### IN THE SUPREME COURT OF THE STATE OF NEVADA 1 **CASE NO. 82208** 2 3 BETTY CHAN; and ASIAN AMERICAN REALTY & FROBE 2021 10:26 a.m. 4 MANAGEMENT, Elizabeth A. Brown Clerk of Supreme Court 5 Appellants, 6 VS. 7 WAYNE WU; JUDITH SULLIVAN; NEVADA REAL ESTATE CORP.; and JERRIN CHIU, 8 9 Respondents. 10 11 12 APPELLEES' ANSWERING BRIEF AND OPENING BRIEF ON CROSS-13 APPEAL 14 15 Appeal from the Eighth Judicial District Court in Clark County, Nevada 16 17 District Court Case: A-16-744109-C 18 District Court Judge: Honorable Eric Johnson 19 BLACKROCK LEGAL, LLC 20 MICHAEL A. OLSEN, ESQ. (SBN 6076) THOMAS R. GROVER, ESQ. (SBN 12387) KEITH D. ROUTSONG, ESQ. (SBN 14944) 10155 W. Twain Ave., Suite 100 Las Vegas, NV 89147 Attorneys for Appellees/ Cross-Appellants 21 22 23 24 25 26 27

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2	IN THE CURRENT COURT OF	
3	IN THE SUPREME COURT O	THE STATE OF NEVADA
4	BETTY CHAN, et al.	Case No. 82208 District Court Case: A-16-744109-C
5	Appellants,	District Court Case. A-10-/44109-C
6	V.	
7	WAYNE WU, et al.	
8	Appellees.	
9	NRAP 26.1 DIS	CCI OCUDE
10	NKAF 20.1 DIS	SCLOSURE
11	The undersigned counsel of record for	or Appellees certifies that the following
12	are persons and entities as described in NR	AP 26.1(a), and must be disclosed:
13		
14	(1) BETTY CHAN - Appellant	
15		
16	(A) A CLANI A MEDICANI DE ALTEM O DDC	
17	(2) ASIAN AMERICAN REALTY & PRO	PPERTY MANAGEMENT - Appellant
18	(Owned solely by Betty Chan)	
19		
20	(2) D. DILANE EDIZELL EGO. EDIZEL	LIAWEIDM DILC (C C 1
21	(3) R. DUANE FRIZELL, ESQ FRIZEL	L LAW FIRM, PLLC (Current Counsel
22	for Appellants)	
23		
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25	(4) AVECE M. HIGBEE, ESQ MARQU	IS AURBACH COFFING (Former
26	counsel for Appellants)	
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2	counsel for Appellants)
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6	PLLC (Former counsel for Appellants)
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10	ARMENI SAVARESE (Former counsel for Appellants)
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13	(8) JANIECE S. MARSHALL, ESQ GENTILE CRISTALLI MILLER
14	ARMENI SAVARESE (Former counsel for Appellants)
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16	
17	(9) JEFFREY R. HALL, ESQ HUTCHISON & STEFFEN (Former counsel for
18	Appellants)
19	
20	
21	(10) WAYNE WU – Respondent/ Cross-Appellant
22	
23	(11) JUDITH SULLIVAN - Respondent/ Cross-Appellant
24	(11) VODITII SOLLI VIII V Respondent Cross rippentant
25	
26	(12) NEVADA REAL ESTATE CORP. Respondent/ Cross-Appellant
27	
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	iii

1	(13) JERRIN CHIU - Respondent/ Cross-Appellant
2	
3 4	(14) MICHAEL A. OLSEN, ESQ BLACKROCK LEGAL, LLC (Counsel for
5	Respondents)
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7 8	(15) THOMAS R. GROVER, ESQ BLACKROCK LEGAL, LLC (Counsel for
9	Respondents)
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13	Respondents)
14	
15 16	(17) ROMAN C. HARPER, ESQ GOODSELL & OLSEN, LLP (Counsel for
17	Respondents below)
18 19	These representations are made in order that the judges of this honorable court may
20	evaluate disqualification or recusal.
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iv

### TABLE OF CONTENTS

2		Page
3	Table of	f Authorities vii
4 5	I.	JURISDICTIONAL STATEMENT
6	II.	ROUTING STATEMENT
7	III.	ISSUES PRESENTED CROSS-APPEAL 1
8	IV.	ISSUES PRESENTED IN RESPONSE
10	V. S'	TATEMENT OF FACTS
11	VI.	ARGUMENT4
12		
13		A. Argument for Cross-Appeal
14		a. Standard of Review
15 16		b. Chan's actions constitute an abuse of process
17		i. Ulterior Motive
18		ii. Improper, Willful Act27
19		B. Argument Answering Appellant
20		
21		a. The GLVAR did not err by splitting the commission between
22		Chan and Wu
23		b. The awards of attorney's fees were appropriate
24		
25		i. Chan failed to comply with the award40
26		ii. Appellees sought confirmation of the arbitration award
27		contrary to Chan's assertions42
28		

1		iii. Chan is contractually bound to pay the fees and	costs
2		associated with enforcement of the award4	15
3 4	VII.	REQUEST FOR RELIEF4	16
5	VIII.	CERTIFICATE OF COMPLIANCE 4	8
6	IX.	CERTIFICATE OF SERVICE50	0
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

### TABLE OF AUTHORITIES

2	Pages
3	
4	State Cases
5	A N Associates, Inc. v. Quotron Systems, Inc., 605 N.Y.S. 2d 178, 159 Misc. 2d 515, (Civ. Ct. N.Y. Cnty. 1993) 33
6 7	Bartsas Realty v. Leverton, 82 Nev. 6, 409 P.2d 627 (1983)
8	Butler v. Bogdanovich, 101 Nev. 449, 705 P.2d 662 (1985)
9	Caldwell v. Consolidated Realty & Management Co.,         99 Nev. 935, 668 P.2d 284 (1983)       38, 39
11	Carmichael v. Agur Realty Co., 574 So. 2d 603 (Miss. 1990)
12	Caughlin Homeowners Ass'n v. Caughlin Club, 109 Nev. 264, 849 P.2d 310 (1993)
13 14	Clark County Education Association v. Clark County School District, 122 Nev. 337, 131 P.3d 5 (2006)
15	Georgiou Studio, Inc. v. Blvd. Invest, LLC, 663 F. Supp. 2d 973 (2009)
16 17	GES, Inc. v. Corbitt, 117 Nev. 265, 268, 21 P.3d 11, 13 (2001)
18 19	Greene v. Hellman, 51 N.Y.2d 197, 412 N.E.2d 1301 (1980)
20	Hall v. Superior Court, 18 Cal. App. 4th 427, 22 Cal. Rptr. 2d 376 (1993)34
21 22	Ham v. Morris, 711 S.W.2d 187 (Mo. 1986)
23	Health Plan of Nevada, Inc. v. Rainbow Med.,         120 Nev. 689, 100 P.3d 172 (2004)
24 25	In re Amerco Derivative Litigation, 127 Nev. 196, 252 P.3d 681 (2011).
26	<u>LaMantia v. Redisi</u> , 118 Nev. 27, 38 P.3d 877 (2002)21
27 28	Levy Wolf Real Estate Brokerage, Inc. v. Lizza Industries, Inc., 500 N.Y.S. 2d 37, 118 A.D.2d 688 (N.Y. App. Div. 1986)33
20	vii

1	Lipps v. Southern Nevada Paving, 16 Nev. 497, 998 P.2d 1183 (2000)
2 3	Moncharsh v. Heily & Blase, 3 Cal. 4th 1, 832 P.2d 899, (1992)35
4	Raphaelson v. Ashtonwood Stud Assocs., L.P., 2009 U.S. Dist. LEXIS 66517, *8 (D. Nev. 2009)26
5	<u>Sylver v. Regents Bank, NA,</u> 129 Nev. Adv. Op. 30, 300 P.3d 718 (2013)31
7	United Farm Agency of Alabama, Inc. v. Green, 466 So. 2d 118 (Ala. 1988)
8	Vincent v. Weber, 13 Ohio Misc. 280, 232 N.E. 2d 671 (Mun. Ct. 1965)
10	Wood v. Safeway, Inc., 121 P. 3d 1026 (2005)
11	1211.3d 1020 (2003) <u>.</u>
12	State Statutes
13 14	NRS 38.24131
15	NRS 38.241(1)(a)31
16 17	NRS 38.241(1)(d)30
18	NRS 38.247(1)(c)
19	Other Authorities
20	Code of Ethics and Arbitration Manual
21 22	EDCR 7.42(b)13
23	The Code of Ethics – Our Promise of Professionalism28
24	
25	
26	
27	
28	
	 Viii

## MEMORANDUM OF POINTS AND AUTHORITIES JURISDICTIONAL STATEMENT

Since the abuse of process claim was dismissed pursuant to a final order in the district court matter, jurisdiction is appropriate pursuant to NRAP 3A(b)(1). The November 28, 2020, Order is a final order disposing of Appellees'/ Cross-Appellants' abuse of process claim.

### **ROUTING STATEMENT**

The matter should be retained by the Court of Appeals according to NRAP 17(b)(5), as it involves the intentional tort of abuse of process and includes a judgment, exclusive of attorney's fees and costs, of \$250,000.00 or less. Since Chan is alleging that her arguments "rais[e] as a principle issue a question of statewide public importance" pursuant to NRAP 17(a)(12), Respondents/ Cross-Appellants do not object to jurisdiction of the Supreme Court of Nevada. However, Respondents have a motion to dismiss on file requesting dismissal of all of Chan's appeal. Should that motion be granted, and Chan's claims are dismissed, the Court of Appeals retains jurisdiction pursuant to NRAP 17(b)(5).

### **ISSUES PRESENTED ON CROSS-APPEAL**

Whether the district court erred in granting summary judgment on Appellees'/ Cross-Appellants' claim for abuse of process. Chan has taken purposeful actions in the course of this litigation to fulfill her ulterior motive. By her own admission, Chan's motive in this matter was to punish another agent who

stepped in after she failed to adequately serve a potential client. The lower court erred by granting summary judgment against the abuse of process claim.

### **ISSUES PRESENTED IN ANSWER TO APPELLANT'S OPENING BRIEF**

Whether a party can appeal an order confirming an arbitration award after failing to timely file an appeal of the District Court order confirming the decision reached by an Arbitration Panel.

Whether a realtor can be the procuring cause of a real estate transaction after abandoning a client urgently seeking assistance with a purchase.

Whether the doctrine of procuring cause supports splitting a commission and whether such a split constitutes a manifest disregard of a statute preventing a commission split.

Whether an award of attorney's fees and costs is appropriate when based upon a contractual provision mandating such an award for a party forced to seek court assistance in enforcing or confirming an Arbitration Award.

### **STATEMENT OF FACTS**

This dispute arose when Betty Chan failed to meet the expectations of a potential client, who was forced to hire another agent to help him find and purchase a house. The underlying commission at issue in this litigation should rightfully be paid to Wayne Wu, the agent that guided the buyer through the decision-making process and ultimately helped him obtain his home. However, Chan has spent tens of thousands of dollars, retained multiple different law firms,

and appealed twice to this Court to prevent Wu from obtaining a larger share of the commission awarded through binding arbitration at GLVAR. The facts of this case can be boiled down to the simple fact that Chan failed a potential client who was forced to seek help from another realtor after she abandoned that client when time was of the essence.

# I. <u>Jerrin Chiu Attempts to Use Betty Chan to Purchase a House during a Short Window Around the New Year</u>

On November 2, 2015, Dr. Jerrin Chiu emailed BETTY CHAN ("Chan"), officer and registered agent of ASIAN AMERICAN REALTY & PROPERTY MANAGEMENT ("AAPM"), expressing interest in searching for a home to purchase while Dr. Chiu's parents were in town to visit in late December. In the November 2, 2015, email, Dr. Chiu provided Chan with a relative price range, desired location, and expressed that he and his parents would be available to look at homes from December 30, 2015, to January 1, 2016. He noted that this might infringe on family time over the holidays. Chan, with no objection to the days indicated by Dr. Chiu, agreed to show him and his parents some options.

A few weeks later, Dr. Chiu contacted Chan again, confirming that she would accompany Dr. Chiu and his parents as they looked for a house. Chan

<sup>&</sup>lt;sup>1</sup> Exhibit "1".

<sup>&</sup>lt;sup>2</sup> **Exhibit "2"**.

confirmed the appointment. Dr. Chiu and Dr. Chiu's father, Dr. Kwang Chiu ("Kwang") sought out Chan because she spoke Mandarin Chinese, making it easier to communicate with Dr. Chiu's parents who speak limited English. Dr. Chiu was also familiar with Chan because Dr. Chiu had used Chan as a real estate agent before in 2013 when he purchased a condo.

On December 30, 2015, Chan met with Dr. Chiu and his parents to view some potential properties she believed met Dr. Chiu's requirements. Neither Dr. Chiu nor his parents ever entered into any form of written agreement with Chan. Chan showed them several previously owned homes. Chan tried to persuade Dr. Chiu to purchase one of the previously owned homes, but Dr. Chiu and his parents were not interested.

As the day progressed, Chan began to rush through showings. "We then went to Toll Brothers. . . . We did not finish all the models. We were already very late for the 4th resale appointment and also late for KB . . . . "3

Unsurprising, this rush continued as Chan took Dr. Chiu and his parents to Tevare at Summerlin, a housing development by KB Home Sales – Nevada, Inc. ("KB Home Development"). There, Chan showed Dr. Chiu and his parents three model home floor plans: Model 1 (a single-story home); Model 2 (a two-story home); and Model 3 (another two-story home). During this visit to the KB Home

<sup>&</sup>lt;sup>3</sup> Exhibit "18" from *Motion to Vacate*, P0011, Betty Chan Statement, "The Showing."

Development, Chan also showed Dr. Chiu a few empty lots where the model home floor plans could be erected. It is important to note that the floor plan and lot combination ultimately purchased by Chiu was never presented to him by Chan but rather by the later retained agent, Wu.

During the December 30th visit to KB Home Development, Chan was unwilling to let Dr. Chiu's interests govern the schedule. "I told Buyer Jerrin that we had [an] appointment with another property at 1:30 pm and [were] already late so we needed to hurry." Thus, Chan whisked Dr. Chiu and his parents away from the KB Home Development. Chan concluded the day with an email, the subject line of which read "3 properties we saw today." Chan's summary of the day identified only "3 properties that [Dr. Chiu] [was purportedly] interested" in purchasing: listings 1594880, 1594035, and 1592526. None of these met Dr. Chiu's needs nor were any of these properties purchased by him.

### II. <u>Chan Becomes Non-Responsive After the Rushed and Incomplete</u> <u>Showings of December 30, 2015</u>

Despite Dr. Chiu's expressed desire to finalize his home selection within a tight timeframe (while his parents were in town over the holiday), Chan became unresponsive after the initial rushed day of showings. This occurred despite Dr. Chiu's attempts to reach Chan. According to Chan, her non-responsive attitude

<sup>&</sup>lt;sup>4</sup> Exhibit "18" from *Motion to Vacate*, P0012, Betty Chan Statement, "KB Home." <sup>5</sup> P0051, Exhibit "11".

during the exact time frame Dr. Chiu needed to make his decision was due to her pursuit of personal affairs, including going to see "fireworks" with her family.

During arbitration, Chan admitted that she failed and refused to respond to Dr.

Chiu's calls over the New Year's holiday, preferring instead to spend time with her visiting daughter.<sup>6</sup>

On December 31, 2015, Dr. Chiu and his parents—unaccompanied by Chan who had abandoned them and was not returning calls—returned to the KB Home Development. They called Chan at approximately 10:50 a.m., to express their desire to look at more options before Dr. Chiu's parents left town. Chan did not answer.

While waiting for Chan to return their call, Dr. Chiu and his parents, without the assistance of any broker, met with a KB Home representative and were informed that if they did not make a deposit towards a lot before the end of the day, they would be subject to the development-wide price increase of \$3,000.00.

Even though he had not yet decided to purchase a KB Home, Dr. Chiu—unable to contact Chan—decided to make a fully refundable earnest deposit of \$10,000.00 with KB Home to avoid the price increase on the KB Home lots. The deposit was made because it was fully refundable for fourteen (14) days. Dr. Chui made the deposit with KB Homes based on the representation that the refund could

<sup>&</sup>lt;sup>6</sup> Exhibit "18" from *Motion to Vacate*, P0013–14, Betty Chan Statement, "Follow up."

be returned for fourteen days should he opt not to purchase from KB Homes.<sup>7</sup>

On January 2, 2016, Kwang called Chan several times without answer and left a message. Chan had previously been made aware that time was of the essence for Dr. Chiu, and she knew that Kwang and his wife had to return to California in two days and needed an agent to help them explore housing options and find a home to purchase.

On January 3, 2016, Kwang called Chan again and left another message. Dr. Chiu's parents had to leave, yet he still had not identified a house to purchase. Chan did not respond. Despite the urgency Dr. Chiu had expressed in identifying a house to purchase, Chan admits that she had no contact with Dr. Chiu from December 30, 2015, to January 5, 2016, the very days Dr. Chiu had indicated they needed help locating a home.<sup>8</sup>

# III. <u>Dr. Chiu Searches for Someone to Answer His Questions So he can Purchase a house</u>

Frustrated that Chan failed and refused to respond to their calls and messages and running out of time to consider options together, Dr. Chiu and his parents began searching for other real estate agents that could guide them through a purchase. Kwang started the search by calling a few different agents, but none answered. Kwang remembered a former acquaintance who worked in the Vegas

<sup>&</sup>lt;sup>7</sup> Affidavit of Jerrin Chiu, Exhibit "3".

<sup>&</sup>lt;sup>8</sup> <u>See</u> <u>Exhibit "18"</u> from *Motion to Vacate*, P0013–14, Betty Chan Statement, "Follow up."

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area as a broker, Wayne Wu ("Wu"). Kwang located Wu's number in a local newspaper and called Wu at approximately 1:40 p.m. on January 3, 2016.

Kwang recommended Wu to Chiu because of his expertise in architecture, ability to speak Mandarin, and his knowledge of the Chinese tradition of feng shui. Moreover, Wu was responsive to concerns and willing to accommodate his schedule to Dr. Chiu's short timeline even though he had no prior notice.

On January 7, 2016, Dr. Chiu met with Wu at the KB Home Development. Dr. Chiu expressed his frustrations in dealing with Chan, her forceful nature in trying to convince him to buy one of the Three Resale Properties, her pushing him (in the alternative) to purchase a KB Homes Model 3 floorplan, a plan Dr. Chiu was not impressed with, and her failure to respond to phone calls and voice messages.

Wu listened to Dr. Chiu's criteria and began to identify properties that could potentially satisfy Dr. Chiu's objectives. Thus, he suggested Lot 43 and the Model 2 floorplan, a combination that had never even been suggested by Chan. Wu explained the implications of building the Model 2 floorplan on Lot 43, including how the combination would be effective at bringing in natural light with an impressive view of the mountains in conformity with principles of feng shui.

Dr. Chiu found Wu's analysis convincing; Wu was also able to satisfy his concerns about KB Homes quality and access to the development, even though he initially deemed it to be outside his desired area. Based on Wu's recommendation,

Chiu purchased Lot 43 with the Model 2 floorplan on January 8, 2016. Wu is the broker that procured the sale and the ONLY listed Broker on the purchase agreement and the addendum. There is no mention of Chan in any of the closing documents.

### IV. Chan Uses Threats to Attempt to Obtain Wu's Commission

Chan has acknowledged that she knew at least by January 15, 2015 that Dr. Chiu had been forced to find another real estate agent to meet his needs. <sup>12</sup> After waiting another week, Chan decided to go to KB Homes and attempt to unilaterally obtain the Commission for herself by claiming that Dr. Chiu had signed a registration card appointing her as agent. <sup>13</sup> Chan could not produce the card and KB Homes was unable to locate such a document, which did not deter Chan from trying to obtain Wu's Commission by threatening Dr. Chiu.

Chan next hired Jeffrey R. Hall, Esq. of Hutchison & Steffen to send a demand letter to First American Title on March 24, 2016. Chan demanded she be paid Wu's Commission and claimed that "Mr. Chiu signed a broker registration

<sup>9</sup> Exhibit "3".

<sup>23</sup> A true and correct copy of the purchase agreement is attached hereto as **Exhibit**24 4.7.

<sup>&</sup>lt;sup>11</sup> A true and correct copy of the addendum to the purchase agreement is attached hereto as **Exhibit "5"**.

<sup>&</sup>lt;sup>12</sup> Exhibit "18" from *Motion to Vacate*, P0014–15, Betty Chan Statement, at "The Other Agent's Intrusion."

<sup>&</sup>lt;sup>13</sup> See Exhibit "18" from Motion to Vacate, P0015, Betty Chan Statement, "Registration Card."

15 Exhibit "7".

identifying Chan as his agent on [December 31, 2015]."<sup>14</sup> But Chan never had possession of the registration card; her real motive was to punish Wu for "daring" to provide services to the client she abandoned:

Honestly from day one i met you my focus is not the commission, i felt insulted and humiliated, another agent dared challenge me and he really do not know who I am. I have been really sad more than i am angry. Last night i read many court cases. Even though my card has disappeared, it wont hurt me winning. I liked to teach them a lesson. Life is not about money. So happen i do have few hundred thousand in hand that i can use. If they are willing to go along with me to spend equal amount of money, then I will be very happy to play their game. I got my direction last nite, so i felt peaceful now. All i need KB to understand I don't hate kb for this, and i need them to work with me on my plan. Jana, i dont blame you either and take care of yourself. 15

Unaware of Chan's ulterior motives, Wu, through counsel, requested a copy of the purported registration card from Chan's attorney on June 17, 2016. This request was renewed on June 21, 2016. Chan never had the registration card, which she knew and admitted as early as February 2016, four months earlier. Apparently, her counsel figured out the same. Chan purportedly sought to find the card but after a week Wu suddenly received notice that Chan's counsel "no longer represent[ed] Betty Chan in this matter."

Pursuant to Mr. Hall's confirmation that Chan was unrepresented, Chan was

<sup>&</sup>lt;sup>14</sup> Exhibit "6"; compare Exhibit "7" (showing Chan knew she did not have a registration card on February 5, 2016).

<sup>&</sup>lt;sup>16</sup> Email Chain between Laura Meyers, Michael A. Olsen, Esq., and Jeffrey Hall, Esq, attached hereto as **Exhibit "8"**.

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contacted directly requesting the purported registration card on June 29, 2016. Chan's response was to inform that she had retained counsel that was currently out of town but would follow up after having a chance to review the file.<sup>17</sup> This was the first of many times in which Chan's relationship with her attorneys was

#### V. Chan Uses the District Court, GLVAR, and Two Additional Law Firms to Challenge Payment of Wu's Commission

On September 27, 2016, Chan—now represented by Marquis Aurbach Coffing—committed an ethical violation of the GLVAR rules by filing a Complaint in the Eighth Judicial District Court, prior to submitting the matter to GLVAR for mediation and possible arbitration as required by rule. 18 Chan caused Dr. Chiu and Wu to incur thousands of dollars in attorney's fees and costs by initiating the litigation in the district court, in direct violation of her obligation to submit to arbitration.

Chan did not simply sue Wu. She also filed a frivolous action against Nevada Real Estate Corp. (the real estate company where Wu works), Judith

<sup>&</sup>lt;sup>17</sup> Email Chain between Laura Meyers, paralegal and Betty Chan, attached hereto as Exhibit "9".

<sup>&</sup>lt;sup>18</sup> Arbitration Manual, Article 17, page 13 ("Realtors shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter."); Part Ten – Arbitration of Disputes, Section 53(a) The Award, page 150 ("The award shall be in writing and signed by the arbitrators or a majority of them, shall state only the amount of the award, and, when so signed and transmitted to each of the parties, shall be valid and binding and shall not be subject to review or appeal.").

Sullivan (designated Realtor® and officer of Nevada Real Estate Corp.), Dr. Chiu, 2 3 4 5 6 7 8 10

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and KB Homes (the property developer/seller). As suggested in her email to KB homes quoted above Chan never pursued her claims against KB Homes who, to this day, has yet to file an answer to Chan's 2016 Complaint. Chan wanted KB to "work with me on my plan" to punish Wu by filing and pursuing frivolous litigation, despite a contractual and ethical obligation to arbitrate the matter with GLVAR. It was only after Appellees sought to dismiss the action that Chan filed a Motion to Stay, pending the outcome of the binding arbitration.

On December 6, 2016, Wu and Sullivan submitted their Answer and Counterclaim and asserted that Dr. Chiu and Chan never entered a written agreement and that there was never a meeting of the minds regarding the core terms of her representation. Dr. Chiu also asserted that there was never any written or verbal agreement setting forth the terms of any agreement between the parties. Wu and Sullivan further asserted that Chan fraudulently represented to Dr. Chiu and to First American Title Company that she possessed a broker registration card identifying her as Dr. Chiu's agent without being able to produce any such document upon challenge. 19 Wu and Sullivan also noted that Chan had failed to bring this matter before the GLVAR as is required of Realtors®.

On January 13, 2017, Chan, through counsel, filed her Motion for Stav

<sup>19</sup> See Exhibit "10"; Exhibit "6".

Pending Arbitration stating that Chan "submitted a claim for arbitration with the Greater Las Vegas Association of Realtors® pursuant to the Code of Ethics and Arbitration Manual for the National Association of Realtors®. In the event of disputes between Realtors®, Realtors® must submit the dispute to arbitration in accordance with the policies of GLVAR."<sup>20</sup> However, Chan only remembered the arbitration policy over a year after Dr. Chiu entered a contract to purchase his home and months after having improperly filed the instant lawsuit.

Ten days after the Motion for Stay, Chan's second counsel filed their *Motion* to Withdraw as Counsel of Record for Plaintiffs Betty Chan and Asian American Realty & Property Management. The motion requested withdrawal because of "differences with Plaintiffs concerning action to be taken" going forward.

On May 1, 2017, the District Court held a status check due to Chan's failure to provide any evidence that she had filed for arbitration. Because the named plaintiffs in the A-Case included a corporation, representation by counsel was required.<sup>21</sup> Chan retained Black & Lobello, the third firm she retained in this matter.

### VI. CHAN REPUDIATES RESULT OF BINDING ARBITRATION

On July 10, 2017, Respondents were finally made aware of a filing with the Arbitration Board. To initiate arbitration, Chan submitted her *Request and* 

<sup>&</sup>lt;sup>20</sup> See Motion for Stay Pending Arbitration, at 3:10–12, Exhibit "19".

<sup>&</sup>lt;sup>21</sup> EDCR 7.42(b) ("A corporation may not appear in proper person.").

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Agreement to Arbitrate (Member) (hereafter "Agreement to Arbitrate"). In the Agreement to Arbitrate, Chan recognized that "by becoming and remaining a member of the Greater Las Vegas Association of Realtors®" she had "previously consented to arbitration through the Association under its Rules and regulations."<sup>22</sup>

Further, Chan acknowledged that she sought arbitration of a "dispute arising out of the real estate business as defined by Article 17 of the Code of Ethics" between her and Wu.<sup>23</sup> She claimed that there was "due, unpaid and owing to [her] . . . the sum of \$13,795.32."<sup>24</sup> And the scope of the arbitration was clearly laid out by Chan in the Agreement to Arbitrate.

I request and consent to arbitration through the Association in accordance with the Code of Ethics and Arbitration Manual (alternatively, "in accordance with the professional standards procedures set forth in the bylaws of the Board"). I agree to abide by the arbitration award and, if I am the non-prevailing party, to, within ten (10) days following transmittal of the award, either (1) pay the award to the party(ies) named in the award or (2) deposit the funds with the Professional Standards Administrator to be held in an escrow or trust account maintained for this purpose. Failure to satisfy the award or to deposit the funds in the escrow or trust account within this time period may be considered a violation of a membership duty and may subject the member to disciplinary action at the discretion of the Board of Directors consistent with Section 53, The Award, Code of Ethics and Arbitration Manual.

In the event I do not comply with the award and it is necessary for any party to obtain judicial confirmation and enforcement of the award against me, I agree to pay that party costs and reasonable

<sup>&</sup>lt;sup>22</sup> **Exhibit "12"**, P0001.

<sup>&</sup>lt;sup>23</sup> **Exhibit "12"**, P0001, ¶ 3.

<sup>&</sup>lt;sup>24</sup> Exhibit "12", P0001, ¶ 4.

### <u>attorney's fees incurred obtaining such confirmation and</u> enforcement.<sup>25</sup>

Pursuant to the Agreement to Arbitrate, an arbitration was held before the GLVAR on or about April 17, 2018. The Arbitration Panel, consisting of three arbitrators, awarded Chan with twenty-five percent, or \$3,448.83 of the \$13,795.32 commission. The remainder was awarded to Wu.

Notwithstanding her consent to the arbitration and the rules governing the same, Chan has since repudiated the Award. On May 17, 2018, the last day for Chan to seek procedural review of the arbitration, she defiantly declared "I will not engage [in] a procedur[al] review with GLVAR . . . ."<sup>26</sup> After a diatribe of purported procedural deficiencies—which Chan refused to actually raise before the GLVAR—Chan openly criticized the GLVAR.

I am totally disappointed GLVAR has not changed a bit since my first arbitration 25 years ago. For whatever happened in the arbitration hearing, I could not trust GLVAR would be capable of providing a professional hearing any more. As such, I resort to legal action to fight for my obligations. I want that to be a known public record.<sup>27</sup>

Following that binding decision, Chan continued her litigious activities and sought to overturn the decision of the Arbitration Panel. The district court found the arbitration binding on August 22, 2018, and signed the Order Denying the

<sup>&</sup>lt;sup>25</sup> **Exhibit "12"**, P0001, ¶ 5 (emphasis added).

**Exhibit "13"**.

**Exhibit "13"**.

Motion to Vacate on September 18, 2018. <sup>28</sup> Chan again petitioned for the Court to overturn the Arbitration Award and again her request was struck down on October 31, 2018, when the Court granted the Respondents' request for Summary Judgment and took their request for an Award of Attorneys' Fees and Costs under advisement. On March 22, 2019, the district court also issued the Order Granting Defendant's Countermotion for Summary Judgment and Attorney Fees and Costs. <sup>29</sup>

Chan then attempted to appeal the September 18, 2018, order months after her window for an appeal had passed. This Court elected to dismiss Chan's appeal for multiple reasons. On May 14, 2020, this Court issued an *Order Dismissing Appeal* (attached as **Exhibit "16"**). This Court listed several reasons why the appeal should be dismissed: 1) the March 22, 2019 Order cannot be appealed under NRS 38.247(1)(c); 2) the March 22, 2019 Order was not a final order, and 3) there is "no statute or court rule allow[ing] an appeal from an order declaring someone to be a procuring cause."<sup>30</sup> This Court also correctly ruled that Chan's attempted appeal of the September 18, 2018 Order was untimely.

Following this Court's decision to dismiss the matter, Appellees filed their Motion for Summary Judgment, or in the Alternative, for Contractual Award of

<sup>&</sup>lt;sup>28</sup> Exhibit "14" Order Denying Motion to Vacate or Modify Arbitration Award, Sep. 18, 2018.

<sup>&</sup>lt;sup>29</sup> Attached as Exhibit "15"

<sup>&</sup>lt;sup>30</sup> See **Exhibit "16**".

Attorney's Fees, for Writ of Execution on Plaintiff's Commissions Awarded by GLVAR Arbitration Panel, and Release of Bond Deposited on Appeal seeking summary judgment on their claim of abuse of process and an award of additional attorney's fees and costs pursuant to the Agreement to Arbitrate (attached as Exhibit "12". Chan responded with her Plaintiffs' Opposition to Defendants' Motion for Summary Judgment, or in the alternative, for Contractual Award of Attorney's Fees, for Writ of Execution on Plaintiff's Commissions Awarded by GLVAR Arbitration Panel and Release of Bond Deposited on Appeal, and Countermotion for Summary Judgment on Defendants' Abuse-of-Process Counterclaim. On July 21, 2020, the Honorable Eric Johnson entertained the pleadings and entered an order on November 23, 2020 (hereafter "Final Order" and attached as Exhibit "17"). The Final Order granted summary judgment against Appellees' claim for abuse of process and awarded additional attorney's fees against Chan for her continuing pursuit of her meritless claims.

These results have not phased Chan, who has now incurred tens of thousands of dollars more in attorney's fees and costs than the initial commission was worth.

Chan claims she is fighting a battle for justice, even going to the lengths of comparing herself to Thurgood Marshall in Brown v. Board of Education. In reality, Chan is seeking retribution for her bruised ego and trying to fulfill her

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<sup>31</sup> See **Exhibit "2"**.

lesson is NOT proper grounds for initiating and pursuing baseless litigation after having lost a mandatory arbitration hearing.

It is Appelloa's position that the district court erred in granting summers.

prophetic statement that she would "teach [Appellees] a lesson." Teaching a

It is Appellee's position that the district court erred in granting summary judgment against Appellees on the abuse of process claim. Chan openly admitted that it wasn't about the commission but that she wanted to financially punish Wu with this litigation. She even called it a game and indicated that while she would name KB in order to "justify" filing in district court, she never had any intention of pursuing a claim against KB. Chan knew that she had to name KB in order to give her an excuse to file in district court when she was contractually and ethically bound to litigate the commission issue through mandatory arbitration before a panel established by the GLVAR. The lawsuit itself is nothing but a rouse intended to drive up costs of litigation and to teach the Appellees a lesson.<sup>32</sup> Her wounded pride has propelled this litigation for nearly five years. She has used the legal system to financially abuse the Appellees, who have now incurred several times more in attorney's fees and costs than the initial commission which was split by the arbitration panel. Despite these facts, Chan asserts that she is fighting against an injustice, like the great civil rights activists of the 1960s. The District Court outright stated that comparing Chan to Thurgood Marshall was offensive and

that Ms. Chan represented the worst of litigants. Specifically, the District Court found, in the November 23, 2020 Order (attached as **Exhibit "17"**), that "Ms. Chan represents the worst of litigation[.]"<sup>33</sup> It is offensive. Chan is not fighting an injustice. She is desperately trying to lick her wounded ego by abusing the legal system. Her claims should be denied and the dismissal of the abuse of process should be reversed. Finally, the awards of attorney's fees and costs should be affirmed, as the *Agreement to Arbitrate*, which Chan signed, clearly provides for an award of attorney's fees and costs incurred seeking to enforce the arbitration award.

Lastly, it is important to note that Appellees have filed a *Motion to Dismiss Second Appeal* (hereafter "MTD") in this matter. The MTD lays out the clear and obvious reasons why this Court should not entertain Chan's appeal. First and foremost, Chan failed to timely appeal the order confirming the arbitration award. The *Order Denying Motion to Vacate or Modify Arbitration Award* was filed and served on or about September 18, 2018. Appellant did not file her first *Notice of Appeal* until April 22, 2019, well beyond the 30-day time limit granted by NRAP 4(a)(1). The second *Notice of Appeal* was filed on December 14, 2020. Again, this is well beyond the deadline imposed by NRAP 4(a)(1). Additionally, as this Court wisely pointed out, "no statute or court rule allows an appeal from an order

<sup>&</sup>lt;sup>33</sup> Exhibit "17" at 2:20.

declaring someone to be a procuring cause."<sup>34</sup> Absent a statutory pathway, Chan should not be permitted to maintain an appeal. Finally, *res judicata* blocks Ms. Chan's **second** attempt to appeal the sufficiency of the arbitration award as well as the procuring cause issue. Appellees believe that this appeal should be dismissed for lack of jurisdiction, however, Appellees hereby present their answering brief and opening brief for the cross-appeal.

#### **ARGUMENT FOR CROSS-APPEAL**

## I. <u>STANDARD OF REVIEW – A DISTRICT COURT'S GRANTING OF SUMMARY JUDGMENT IS REVIEWED DE NOVO</u>

The Supreme Court of Nevada "reviews a district court's grant of summary judgment de novo, without deference to the findings of the lower court." Furthermore, the Supreme Court of Nevada, "when reviewing a motion for summary judgment, the evidence, and any reasonable inferences drawn from it, must be viewed in a light most favorable to the nonmoving party." Therefore, this Court must review the decision to grant summary judgment on Cross-Appellants' abuse of process claim *de novo* and must view all evidence in the light most favorable to Cross-Appellants.

<sup>24</sup> See Exhibit "4".

<sup>25</sup> Wood v. Safeway, Inc., P. 3d 1026, 1029 (2005), citing to GES, Inc. v.
Corbitt, 117 Nev. 265, 268, 21 P.3d 11, 13 (2001) (citing Caughlin Homeowners Ass'n v. Caughlin Club, 109 Nev. 264, 266, 849 P.2d 310, 311 (1993)).

<sup>&</sup>lt;sup>36</sup> Id, citing to Lipps v. Southern Nevada Paving, 116 Nev. 497, 498, 998 P.2d 1183, 1184 (2000) (citing Butler v. Bogdanovich, 101 Nev. 449, 451, 705 P.2d 662, 663 (1985)).

#### II. CHAN'S ACTIONS CONSTITUTE AN ABUSE OF PROCESS

Chan's conduct and her own admissions have demonstrated that she did not initiate the lawsuit in good faith, but rather to harass defendants and punish them. To establish a valid claim for abuse of process, one must establish "(1) an ulterior purpose [...] other than resolving a legal dispute, and (2) a willful act in the use of the legal process not proper in the regular conduct of the proceeding." To successfully obtain motion for summary judgment on an abuse of process claim, the moving party must "present specific facts that [the nonmoving party] had an ulterior purpose in the underlying lawsuit, other than resolving [their] legal dispute [...] and improperly used the legal process to accomplish that purpose."<sup>38</sup>

Chan has already admitted that she has an ulterior motive for filing her lawsuit. In her email, attached as <u>Exhibit "7"</u> she states that she "felt insulted and humiliated, <u>another agent dared challenge me</u> and he really do not know who I am." She continues: "I liked to teach them a lesson. Life is not about money. So happen <u>i do have few hundred thousand in hand that i can use</u>. If they are willing to go along with me to spend equal amount of money, <u>then I will be very happy to play their game</u>." In her own words, she has admitted that she filed the lawsuit, not because of a valid legal dispute, but because she wanted to avenge her

<sup>&</sup>lt;sup>37</sup> LaMantia v. Redisi, 118 Nev. 27, 30, 38 P.3d 877, 879 (2002).

Id at 31, 880.

<sup>&</sup>lt;sup>39</sup> Exhibit "7" Exhibit "7"

pride and teach the Defendants a lesson. She even talks about how she has enough money to carry a lawsuit and make them pay attorney's fees to keep up with her. This is a clear ulterior motive, and Chan cannot point to any specific fact on the record to indicate otherwise. Indeed, her conduct during the lawsuit has also been vexatious and improper. This weighs against the District Court's decision to dismiss the abuse of process claim by way of summary judgment. In reality this is a textbook example of abuse of process!

Chan improperly used the legal system to accomplish her ulterior motive.

First, she fraudulently represented that she possessed a broker registration card identifying her as Dr. Chiu's agent. This was not true, yet Chan alleges in her initial complaint that "Plaintiff Chan located a buyer registration card and Defendant Chiu filled in the buyer portion and Plaintiff Chan filled in the realtor portion." Chan never had such a card, yet she continued to claim that she did, to the point of including it in her original complaint and trying to take the commission by claiming she possessed the card. Not only did Chan misrepresent the existence of the buyer registration card, but she also filed this lawsuit in contravention of her responsibility to seek arbitration through GLVAR. She filed this civil suit prior to seeking resolution through arbitration, and only agreed to stay the case when Defendants threatened her with sanctions. She also breached the

<sup>&</sup>lt;sup>41</sup> See Chan's *Complaint* at 3:24-25.

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<sup>42</sup> Wood v. Safeway, Inc., 121 Nev. 724, 731, 121 P.3d 1026, 1031 (2005). See Exhibit "7".

Agreement to Arbitrate, in which she specifically agreed to abide by the arbitration award. Her conduct during the litigation has been inappropriate and has only served as evidence of her desire to run-up costs and punish the Defendants. She has propagated this litigation, at the expense of tens of thousands of dollars, yet she can only recover, at most, the \$13,000.00 commission held by GLVAR. This court has even entered an award of attorney's fees against Chan.

Chan's intentions have been clear from the beginning: vengeance on those who dared cross her. She has used the assistance of five different law firms to accomplish this task. The matter has been before the GLVAR Arbitration panel, the district court and now the Supreme Court of Nevada for a second time. Chan is the posterchild of one who abuses the legal system to accomplish her own ulterior motive. The district court erred by granting summary judgment on the abuse of process claim. Clearly, there was at least "a factual dispute [that would allow] a rational trier of fact could return a verdict" finding abuse of process. 42 In fact, Chan's statements of wanting to punish Appellees constitutes direct evidence of abuse of process. No evidentiary hearing should be necessary given Chan's own statement that she intended to use the legal system to cause Appellees to incur hundreds of thousands in legal fees.<sup>43</sup> However, the Court granted summary judgment against Appellees, dismissing their abuse of process claim.

#### i. Ulterior Motive

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Chan has tried desperately to explain her words about exacting revenge on Appellees. All of her attempts and excuses cannot change the fact that Chan admitted that her motive in this litigation was to wreak havoc on Appellees' bank accounts. Regardless of Chan's excuses, her actions show that she really has desired to cause Defendants to incur thousands in legal fees and costs trying to enforce the arbitration award. Her words do not show that she is fighting for social justice or a wrong. Her text clearly demonstrates that Chan was is purely motivated by pride. She even states that she needs to get KB homes to "work with [her] on [her] plan."44 This was not a plan to achieve justice, it was a plan to cause Defendants financial ruin for daring to challenge Chan. Chan has asserted that the District Court case was necessary because she could not seek relief against KB Homes before the GLVAR. Of course, this was all part of the "plan," because the naming of KB Homes as a defendant is a complete farce! Chan granted KB Homes an open extension to answer the Complaint from the outset and to this day KB has never even answered the Complaint! Quite a plan indeed. Chan never intended to harm her business by actually going after KB Homes with a bogus claim, she knows doing so would greatly hinder her ability to ever do business with KB Homes again. The "plan" was simply to file this case in order to unnecessarily and

44 Exhibit "14".

vexatiously drive up the cost of litigation, as set forth in her email. Had she actually desired justice, she would have also gone against the company who allowed Wu to step in and allegedly take her sale.

If this is not a clear, ulterior motive, there is no such thing. Out of the plaintiff's own mouth is an admission that she planned to drive up legal fees to soothe her wounded ego and drive out a competitor in the Asian speaking marketplace who "dares challenge her." Her justification on this point is pathetic as it does not matter who the communication was directed to or whether she was just venting. Her actions clearly demonstrate that this was a plan from the beginning. So far, she has succeeded in at least part of her plan: to drive up legal fees. Chan must not be permitted to continue to increase costs for Defendants. Those costs must fall on the party who planned, from the beginning, to bully Defendants into submission by piling legal fees on them; the same party who violated her ethical duty to seek arbitration before initiating court proceedings. Absent an award of all attorney's fees and costs incurred by Defendants in defending against this illconceived and vexatious litigation will put the Defendants in the position of having won the war but lost the financial battle and Chan's grand plan to abuse the legal system will have worked to perfection. The District Court only awarded Appellee's

a portion of the massive amount of attorney's fees and costs they incurred in this litigation. <sup>45</sup> All this over a relatively small commission.

Chan claims that her actions only constitute bad intentions and not an ulterior motive to coerce settlement of a claim. 46 That is exactly what Chan has done. Indeed, she does have bad intentions, as she has admitted, but she also had an ulterior purpose of trying to use the court system to coerce the Defendants into settling this case for nothing. Why else would she say to a fellow agent that she had a few hundred thousand dollars set aside to effectuate her plan? She intended, from the very beginning, to drag this matter into the District Court and, if necessary, before this honorable court. This was to cause Defendants to continuously incur legal fees to the point of giving up entirely on the commission and conceding it to Chan. There is no way to dispute this. She admits to this plan. Chan wishes to paint herself in a new light. She wants people to think that she is fighting for justice for all realtors. This motivation is an attempt to walk-back on her original scheme. If she was truly intending to fight for social justice, why did she file a civil complaint immediately, before arbitration, in direct contravention to her ethical responsibility? The answer is that civil actions are much more expensive than arbitration actions. There is nothing to indicate that Chan is truly

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<sup>45</sup> Copies of invoices for the fees and costs incurred through the final order are

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<sup>46</sup> See Chan's August 15, 2018, Opposition/Motion to Strike at 14: 13-14, and 15:13-15, citing to Raphaelson v. Ashtonwood Stud Assocs., L.P., 2009 U.S. Dist. LEXIS 66517, \*8 (D. Nev. 2009) and Georgiou Studio, Inc. v. Blvd. Invest, LLC, 663 F. Supp. 2d 973, 982 D. Nev. 2009).

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fighting for justice. She was upset that somebody dared to play in her sandbox, and she wanted to punish them for it. It also must be noted that Chan believed she could simply outspend Appellees in this litigation thereby accomplishing her plan. If the District Court's orders stand, awarding only a portion of Appellees fees against Appellant then Ms. Chan's grand scheme will prevail, Appellees will have won the battle but lost the financial war since they will be out tens of thousands of dollars in fighting over a relatively small commission. All of Appellee's fees and costs should be awarded against Appellant in order to make them whole and to prevent such future abuses of the litigation process.

### ii. Improper, Willful Act

Chan has engaged in improper and willful acts in furtherance of her plan to punish Defendants. The National Association of Realtors' ("NAR") Code of Ethics and Standards of Practice, Article 17 mandates that disputes between realtors, "if mediation is not required, Realtors shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter." The NAR's Code of Ethics further "includes the obligation of Realtors (principals) to cause their firms to . . . arbitrate and be bound by any resulting . . . award." As a ward."

The Greater Las Vegas Association of Realtors' ("GLVAR") is one of Nevada's local governing Boards within the NAR. The GLVAR's code of ethics

<sup>&</sup>lt;sup>47</sup> National Association of Realtors, *Code of Ethics and Standards of Practice*, Article 17 (January 1, 2017), attached hereto as **Exhibit "20"** [emphasis added]. <sup>48</sup> *Id* [emphasis added].

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requires that any and all legitimate disputes regarding commissions between realtors are subject to arbitration before the GLVAR.<sup>49</sup>

Chan is a member of the GLVAR, subjected to the requirement that her dispute with Wu be submitted to mandatory, binding arbitration. Because GLVAR requires arbitration for the dispute in this matter, Chan was required to "submit the dispute to arbitration in accordance with the policies of the [GLVAR] rather than litigate the matter" [Emphasis Added]. Not only was Chan required to submit to arbitration rather than litigate this matter before the District Court, such arbitration is binding. Thus, Chan's ethical codes of conduct proscribe the possibility of litigating this matter before this Court without first seeking to settle the matter by mediation and if that fails by arbitration.

By filing her Complaint with this Court, Chan has deliberately violated Local, State, and National codes of ethics. Chan ignored the mandate to arbitrate the matter before the GLVAR, wasting both this Court's time and resources. Not only has Chan wasted this Court's resources and time, but Chan also filed the District Court case prior to arbitration to harass and unnecessarily drive-up Defendants' cost of defense. This was part of her plan from the onset. Lawsuits are much more expensive than arbitration hearing, so by filing her suit first, she managed to cause Defendants to incur even more in legal fees. Her only excuse for

<sup>&</sup>lt;sup>49</sup> GLVAR, *The Code of Ethics – Our Promise of Professionalism*, p. 31, referring to the <u>Standard of Practice</u>, Article 17, attached hereto as <u>Exhibit "20"</u>.

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filing the district court case first is that "GLVAR would not open an arbitration case because no commission had been distributed." So, instead of waiting for the proper procedure to initiate an arbitration proceeding, Chan deliberately chose to violate her ethical duties to submit to arbitration first.

Furthermore, Chan filed an appeal which was obviously frivolous and unnecessary. She even deliberately tried to bootstrap an unappealable order to her appeal. These were deliberate steps to drive up costs. This Court listed three reasons why Chan's appeal was inappropriate, yet she still appealed and managed to cause Defendants to incur even more legal fees, and now she has doubled down, doing it again! In sum, Chan has acted with an ulterior motive from the onset. She accomplished this ulterior motive by failing to comply with her ethical duty to submit to arbitration prior to filing a civil suit and by pursuing an obviously frivolous appeal which attempted to incorporate previous orders which cannot be substantively appealed. Summary judgment dismissing the abuse of process claim was in error. Chan has exhibited a textbook case of abuse of process and this Court should reverse the District Court's finding and remand the matter to the District Court with instructions to enter summary judgment finding abuse of process.

Given the fact that this Court reviews decisions to grant summary judgment utilizing a *de novo* standard of review, Cross-Appellants pray that this Court

<sup>&</sup>lt;sup>50</sup> See Chan's August 15, 2018, *Opposition/ Motion to Strike* at 8:3-5.

reverse the District Court's finding that Chan did not commit an abuse of process. Furthermore, this Court should enter an order finding Chan abused process and admitted to doing so. Her admission is *prima facie* evidence that she abused the legal system to cause Cross-Appellants to incur tens of thousands in legal fees.

#### ARGUMENT ANSWERING APPELLANTS' OPENING BRIEF

I. The GLVAR Arbitration Panel correctly split the commission between Chan and Wu.

In order to effectively challenge an arbitration award a party must demonstrate (1) applicable statutory grounds provided in NRS 38.241; (2) that the award was arbitrary, capricious, or unsupported by the agreement; or (3) that the arbitrator manifestly disregarded the law.<sup>51</sup>

Statutory grounds to vacate an arbitration award may apply if a contesting party demonstrates by <u>clear and convincing evidence</u> that an "arbitrator exceeded his or her powers." This burden proves to be quite high as "Courts presume that arbitrators are acting within the scope of their authority." 53

However, allegations that an arbitrator misinterpreted the agreement or made factual or legal errors do not support vacating an award as being in excess of the arbitrator's powers. Arbitrators do not exceed their powers if their interpretation of an agreement, even if erroneous, **is rationally grounded in the agreement**. The question is whether the arbitrator had the authority under the agreement to decide an issue,

<sup>&</sup>lt;sup>51</sup> Clark County Education Association v. Clark County School District, 122 Nev. 337, 341–42; 131 P.3d 5, 8 (2006).

<sup>&</sup>lt;sup>52</sup> NRS 38.241(1)(d).

<sup>&</sup>lt;sup>53</sup> Health Plan of Nevada, Inc., 120 Nev. at 697, 100 P.3d at 178.

not whether the issue was correctly decided. Review under excess-of-authority grounds is limited and only granted in very unusual circumstances. An award should be enforced so long as the arbitrator is arguably construing or applying the contract. If there is a colorable justification for the outcome, the award should be confirmed.<sup>54</sup>

NRS 38.241 may also allow review of an arbitration award when the contesting party demonstrates by clear and convincing evidence that the "award was procured by corruption, fraud or other undue means." However, the contesting party must meet this burden by demonstrating that the arbitration award was obtained by intentional misrepresentations related to the arbitration proceedings. 56

As to common law grounds, to establish that an award was arbitrary, capricious, or unsupported by the agreement, the contesting party must establish, by clear and convincing evidence, that the award "was unsupported by substantial evidence." The arbitrary-and-capricious standard does not permit a reviewing court to vacate an arbitrator's award based on misinterpretation of the law." 58

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<sup>54</sup> Health Plan of Nevada, Inc., 120 Nev. at 697–98, 100 P.3d at 178 (emphasis

added) (citations omitted).
25 NRS 38.241(1)(a).

<sup>&</sup>lt;sup>56</sup> See, e.g., Sylver v. Regents Bank, NA, 129 Nev. Adv. Op. 30, 300 P.3d 718 (2013).

<sup>&</sup>lt;sup>57</sup> Clark County Education Association, 122 Nev. at 341–42; 131 P.3d at 8.

<sup>&</sup>lt;sup>58</sup> Clark County Education Association, 122 Nev. at 343–44; 131 P.3d at 9.

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concern to whether the arbitrator consciously ignored or missed the law."<sup>59</sup> Thus, when reviewing an arbitration award under the common law, "neither standard permits a reviewing court to consider the arbitrator's interpretation of the law."<sup>60</sup> "When searching for a manifest disregard for the law, a court should attempt to locate arbitrators who appreciate the significance of clearly governing legal principles but decide to ignore or pay no attention to those principles."<sup>61</sup>

Similarly, manifest disregard of the law "limits the reviewing court's

Thus, "Nevada recognizes both common-law grounds and statutory grounds for examining an arbitration award. However, the scope of judicial review of an arbitration award is limited and is nothing like the scope of an appellate court's review of a trial court's decision."

Because Chan, who now complains that the Award was not a proper interpretation of the law, has failed to demonstrate clear and convincing evidence that any of these standards have been met, the Award must be confirmed.

#### II. CHAN CANNOT BE THE PROCURING CAUSE

The Arbitration Manual lists a number of issues that may be subject to arbitration, including disputes where multiple brokers claim to be owed money

<sup>&</sup>lt;sup>59</sup> Clark County Education Association, 122 Nev. at 342; 131 P.3d at 9.

<sup>&</sup>lt;sup>60</sup> Clark County Education Association, 122 Nev. at 342; 131 P.3d at 9.

<sup>&</sup>lt;sup>61</sup> <u>Clark County Education Association</u>, 122 Nev. at 344; 131 P.3d at 10 (citation omitted).

<sup>62 &</sup>lt;u>Health Plan of Nevada, Inc.</u>, 120 Nev. at 695, 100 P.3d at 176.

from a commission.<sup>63</sup> The Arbitration Manual recognizes that brokers may claim that the right to commission proceeds due to the procuring cause standard.<sup>64</sup>

This Court has determined how "a court . . . decide[s] which [broker] was the 'procuring' or 'inducing' cause of the sale."65 To be the procuring cause of a sale, the broker's conduct must be more than merely trifling. 66 "Merely introducing the eventual purchaser is not . . . enough." A broker cannot be the procuring cause when it is shown that they have "abandoned efforts or been helplessly ineffective."68 Courts have also held that merely introducing or alerting a prospective buyer that a property is available is usually insufficient to constitute a procuring cause. 69 Several jurisdictions have held that the broker's efforts must be the **predominating cause** of the sale. 70 Clearly, given the division of the commission in this case the Arbitrators found Wayne Wu to be both the procuring

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<sup>&</sup>lt;sup>63</sup> Code of Ethics and Arbitration Manual, Standard of Practice 17-4(1).

<sup>&</sup>lt;sup>64</sup> Code of Ethics and Arbitration Manual, Standard of Practice 17-4(1). 19

<sup>65</sup> Bartsas Realty, Inc. v. Leverton, 82 Nev. 6, 9, 409 P.2d 627, 629 (1966) (citations omitted).

<sup>&</sup>lt;sup>66</sup> Bartsas Realty, Inc., 82 Nev. at 9, 409 P.2d at 629.

<sup>&</sup>lt;sup>67</sup> Bartsas Realty, Inc., 82 Nev. at 9, 409 P.2d at 629.

<sup>&</sup>lt;sup>68</sup> Bartsas Realty, Inc., 82 Nev. at 9, 409 P.2d at 630; see also Levy Wolf Real

Estate Brokerage, Inc. v. Lizza Industries, Inc., 500 N.Y.S. 2d 37, 118 A.D.2d 688 23 (N.Y. App. Div. 1986).

<sup>&</sup>lt;sup>69</sup> See United Farm Agency of Alabama, Inc. v. Green, 466 So. 2d 118 (Ala. 1988); Greene v. Hellman, 51 N.Y.2d 197, 412 N.E.2d 1301 (1980).

<sup>&</sup>lt;sup>70</sup> See Carmichael v. Agur Realty Co., 574 So. 2d 603 (Miss. 1990); Ham v. Morris, 711 S.W.2d 187 (Mo. 1986); A N Associates, Inc. v. Quotron Systems,

Inc., 605 N.Y.S. 2d 178, 159 Misc. 2d 515, (Civ. Ct. N.Y. Cnty. 1993); Vincent v. Weber, 13 Ohio Misc. 280, 232 N.E. 2d 671 (Mun. Ct. 1965).

cause and the predominating cause of the sale. If there was any error by the arbitration panel it is that they should have awarded the entirety of the commission to Wu and nothing to Chan.

Notwithstanding the authority to determine that one broker has acted as the procuring cause, the Arbitration Manual explicitly confers authority to split an award:

While awards are generally for the full amount in question (which may be required by state law), in exceptional cases, awards may be split between the parties (again, except where prohibited by state law). Split awards are the exception rather than the rule and should be utilized only when Hearing Panels determine that the transaction would have resulted only through the combined efforts of both parties. It should also be considered that questions of representation and entitlement to compensation are separate issues.<sup>71</sup>

Having conducted extensive research on the issue, Appellees are aware of no law in the state of Nevada prohibiting the splitting of commission. It should also be noted that Appellant never even provided a transcript of the arbitration hearing to the District Court judge to review.

"It is for the arbitrators to determine which issues were actually 'necessary' to the ultimate decision."<sup>72</sup>

<sup>&</sup>lt;sup>71</sup> Code of Ethics and Arbitration Manual, Appendix II to Part Ten: Arbitration Guidelines (Suggested Factors for Consideration by a Hearing Panel in Arbitration), at 158.

<sup>&</sup>lt;sup>72</sup> <u>Hall v. Superior Court</u>, 18 Cal. App. 4th 427, 436, 22 Cal. Rptr. 2d 376, 381 (1993).

Thus, an arbitration decision is final and conclusive because the parties have agreed that it be so. By ensuring that an arbitrator's decision is final and binding, courts simply assure that the parties receive the benefit of their bargain.

Moreover, "[a]rbitrators, unless specifically required to act in conformity with rules of law, may base their decision upon broad principles of justice and equity, and in doing so may expressly or impliedly reject a claim that a party might successfully have asserted in a judicial action."

Parties who stipulate in an agreement that controversies that may arise out of it shall be settled by arbitration, may expect not only to reap the advantages that flow from the use of that nontechnical, summary procedure, but also to find themselves bound by an award reached by paths neither marked nor traceable and not subject to judicial review.<sup>73</sup>

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Arbitrators wield significant power to craft an award considering all legal, factual, and equitable nuances in a matter. The GLVAR relies on this authority in providing arbitration decisions.

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The National Association's Professional Standards Committee has consistently taken the position that arbitration awards should not include findings of fact or rationale for the arbitrators' award among the reasons for this are the fact that arbitration awards are not appealable on the merits but generally only on the limited procedural bases established in the governing state arbitration statute; that the issues considered by Hearing Panels are often myriad and complex, and the reasoning for an award may be equally complex and difficult to reduce to writing; and that the inclusion of written findings of fact or rationale (or both) would conceivably result in attempts to use such detail as "precedent" in subsequent hearings which might or might not involve similar facts.<sup>74</sup>

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<sup>&</sup>lt;sup>73</sup> Moncharsh v. Heily & Blase, 3 Cal. 4th 1, 10–11, 832 P.2d 899, 903–04 (1992). <sup>74</sup> Arbitration Manual, at Appendix II to Part Ten: Arbitration Guidelines (Suggested Factors for Consideration by a Hearing Panel in Arbitration), Sample

Despite the authoritative finality that this gives to their decision, in the specific case of the GLVAR a process for procedural review is nonetheless provided to the parties.

After the award has been transmitted to each of the parties, they have twenty (20) days to request procedural review of the arbitration hearing procedure by the Board of Directors. The non-prevailing party shall also have the same twenty (20) days following transmittal of the award to notify the Professional Standards Administrator that a legal challenge to the validity of the award has been initiated.

If no such procedural review is requested, the award becomes <u>final</u> and binding following the twenty (20) day period. However, if procedural review is requested, the award is not considered final and binding until after the Board of Directors has concluded that the hearing was conducted in a manner consistent with the Board's procedures and the parties had been afforded due process.<sup>75</sup>

In addition to the provisions of the Arbitration Manual, the April 27, 2018, letter communicating the Award put the parties on notice that "A request for procedural review must be filed within twenty (20) days of the award.

Alternatively, a notice of legal challenge must be received within that same twenty (20) day period."

Fact Situation Analysis, page 162; <u>see also</u> Arbitration Manual, Appendix V to Part Ten: Arbitration Hearing Checklist, (33), page 174 ("The award shall be in writing and signed by the arbitrators or a majority of them, and shall state only the amount of the award, and when transmitted to each of the parties shall not be subject to review or appeal.").

<sup>75</sup> Arbitration Manual, at Part Ten – Arbitration of Disputes, Section 53(c), page 150.

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In this matter, Chan explicitly refused to seek any procedural review of the Award before the GLVAR. This even though Chan was advised that she had the right to raise any challenges that she felt affected her due process or the fairness of the award.

In conformity with GLVAR policy as established by the Arbitration Manuel, the Award followed the binding principles and clearly pronounced the award of the Hearing Panel. Yet Chan now argues that the only issue before the GLVAR was regarding procuring cause and attempts to demonstrate that the final decision was a legal misinterpretation. Even if Chan could demonstrate by clear and convincing evidence that the only issue before the GLVAR was to determine procuring cause, which she cannot, a misinterpretation of the law is not a valid basis to challenge an arbitration award under NRS 38.241. The GLVAR's Award was rationally based in the Agreement to Arbitrate and considered issues in the Arbitration Manual.

#### The GLVAR Did Not Manifestly Disregard the Law III.

Chan claims that "the Award manifestly disregards the law . . . because it . . . makes an implicit finding that cannot exist: more than one procuring cause."<sup>76</sup> Chan fails to demonstrate that the Award actually relies on the implication that she urges be deduced based on her post hoc simplification of the arbitration proceedings. As the procuring cause, the GLVAR awarded the majority (75%) of

<sup>&</sup>lt;sup>76</sup> See Chan's *Motion to Vacate*, at 12:3–4.

to split the Award and provide Chan with the nominal remainder.

the \$13,795.32 to Wu, but also exercised its authority under the Arbitration Manual

And the GLVAR's decision to do so is not subject to review where, as is this case here, nothing has been done to meet the burden of proving by clear and convincing evidence that the GLVAR was attempting to flaunt and openly disregard legal authority. Although Chan insists that the GLVAR can be implied to have misinterpreted the law, mere misinterpretations of the law do not constitute manifest disregard for the law for purposes of overturning the Award.

Chan fails to cite to any actual law or precedent which requires there to be only one procuring cause. Instead, she essentially argues that the requirement that there be only one procuring cause is somehow hinted at or implied in Nevada case law. Appellants suggest that because a Lexis search for "procuring cause" yields no results is somehow proof that Nevada law prohibits the splitting of a commission. However, Appellants fail to cite to any Nevada statute or binding precedent from Nevada which explicitly states that there can be only one procuring cause. How, the, did the Arbitration Panel manifestly disregard Nevada law by splitting the commission when no state law or precedent can be produced preventing a commission split? On appeal, Chan must show that "the arbitrator consciously ignored or missed the law." Chan has produced nothing, aside from

<sup>&</sup>lt;sup>77</sup> Clark County Education Association, 122 Nev. at 342; 131 P.3d at 9.

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some case law from nearby states, which prevents the splitting of a commission. The arbitration panel is specifically authorized split a commission unless prevented by state law.<sup>78</sup>

Caldwell v. Consolidated Realty & Management Co., is a case cited by Appellants as the only case containing "procuring causes." Appellants state that the term was used by the lower court and that the "case was reversed on appeal." 79 However, this Court did not reverse the District Court's decision because of a finding that there were two procuring causes. Rather this Court reversed the district court's finding because "neither appellants nor respondents secured a purchase of appellants' property within the term of the listing agreement, or the subsequent 45day period specified in the extension clause."80

The only other Nevada case which Appellants cite is Bartsas Realty v. Leverton. Appellants claim that because Bartsas uses singular pronouns it is somehow Nevada law that there can be only one procuring cause. Additionally, the Court in Bartsas actually remanded the case to the District Court to make a determination regarding procuring cause. The Bartsas court even cites to precedent that held that "The first broker still may be shown to have abandoned efforts or

<sup>&</sup>lt;sup>78</sup> Code of Ethics and Arbitration Manual, Appendix II to Part Ten: Arbitration Guidelines (Suggested Factors for Consideration by a Hearing Panel in Arbitration), at 158.

<sup>&</sup>lt;sup>79</sup> See Chan's *Opening Brief* at 31: 1-2. <sup>80</sup> Caldwell v. Consolidated Realty & Management Co., 99 Nev. 635, 635, 668 P.2d 284, 285 (1983).

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been helplessly ineffective."81 This is the exact situation in this matter, and Chan has done nothing to rebut the fact that she abandoned Appellees when they needed her most. Is the Arbitration Panel supposed to infer, from a 1966 case that uses singular pronouns or articles, that Nevada law prohibits splitting a commission? Not only that, but it is clear that the Arbitration Panel rightly believed that Chan had abandoned her client during a tight window in which they needed to purchase a home. This Court should uphold the District Court's order, as well as the arbitration award. It is clearly not Nevada state law that a commission cannot be split. Furthermore, Chan abandoned her client. She was lucky to get a percentage of the commission at all.

Finally, Chan has not presented a copy of the transcript from the actual arbitration panel. How can this court review the decision of the panel without a copy of the transcript? Chan argues that since there are no findings in the actual award, the award should be reversed. However, the panel clearly entertained argument and reached conclusions at the arbitration hearing. A review of the transcript of the actual hearing is essential to determine whether GLVAR was attempting to flaunt or openly disregard the law. No information is presented to support this; therefore, the award must be affirmed.

<sup>81</sup> Bartsas Realty v. Leverton, 409 P.2d 627, 630 (1983), citing to Frink v. Gilbert, 53 Wash. 392, 101 P. 1088; Flinders v. Gilbert, supra.

## IV. THE AWARDS OF ATTORNEY'S FEES WERE APPROPRIATE i. Chan failed to comply with the Arbitration Award

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Chan attempts to undermine the validity of the attorney's fees awarded against her in the lower court by claiming that she never failed to comply with the Arbitration Award. Specifically, Chan states that she "did not fail to 'comply' with the arbitration award; she only appealed."82 Regardless of how Chan attempts to spin her behavior in this case, saying that she has complied with the Arbitration Award and was only appealing is laughable. Chan filed an inappropriate appeal in 2019, which wasted this Court's previous time and caused Appellees to incur thousands more in legal fees. She ignored her duty to submit to and abide by the Arbitration Award and the contract establishing its enforceability. She put forth several inappropriate and frivolous filings at the District Court level, including her April 1, 2019, Motion to vacate entry of order or Motion for extension of time to file reconsideration to the entry of order granting Defendant countermotion in which she requested that the district court vacate notice of entry of the judgment awarding attorney's fees and costs against her or, alternatively, to reconsider the order.

The simple facts of the case illustrate how unreasonable and wholly uncooperative Chan has been. She is litigating over \$13,000 and has likely incurred hundreds of thousands in legal fees, including tens of thousands in legal

<sup>82</sup> See Chan's Opening Brief at 47:5.

fees awarded to Appellees in this matter. She has been obstinate in settlement 2 offers, has fired or removed counsel when they refused to take her case further 3 down the rabbit hole and she has initiated two appeals, one of which was clearly 4 inappropriate. Her actions have been the complete opposite of compliance. She 5 then accuses Appellees of trying to assassinate her character. The District Court 6 stated bluntly in the very order which Appellees are appealing, that "the Court 8 thinks Ms. Chan represents the worst of litigation[]."83 Appellees do not need to 10 assassinate Chan's character in this matter, they have simply alerted the Court of 11 her alarming and stubborn behavior. It is absurd to think that a person who, by a 12 very decree of the court is the worst of litigation, could be compared to Thurgood 13 14 Marshall. Chan has not complied with her ethical duties, she has not complied with 15 binding arbitration to which she agreed, she has asserted frivolous filings, 16 including appeals, and all of this because: "[I] felt insulted and humiliated, 17 18 another agent dared challenge me and he really do not know who I am [...] I 19 liked to teach them a lesson. Life is not about money. So happen i do have few 20 hundred thousand in hand that i can use. If they are willing to go along with me 21 22 to spend equal amount of money, then I will be very happy to play their 23 game."84 This is a game to Chan. This Court should end that game by confirming 24 25 26

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<sup>83</sup> See November 24, 2021 Order at 2:20.

<sup>84</sup> Exhibit "7".

the arbitration award and attorney's fees awarded against Chan. This must be put to a stop.

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# ii. Appellees sought confirmation of the arbitration award contrary to Chan's assertions in her opening brief

The second prong of Chan's attack on the attorney's fees and costs awarded against her pursuant to the Agreement to Arbitrate is her claim that Appellees did not seek confirmation of the Arbitration Award. This argument is not accurate. Appellees have sought both enforcement of the award as well as its confirmation. Chan filed her *Motion to Vacate or Modify Arbitration Award* on July 18, 2018. In response, to this motion, Appellees filed their Opposition to Motion to Vacate or Modify Arbitration Award and Countermotion to Recognize Wu as the Procuring Cause, for Summary Judgment, and for Attorney Fees on August 6, 2018. In this opposition, Appellees requested confirmation of the arbitration award **multiple** times. Specifically, in their prayer to the Court, Appellees requested that the Court "deny Chan's Motion to Vacate, **confirm the Award**, and enter summary judgment in this matter."85 In response to this request, the district court, in the September 18, 2018 Order Denying Motion to Vacate or Modify Arbitration Award, specifically stated the following: Pursuant to NRS 38.241(4) and NRS 38.242(2) the Arbitration Award of the GLVAR arbitration panel is

<sup>&</sup>lt;sup>85</sup> See Appellees' Opposition to Motion to Vacate or Modify Arbitration Award and Countermotion to Recognize Wu as the Procuring Cause, for Summary Judgment, and for Attorney Fees at 27:18-19.

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CONFIRMED."<sup>86</sup> Since the beginning of this matter, Appellees sought to confirm the arbitration award. It was only after Chan's stubbornness to refute the confirmation of the Award did Appellees begin asking for assignment of Chan's share of the Award to pay their rapidly multiplying attorney's fees and costs.

Appellants split hairs; arguing that the Appellees never sought enforcement of the award, but rather enforcement of the award of attorney's fees and costs. In reality, Chan's litigious behavior has caused Appellees to incur thousands upon thousands of dollars in excess of any amount they could hope to recover from the arbitration. As such, all the proceeds recovered, whether through the GLVAR arbitration or through the two partial awards of attorney's fees and costs, will be used to pay these fees and costs. Up until this point in the litigation, Appellees have only been awarded a small portion of the fees and costs they have incurred battling Chan's stubbornness.<sup>87</sup> An attempt to enforce the award of attorney's fees and costs is tantamount to an attempt to enforce the arbitration award. Counsel for Appellees has been paid very little in comparison to what fees have been incurred. Additionally, Appellees did not only request that Chan's share of the commission be subject to a writ of attachment. In their March 26, 2019, Motion for Writ of Execution on Plaintiff's Commissions Awarded by GLVAR Arbitration Panel, Appellees specifically requested "that the entirety of the \$13,795.32 commissions

<sup>&</sup>lt;sup>86</sup> See September 18, 2018 Order Denying Motion to Vacate or Modify Arbitration Award at 3:16-17.

<sup>87</sup> Invoices have been attached as Exhibit "22".

held in the GLVAR escrow account be immediately made payable and distributed to Blackrock Legal Trust account." This clearly constitutes an attempt to enforce the entirety of the arbitration award. It is irrelevant that the commissions held by GLVAR would be paid to counsel for Appellees. Appellees certainly sought to enforce the arbitration award through this request and, therefore, Chan's argument is incorrect.

## iii. Chan is contractually bound to pay the fees and costs associated with enforcement of the award

The language in the Agreement to Arbitrate is broad. Chan affixed her signature to this broad language, which states: "In the event I do not comply with the award and it is necessary for any party to obtain judicial confirmation and enforcement of the award against me, I agree to pay that party costs and reasonable attorney's fees incurred obtaining such confirmation and enforcement." Appellants were awarded a portion of their fees and costs in March 2019 and again in 2020, however they are still seeking confirmation and enforcement of the arbitration award. Chan is contractually bound to cover the fees of a party seeking such relief. She has not yet given up on her attempts to overturn the arbitration award; indeed, overturning that award is at the heart of her newly minted crusade for social justice. This Court, in In re Amerco Derivative Litigation stated that in interpreting contracts the "ultimate goal is to effectuate the

**Exhibit "12"**, P0001, ¶ 5 (emphasis added).

contracting parties' intent."<sup>89</sup> The intent, in this matter was clear: to resolve the dispute between the parties by whatever outcome was reached by the arbitrators. Indeed, the Agreement to Arbitrate, signed by Chan, states the following:

I request and consent to arbitration through the Association in accordance with the *Code of Ethics and Arbitration Manual* [...]. I agree to abide by the arbitration award and, if I am the non-prevailing party, to, within ten (10) days following transmittal of the award, either (1) pay the award to the party(ies) named in the award [...]"

There is no ambiguity or possible misinterpretation of this contract. Chan agreed, in writing and signed by her, to submit to binding arbitration. That same contract contains a provision requiring her to pay all attorney's fees and costs incurred in seeking confirmation and enforcement of the award, not just a portion. Therefore, the previous orders awarding only a portion of the fees should be reversed with instructions to award all fees and costs incurred by Appellees in enforcing the

### **REQUEST FOR RELIEF**

WHEREFORE, Appellees/ Cross-Appellants hereby request the following from the Honorable Court:

1. Confirmation of the District Court's Order confirming the GLVAR Arbitration award;

<sup>&</sup>lt;sup>89</sup> <u>In re Amerco Derivative Litigation</u>, 127 Nev. 196, 211, 252 P.3d 681, 693 (2011).

- 2. Reversal of the District Court's dismissal of Appellees'/ Cross-Appellants' counterclaim for abuse of process by way of summary judgment and remand with instructions to find in favor of Appellees;
- 3. Reversal of the District Court Orders from March 22, 2019 awarding \$21,453.00 in fees and \$920.83 in costs, as well as the November 23, 2020 awarding \$35,630.00 in fees, insofar as they award only a portion of the attorney's fees and costs incurred by Appellees and remand with instructions to enter an award of all fees and costs incurred fighting the vexatious litigation asserted by Betty Chan and seeking a claim for abuse of process;
- 4. Instructions from the Court regarding a proper damage award for the abuse of process claim or remand to the District Court for a determination of damages; and
- 5. Any further relief as the honorable court determines is just and proper.

  DATED JULY 27, 2021.

/s/Michael A. Olsen, Esq. MICHAEL A. OLSEN, ESQ. Nevada Bar No. 6076 THOMAS R. GROVER, ESQ. Nevada Bar No. 12387

### **CERTIFICATE OF COMPLIANCE**

Pursuant to NRAP 28(a)(12), 28.2(a) and NRAP 32(a)(9), I hereby certify as follows:

- 6. I hereby certify that this brief complies with the formatting requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and the type-style requirements of NRAP 32(a)(6) because:
  - [X] This brief has been prepared in a proportionally spaced typeface using the most recent version of Word, which is routinely updated, in Times New Roman 14-point font; or
  - [] This brief has been prepared in a monospaced typeface using [state name and version of word-processing program] with [state number of characters per inch and name of type style].
- 7. I further certify that this brief complies with the page- or type-volume limitations of NRAP 32(a)(7) because, excluding the parts of the brief exempted by NRAP 32(a)(7)(C), it is either:
  - [X] Proportionately spaced, has a typeface of 14 points or more, and contains 11,895 words; or
  - [] Monospaced, has 10.5 or fewer characters per inch, and contains words or \_\_\_\_ lines of text; or
  - [] Does not exceed \_\_\_\_\_ pages.

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8. Finally, I hereby certify that I have read this appellate brief, and to the best of my knowledge, information, and belief, it is not frivolous or interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires every assertion in the brief regarding matters in the record to be supported by a reference to the page and volume number, if any, of the transcript or appendix where the matter relied on is to be found. I understand that I may be subject to

1	sanctions in the event that the accompanying brief is not in conformity with the
2	requirements of the Nevada Rules of Appellate Procedure.
3	Dated July 27, 2021
4	/s/Michael A. Olsen, Esq.
5	MICHAEL A. OLSEN, ESQ. Nevada Bar No. 6076
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### **CERTIFICATE OF SERVICE**

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