establish a reasonable proration of attorney fees incurred relative to the defense of a frivolous or groundless claim."). If, on remand, the trial court finds that some of the Boyces' claims were groundless, it should allocate Bergmann's attorney's fees between the grounded and groundless claims."

Bergmann v. Boyce, 109 Nev. 670, 675-676, 856 P.2d 560, 563 (1993).

In fact Cheyenne's attorney did allocate the hours between the groundless intervention and other matters.

For these reasons it is respectfully requested that this Court award Cheyenne her costs and fees incurred due to the improper intervention by UAIC.

Dated this 29th of June, 2020.

S/David A Stephens
David A. Stephens, Esq.
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3636 N. Rancho Drive
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Attorney for Cheyenne Nalder

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of June, 2020, I served the following document: **REPLY IN SUPPORT OF CHEYENNE NALDER'S MOTION FOR FEES AND COSTS**

■ VlA ELECTRONIC FILING; (N.E.F.R. 9(b))

Daniel Polsenberg, Esq.

Matthew J. Douglas, Esq.

Thomas F. Christensen, Esq.

E. Breen Arntz, Esq.

☐ VIA ELECTRONIC SERVICE (N.E.F.R. 9) ·

☐ BY MAIL: by placing the documents(s) listed above in a sealed envelope, postage prepaid in the U. S. Mail at Las Vegas, Nevada, addressed as set forth below:

☐ BY FAX: by transmitting the document(s) listed above via telefacsimile to the fax number(s) set forth below. A printed transmission record is attached to the file copy of this document(s).

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s/David A Stephens
An Employee of Stephens Law Offices

07A549111 James Nalder
vs
Gary Lewis

July 07, 2020 08:30 AM Cheyenne Nalder's Motion for Fees and Costs

HEARD BY: Johnson, Eric COURTROOM: RJC Courtroom 12A

COURT CLERK: Albrecht, Samantha; Skinner, Linda

RECORDER: Calvillo, Angie

REPORTER:

PARTIES PRESENT:

Abraham G. Smith	**Attorney for Intervenor**
Daniel F. Polsenberg	**Attorney for Intervenor, Third Party Defendant**
David Allen Stephens	**Attorney for Plaintiff**
Matthew J Douglas	**Attorney for Intervenor, Third Party Defendant**

JOURNAL ENTRIES

Mr. Stephens appeared by video via Blue Jeans. Mr. Douglas, Mr. Christensen and Mr. Polsenberg appeared by phone via Blue Jeans.

Court noted it had reviewed the Motion, Opposition, and Reply. Arguments by Mr. Stephens, Mr. Christensen, and Mr. Douglas. COURT ORDERED, Motion GRANTED as to costs in the amount of $458.52. Court noted, according to the statute, attorney's fees are not costs and there does not seem to be bad faith in this case. COURT FURTHER ORDERED, Motion DENIED as to attorney's fees. Mr. Stephens to prepare the order.

ORDR

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DISTRICT COURT
CLARK COUNTY, NEVADA

CHEYENNE NALDER, Plaintiff, vs. GARY LEWIS; DOES I through V, inclusive, Defendants. UNITED AUTOMOBILE INSURANCE COMPANY, Intervener.	Case No. 07A549111 Dep't No. 20 **ORDER REGARDING CHEYENNE NALDER'S MOTION FOR COSTS AND ATTORNEY'S FEES** Hearing Date: July 7, 2020 Hearing Time: 8:30 a.m.

On July 7, 2020, this Court heard plaintiff Cheyenne Nalder's motion for costs and attorney's fees.

Having considered the briefing and oral argument by counsel for plaintiff, defendant Gary Lewis, and United Automobile Insurance Company, this Court orders as follows:

Plaintiff's motion is GRANTED as to costs in the amount of $458.52, which were documented and unopposed.

As to attorney's fees, this Court notes that attorney's fees are not recoverable costs according to NRS 12.130, and UAIC did not maintain its position without reasonable ground or in bad faith so as to otherwise support an award of attorney's fees. Therefore, plaintiff's motion is DENIED as to the request for attorney's fees.

Dated this ____ day of July, 2020.

Dated this 24th day of July, 2020

DISTRICT COURT JUDGE

02B D83 58BF 3375
Eric Johnson
District Court Judge

Respectfully submitted by:
LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: */s/ Abraham G. Smith*

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ROTHGERBER CHRISTIE

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DISTRICT COURT
CLARK COUNTY, NEVADA

James Nalder	CASE NO: 07A549111
vs	DEPT. NO. Department 20
Gary Lewis	

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

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DISTRICT COURT
CLARK COUNTY, NEVADA

CHEYENNE NALDER, Plaintiff, vs. GARY LEWIS; DOES I through V, inclusive, Defendants.	Case No. 07A549111 Dep't No. 20 **NOTICE OF ENTRY OF ORDER REGARDING CHEYENNE NALDER'S MOTION FOR COSTS AND ATTORNEY'S FEES** Hearing Date: July 7, 2020 Hearing Time: 8:30 a.m.
UNITED AUTOMOBILE INSURANCE COMPANY, Intervener.	

Please take notice that the attached "Order Regarding Cheyenne Nalder's Motion for Costs and Attorney's Fees" was entered on July 24, 2020.

Dated this 27th day of July, 2020.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: */s/ Abraham G. Smith*
DANIEL F. POLSENBERG (SBN 2376)
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CERTIFICATE OF SERVICE

I certify that on July 27, 2020, I served the foregoing "Notice of Entry of Order Regarding Cheyenne Nalder's Motion for Costs and Attorney's Fees" through the Court's electronic filing system upon all parties on the master e-file and serve list.

/s/ Lisa M. Noltie
An Employee of Lewis Roca Rothgerber Christie LLP

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7/24/2020 11:28 AM

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DISTRICT COURT
CLARK COUNTY, NEVADA

CHEYENNE NALDER, Plaintiff, vs. GARY LEWIS; DOES I through V, inclusive, Defendants. UNITED AUTOMOBILE INSURANCE COMPANY, Intervener.	Case No. 07A549111 Dep't No. 20 **ORDER REGARDING CHEYENNE NALDER'S MOTION FOR COSTS AND ATTORNEY'S FEES** Hearing Date: July 7, 2020 Hearing Time: 8:30 a.m.

On July 7, 2020, this Court heard plaintiff Cheyenne Nalder's motion for costs and attorney's fees.

Having considered the briefing and oral argument by counsel for plaintiff, defendant Gary Lewis, and United Automobile Insurance Company, this Court orders as follows:

Plaintiff's motion is GRANTED as to costs in the amount of $458.52, which were documented and unopposed.

As to attorney's fees, this Court notes that attorney's fees are not recoverable costs according to NRS 12.130, and UAIC did not maintain its position without reasonable ground or in bad faith so as to otherwise support an award of attorney's fees. Therefore, plaintiff's motion is DENIED as to the request for attorney's fees.

Dated this ____ day of July, 2020.

Dated this 24th day of July, 2020

DISTRICT COURT JUDGE

02B D83 58BF 3375
Eric Johnson
District Court Judge

Respectfully submitted by:
LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: */s/ Abraham G. Smith*

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Attorneys for United Automobile Insurance Company

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ROTHGERBER CHRISTIE

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DISTRICT COURT
CLARK COUNTY, NEVADA

James Nalder	CASE NO: 07A549111
vs	DEPT. NO. Department 20
Gary Lewis	

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

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DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES NALDER, Plaintiff, vs. GARY LEWIS, Defendant.	CASE NO: 07A549111 DEPT. XX

BEFORE THE HONORABLE ERIC JOHNSON, DISTRICT COURT JUDGE

TUESDAY, JULY 7, 2020

RECORDER'S TRANSCRIPT OF HEARING RE:
CHEYENNE NALDER'S MOTION FOR FEES AND COSTS

APPEARANCES:

For the Plaintiff:	DAVID ALLEN STEPHENS, ESQ.
For the Defendant:	THOMAS F. CHRISTENSEN, ESQ.
For the Intervenor:	MATTHEW J. DOUGLAS , ESQ. DANIEL F. POLSENBERG, ESQ. ABRAHAM G. SMITH, ESQ.

RECORDED BY: ANGIE CALVILLO, COURT RECORDER

Las Vegas, Nevada; Tuesday, July 7, 2020

* * * * * *

[Proceeding commenced at 9:50 a.m.]

THE COURT: James Nalder versus Gary Lewis, Case Number 07A549111.

Counsel, please note your appearances for the record.

MR. STEPHENS: David Stephens appearing for Cheyenne Nalder, Your Honor.

MR. SMITH: Good morning, Your Honor, Abe Smith for United Automobile Insurance Company.

THE COURT: All right.

THE CLERK: And we have a couple other people.

MR. CHRISTENSEN: And Tom Christensen representing Gary Lewis as third-party Plaintiff in the consolidated case.

THE COURT: All right.

MR. POLSENBERG: And Dan Polsenberg with Abe Smith for UAIC.

THE COURT: Okay.

THE CLERK: Mr. Douglas.

MR. DOUGLAS: Matthew Douglas, also for UAIC, Your Honor.

THE CLERK: Okay, that's everybody.

THE COURT: That's everybody. Okay, very good. All right.

We're on for Cheyenne Nalder's motion for fees and costs. I received the motion, the opposition and the reply.

Mr. Stephens, I looked -- I thought `it was interesting the -- your citation to Webster's Dictionary's definition of costs: In a general sense, expenses incurred in litigations as; a) those payable to the attorney or counsel by his client, especially when fixed by law, commonly called fees and; b) those given by law or court to prevailing party against the losing party.

But I have to say, and this is what concerns me is that, you know, historically anyway, it doesn't seem if you look at it from a practice point of view that attorney's fees are generally considered within the concept of costs as provided for by statute. So I have a hard time, sort of, making that jump, just so that you understand. And then I do know that you -- note that you do, you know, argue 18.010, which talks about bringing an action without good cause.

And to some degree, I mean, well, I was obviously reversed by the Court on your writ. The Court finding, you know, reasonable grounds, tends to suggest that at least the UAIC wasn't acting unreasonable in that -- in their conduct. I mean if you look at, you know, the amount of case law in other jurisdictions, generally, you know, that deals with the concept of malicious prosecution in the civil case, in the civil world an initial judge's determination of -- for a party, generally presents the basis or probable cause to not move forward with a malicious prosecution claim against the losing party.

So that's sort of where I'm looking at, at this point in time, so I'll let you add or say whatever you want to for the record.

MR. STEPHENS: Let me deal with the last point first, Your

Honor.

I think the case law and the statute Nevada made completely obvious that UAIC could not intervene in this case. And while Judge Jones, I believe it was the judge's lack of intervention in this case, allowed it. That doesn't change the fact that the -- all of the cases that I could find in Nevada said you can't intervene after a judgment's been entered. And so that was my point.

I agree, I don't think UAIC actions go to the point of malicious prosecution, but I do think they really twisted and torqued the rules to try to keep themselves inserted into this case, enough to meet the bad face standard of NRS 18.012, I believe. And that is the basis for that argument is -- is if it hadn't been so obvious and it's just -- it's just clear that you can't intervene as a party after judgment's entered. And here a judgment in 2007, and amended judgment entered in 218 -- 2018, and they didn't come in and it's just way too late. And I think it was an effort in taking in bad faith.

Although, I agree with Your Honor, it does not go to the -- I don't think I could win a malicious prosecution case based on UAIC's attempted intervention, why she accepts intervention and then later reject it, so we're now bearing on that particular issue.

The cost argument also is interesting in the sense that 18.005 declines costs, but it limits it to Chapter 18. And I don't know that the legislative intent was to limit it to cost, so we certainly set costs under the circumstances because this intervention cost -- turning it over, and a lot of time and energy, it didn't cost her any money because as I've put

in my motion, I'm on a contingency fee basis, but we've been up to the Supreme Court a couple times in this case on writs, on an intervention that never should have happened.

And to simply awarding them any costs, which are $458.52, which is what I'm out of pocket on this case, would not seem to be a just result based on this nature -- this intervention. And then, again, that goes back to my argument under 18.00 that they really litigated in bad faith by intervening in this case when all the case law and the statute itself specifically prohibited it.

I don't know if the Court wants any argument about jurisdiction. I would note to the Court -- and the Court may have seen it, the Supreme Court --

THE COURT: No, you don't need to get into it. You don't need to get into any argument on the jurisdiction. I agree with your position --

MR. STEPHENS: Perfect.

THE COURT: -- that I do have the jurisdiction.

MR. STEPHENS: Perfect. I will jump away from that.

And then UAIC complained I didn't attach the amount on my invoice, I certainly could have, it just takes a ton of time to redact all the detailed entries, so I simply summarized it. And I'm on a contingency basis anyway and the Court has discretion to grant fees or not grant fees, even if the Court were to find UAIC intervened in bad faith, you still have the discretion to grant the fees or not grant the fees as I understand the case law in Nevada.

So I'm just asking the Court to exercise his discretion finding either the costs and include fees as Webster says. But again, I couldn't find any Nevada case law that said that, so I get where the Court's concerned -- or find that the intervention was so obviously bad, it was in bad faith and therefore I should be able to recover fees in addition to the cost of $458.58 -- or excuse me 52 cents.

That's all I have to add, Your Honor, unless you have additional questions.

THE COURT: All right. No, thank you.

Anyone else want to speak on behalf of the motion for fees and costs?

Now, I'll go to those opposed to the motion for fees and costs.

MR. SMITH: Thank you, Your Honor. And I guess I should ask what, if anything, do you need me to address or what do you need to hear from me?

THE COURT: Well, I mean, I tend to not think that the concept of costs as provided by the Court or by the legislature encompasses the idea of attorney's fees. I mean, there's other provisions throughout the rules and throughout the statutes which sets certain particular standards for the issue of providing attorney's fees. And it seems to me if costs encompass those, it would be clear and there wouldn't be a need for the other statutes as it relates. Plus as I noted, you know, historically case law doesn't seem to include attorney's fees within context of costs.

The issue then switches to the argument under 18.010, which

is bad faith and, you know, their position is that it was so obvious to seek intervention in this case. And then I tend to agree that I do have the discretion to make a reasonable split if I was to find that it was bad faith here, but anyways, so that's where I'm sort of looking at for you for any comments.

MR. SMITH: Okay, thank you, Your Honor.

Well, let me take the point about it being obvious that we didn't have a right to intervene. First of all, Mr. Stephens neglects to mention that half of his petition failed and that they never distinguished between this 2007 action and the 2018 action. And the Court did allow our intervention in the 2018 action and there's no evidence that Ms. Nalder has done anything other than comingle with these. Because in fact, they never made an argument that the one intervention was proper while the other intervention was improper, they always argued that both interventions were proper. But we to this day remain a proper party to the 2018 action.

And even as to the 2007 action, Judge Jones was -- obviously, agreed with our position and you agreed with our position when the parties came back on reconsideration. It is a difficult case, it was a difficult case. The reason is because this isn't a typical intervention after a final judgment where there's no question that the judgment would otherwise be valid on its face and a party is coming in to challenge the otherwise valid judgment.

Here we had a judgment that on its face that expired. It was over 10 years old and had not been renewed. So the question was does

that even constitute an intervention after judgment when there in reality is no enforceable judgment in the action anymore. And while the Nevada Supreme Court said, well, the judgments expiration doesn't itself warrant intervention.

But the Ninth Circuit agreed with us that, yes, this judgment is expired. And that's been -- I understand the -- Ms. Nalder and Mr. Lewis had a petition for rehearing in front of the Ninth Circuit that has not been acted upon yet, but the current ruling of that court is that, yeah, that the 27 -- the judgment in the 2007 action was in fact unenforceable.

So I don't think it was unreasonable for UAIC to come into this action to advance a position that neither Ms. Nalder nor Mr. Lewis was willing to advance that, hey, you don't need to enter an amended 3.5 million judgment against Mr. Lewis that he can then take against UAIC because in fact the original judgment had expired. Nobody was willing to take that position, but the Ninth Circuit agreed with UAIC's position.

Let me address just briefly the definition of costs. And I think where some of this -- what some of the confusion comes in, you have cases like *Sandy Valley* that talk about attorney's fees can be a cost of a litigation, but that's only where a rule agreement or statute so provides. There is no such statute in this case that authorizes attorney's fees, although, there are statutes in the world that do consider attorney's fees as part of costs.

You have 42 U.S.C 1988 that allows attorney's fees -- a reasonable attorney's fees as part of the costs in a 1983 or a 1982 action. You have or what was formerly NRS 40.655 that used to allow

attorney's fees in construction defect cases as part of the costs.

So you have cases like *Shuette versus Beazer*, S-H-U-E-T-T-E, B-E-A-Z-E-R, where the Court discusses a statute that actually allows attorney's fees as costs. That's not the case for NRS 12.130. So the general American rule, which is part of our common law, survives and there's no clear statute on point that derogates from the common law. So, you know, we're not -- we're not acting in bad faith and there's no statutes that authorizes attorney's fees to be recovered as costs.

And all of this is sort of missing the elephant in the room, which is, in his motion, Mr. Stephens never disclosed the amount of attorney's fees that he was actually seeking, which made it impossible for us to respond or conduct the -- an analysis under *Brunzell* factors.

THE COURT: Okay. I mean, I will -- I've seen that argument from before. I will say that I tend to think that I can make a division under *Brunzell*, assume -- I probably would -- if I was going to go that route -- if I require additional documentation in terms of the fees, but I don't think it's necessarily be unreasonable, I think this Court has the discretion to do what would be a reasonable split with fees if I would -- between cases if I was to go that route.

Does anybody else have anything it wants to add before I rule?

MR. CHRISTENSEN: This is Tom Christensen. I would just like to comment that the bad faith on the part of UAIC is demonstrated by the argument that was just made. And that is they have continually misdirected this Court with what is being up on in front of the Nevada

Supreme Court and also in front of the Ninth Circuit. And he just misrepresented what the Ninth Circuit held. What the Ninth Circuit held is that the issue of tolling and the issue of the expired judgment was never before the Ninth Circuit, it was always before Your Honor. And UAIC has attempted to intervene in this action and successfully delayed the resolution of this action in order to influence the litigation up at the Ninth Circuit.

And they contend to you, Your Honor, that all these issues are up at the Ninth Circuit and so you can't make any rulings on this case. And yet they sell -- tell the Ninth Circuit, this is -- they haven't done what they're supposed to do down in the State Court and so you can find against them. The actual ruling from the Ninth Circuit was the tolling issues were waived by Nalder and Lewis because Lewis didn't renew his judgment. Well, Lewis would not renew a judgment.

MR. SMITH: Your Honor, may I object. Mr. Christensen did not join this motion. He didn't file anything.

THE COURT: You know, I'm not -- I'm not going to get into those kind of issues. Mr. Christensen has been involved in this litigation and if he's got a good point, I'm willing to hear is, so --

MR. DOUGLAS: Judge --

THE COURT: And --

MR. DOUGLAS: Judge, this is Matt Douglas, if I can just have a brief -- one brief word.

THE COURT: Sure.

MR. DOUGLAS: Judge, I just wanted to point out in regard to

all this argument about bad faith and intervention under 18.010, [audio distortion] standard. We cited -- we cited case law that under federal law, you could have intervention in, you know, circumstances even after a judgment, so I think it was a -- we argued for a good faith extension of law. Obviously, Your Honor agreed, the Supreme Court didn't say anything otherwise, so I don't see any basis for attorney's fees.

THE COURT: All right.

Anybody else want to make a comment before I rule?

MR. STEPHENS: Your Honor, Dave Stephens, just one --

THE COURT: All right.

MR. STEPHENS: -- just one last thing.

THE COURT: Okay. Go ahead, sir.

MR. STEPHENS: Mr. Smith had -- Mr. Smith's correct, we did argue against intervention in the 2018 case, too, and we lost that argument, we also lost on appeal. But it doesn't change the background and facts of the 2007 case for the intervening property. That's all I want to add, Your Honor.

THE COURT: Oh. Thank you.

Well, listen it has been a -- to some degree a -- and it sounds like it's still running a -- running a race through some uncharted territory, either at the Ninth Circuit level or over in the 2018 State case. You know, no one seems to be contesting the costs, so I will order the costs of $458.52.

The issue of whether costs encompasses the concept of attorney's fees, as I've said in my comments, I think to UAIC's counsel,

you know, while you can certainly encompass the idea of attorney's fees and broad spectrum of costs that are involved in a litigation, case law and practice generally treats attorney's fees separate from costs. And when the statutes seek to allow costs, there are separate statutes that specifically allow attorney's fees, which to me seems to indicate that the legislature does not consider the concept of cost to implicitly include the concept of attorney's fees.

Consequently, I don't find that statutorily these are -- attorney's fees would be considered costs. I do have a lot of sympathy for what Mr. Stephens mentions in terms of the idea that, you know, there in a lot of cases, I'm sure both on the plaintiff side and the defense sides, the parties could talk about the amount of attorney's fees that are burnt into a case that they feel were done in good faith and they don't get compensated necessarily for them as a general principle.

But I just don't think that the statute encompasses it here. That doesn't -- in looking at the issue of 18.010, and the issue of bad faith, Judge Jones did initially allow the intervention in this case. And on reconsideration, I denied the motion for reconsideration and I did it on the basis that I thought that the unique circumstances in this case and the unique posture of the parties and what is occurring in this case, permit it made -- intervention made sense and was appropriate as originally ordered by the Court.

You know, obviously, the Supreme Court disagreed with that, I appreciate that, I don't have any problem with that. But you know, just because this Court was wrong, doesn't make the initial action by the

parties that of bad faith. I don't believe that bad faith has been demonstrated in this case. And, you know, with reference to the one argument that UAIC may be gaming the system between the State Court and the Ninth Circuit Court in terms of what it -- position it takes here and -- versus what position it takes there.

In terms of the underlying issue in this case, again, I don't think that that in and of itself demonstrates bad faith as opposed to vigorous prosecution on behalf of their client. So I will deny it as to attorney's fees and grant it as to the costs of $458.52.

Who wants to prepare an order because I assume this will be appealed?

MR. STEPHENS: Your Honor, I think -- this is Dave Stephens, I can prepare it against my motion unless Mr. Smith is signing to do it.

MR. SMITH: We'll review your order, Mr. Stephens.

THE COURT: All right.

Go on ahead, Mr. Stephens, prepare an order and forward it to counsel for any comment and we'll sign off on it.

MR. SMITH: Thank you, Your Honor.

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MR. STEPHENS: That works, Your Honor.

THE COURT: All right. Thank you, all.

MR. STEPHENS: Thank you, Your Honor.

[Proceeding concluded at 10:13 a.m.]

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ATTEST: I do hereby certify that I have truly and correctly transcribed the audio/video proceedings in the above-entitled case to the best of my ability.

Robin Page
Court Recorder/Transcriber