IN THE SUPREME COURT OF THE STATE OF NEVADA

Margaret Reddy, Mohan Thalamarla, Max Global, INC. Appellants, vs. MEDAPPEAL, LLC, an Illinois limited liability company Respondent.	Supreme Court No. 83253

APPELLANTS' PETITION FOR REHEARING

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I. INTRODUCTION

Appellants respectfully request rehearing of the June 17, 2022 Order of Affirmance in which a Panel of this Court concluded that the District Court did not err by granting summary judgment in favor of Respondent on the basis of personal jurisdiction over these Appellants were present, among other things.

II. LEGAL ARGUMENT

NRAP 40(c)(2) provides that the Court may consider rehearing when: (A) the Court has overlooked or misapprehended a material fact in the record or a material question of law; or (B) the Court has overlooked, misapplied or failed to consider a dispositive issue. See *Bahena v. Goodyear Tire & Rubber Co.*, 126 Nev. 606, 609 (2010); *Matter of Estate of Herrmann*, 100 Nev. 149, 151 (1984).

In the complaint, Respondent mentions Appellant MARGARET REDDY but does not name her as a defendant *(Vol 1, p11, para27)*. MOHAN THALAMARLA and MAX GLOBAL LLC are neither mentioned in the complaint, nor sued in Illinois. *(Vol 1, p8-20)*. The five entities objected to personal jurisdiction assertions in Illinois and prevailed on a Motion to Dismiss, *(Vol II, p270)*. However, no one represented these Appellants in Illinois.

In this case, rehearing is warranted because: (A) the Court failed to hold Respondent to controlling legal standards; & (B) the Court overlooked or misapprehended the District Court's analysis on privity as if Appellant was a Nevada spouse rather than Michigan.

A. THE COURT FAILED TO HOLD RESPONDENT TO THE CONTROLLING LEGAL STANDARD

All defendants and Appellants filed another Motion to Dismiss asserting lack of personal jurisdiction (*Vol II, p366 lines 20-24*). Appellants filed affidavits stating no contacts with Nevada or with this Respondent (*Vol II, p376, 377, 379*). Respondent asserted that judicial estoppel precluded all 8 defendants, including Appellants who were not named parties in Illinois, estopped them from arguing lack of personal jurisdiction in Nevada (*Vol II, p385 line 21 - p387 line 6*). Appellants filed a Motion to Dismiss (in Nevada) separate from anything filed in Illinois in which they argued that they were not subject to personal jurisdiction in Nevada (*Vol II, p366-379*).

Respondent filed a complaint in Cook County, Illinois, arising out of an agreement to purchase a medical appeals and medical credentialing business (the "Purchase Agreement") (*Vol I, p8 para 1*).

In the appeal and in the District Court, Appellants and Respondent do not dispute that Appellants were not party to the contract *(Vol I, p41-43)*, were not parties in Illinois (*Vol I*, p8-9) and Respondent never communicated to any Appellant (*Vol II*, ps 376, 377, 379) and *(Vol IV, p873 lines 20-24; p896 line 21)*

The sole basis for personal jurisdiction then, according to the Panel was that privity existed because Vijay Reddy is related to MARGARET and MOHAN and no other reason.

This Court ignored that the last time any Appellant received any money from Weinstein was before the Respondent paid money to Weinstein in May of 2018 (*Vol IV, p897 line 22 - p898 line 4*).

Weinstein testified under oath that the $75,000.00 was not provided to either MARGARET or Vijay Reddy (see Exhibit B).

Summary judgment is only proper "if the pleadings … show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." NRCP 56(c).

Despite the fact that Appellants stated that there is a material dispute as to the facts, this Court stated that as a matter of law, Appellants did not demonstrate that there was no privity between MARGARET and her husband and between MOHAN and his nephew. However, no rule of law was cited to state that familial connection, in and of itself, is enough to establish privity.

Additionally, this Court also misapprehended how significant of an issue this is, as due process requires that the party against whom collateral estoppel is asserted must have had a full and fair opportunity to litigate. *Blonder-Tongue Laboratories, Inc. v. University of Ill. Found.*, 402 U.S. 313, 329 (1971).

Appellant asserts that constitutional issues, such as due process may be raised at any time in the process, see *McCullough v. State*, 99 Nev. 72, 74, 657 P.2d 1157, 1158 (1983), where this Court has ruled that issues of a constitutional nature may be addressed when raised for the first time on appeal.

In *Blonder*, the US Supreme Court permitted nonmutual collateral estoppel to prevent the owner of a patent that had been adjudged invalid from enforcing the patent. The Court indicated that as long **as a party** had one full and fair opportunity to litigate, due process

would not prevent estoppel. *Id.* at 330.

More importantly RESTATEMENT (SECOND) OF JUDGMENTS § 285(c) (1982) states that even though an issue is litigated and essential to a final judgment, relitigation of the issue **is not precluded** if there is a clear and convincing need for a new determination of the issue because the party sought to be precluded did not have a full and fair opportunity to litigate.

Regarding privity, the legal standard can be determined from other sections which state in pertinent part (but do NOT use the word privity). Courts may bind a nonparty to a decision of an issue in the first action if:

> "(1) the nonparty participated in the litigation; (2) the nonparty's interests were adequately represented in the first action and the nonparty has a specified relationship with a participant in the first action; or (3) the nonparty has a certain legal relationship with the losing party in the first action, or the nonparty has consented to be bound." (Restatement 2nd Judgments sections 83-85)

This was later expanded on by the US Supreme Court. In *Taylor v. Sturgell*, 553 U.S. 880, 893-95, 128 S.Ct. 2161, 171 L.Ed.2d 155 (2008), that Court identified six "established categories" where nonparties are subject to estoppel:

> "The rule against nonparty preclusion is subject to exceptions, grouped for present purposes into six categories. First, "[a] person who agrees to be bound by the determination of issues in an action between others is bound in accordance with the [agreement's] terms." Restatement (Second) of Judgments §40. Second, nonparty preclusion may be based on a pre-existing substantive legal relationship between the person to be bound and a party to the judgment, e.g., assignee and assignor. Third, "in certain limited circumstances," a nonparty may be bound by a judgment because she was " 'adequately represented by someone with the same interests who [wa]s a party' " to the

suit. *Richards*, 517 U. S., at 798. Fourth, a nonparty is bound by a judgment if she "assume[d] control" over the litigation in which that judgment was rendered. *Montana v. United States*, 440 U. S. 147, 154. Fifth, a party bound by a judgment may not avoid its preclusive force by relitigating through a proxy. Preclusion is thus in order when a person who did not participate in litigation later brings suit as the designated representative or agent of a person who was a party to the prior adjudication. Sixth, a special statutory scheme otherwise consistent with due process—e.g., bankruptcy proceedings—may "expressly foreclos[e] successive litigation by nonlitigants." *Martin v. Wilks*, 490 U. S. 755, 762, n. 2.

That Court also stated that estoppel is precluded because:

"[e]xtending the preclusive effect of a judgment to a nonparty runs up against the "deep-rooted historic tradition that everyone should have his own day in court." FN 1, citing to *Richards v. Jefferson County*, 517 U. S. 793, 798 (internal quotation marks omitted).

The nonmoving party "must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for trial or have summary judgment entered against him." *Bulbman, Inc. v. Nevada Bell*, 108 Nev. 105, 110 (1992). Further, **if the factual context makes the … claim implausible**, then the party must come forward with more persuasive evidence than would otherwise be necessary to show there is a genuine issue for trial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Affidavits that do not affirmatively demonstrate personal knowledge are insufficient. *British Airways Bd. v. Boeing Co.*, 585 F.2d 946, 952 (9th Cir. 1978).

Finally, it is insufficient to meet the non-moving party's burden, where they have the burden of proof at trial, to show a mere metaphysical doubt as to the material facts. *Matsushita Electric Industrial Co. v. Zenith Radio*, 475 U.S. 574 (1986). There must be

evidence on which the jury could reasonably find for the party opposing judgment. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247 (1986). The Nevada Supreme Court states in *Wood v. Safeway, Inc.*, 121 Nev. 724 (2005), *supra* at 3:

> "As this Court has made abundantly clear, '[w]hen a motion for summary judgment is made and supported as required by NRCP 56, the non-moving party may not rest upon general allegations and conclusions, but must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine factual issue."

Furthermore, the *Taylor* Court explained how the DC Circuit misapplied the controlling precedent. It stated in pertinent part:

> "In *Richards*, the Alabama Supreme Court had held a tax challenge barred by a judgment upholding the same tax in a suit by different taxpayers. 517 U. S., at 795-797. This Court reversed, holding that nonparty preclusion was inconsistent with due process where there was no showing (1) that the court in the first suit "took care to protect the interests" of absent parties, or (2) that the parties to the first litigation "understood their suit to be on behalf of absent [parties]," *Id.*, at 802. In holding that representation can be "adequate" for purposes of nonparty preclusion even where these two factors are absent, the D. C. Circuit misapprehended *Richards*. Pp. 14-15."

B. THE COURT OVERLOOKED OR MISAPPREHENDED THE DISTRICT COURT'S ANALYSIS ON PRIVITY

In the instant matter, Appellants were subject to none of this controlling analysis. Appellants were not measured against the 3 part analysis of the Restatement 2nd Judgments, or on the 6 part analysis of the *Taylor v Sturgell* Court. The lack of proper analysis fails the *Taylor* test, the controlling analysis now. Proceeding through the *Taylor* factors, we see:

First: "[a] person who agrees to be bound by the determination of issues in an action between others is bound in accordance with the [agreement's] terms." None of the Appellants agreed to be bound to

the Illinois case. There was no agreement between them and any defendant that one, some or all of the 5 Illinois defendants would serve to litigate their issues, such that the Appellants would be bound to the Illinois outcome.

Second, nonparty preclusion may be based on a pre-existing substantive legal relationship between the person to be bound and a party to the judgment, e.g., assignee and assignor. In this case, while the Appellants were related to Vijay Reddy, this is NOT the type of legal relationship deemed important by the Supreme Court. Actually, Appellants know of no rule whereby just because you are married, or related within 4 degrees of consanguinity (Uncle / Nephew is the third degree), automatically allow you to be precluded when you desire a day in court.

It is undisputed that Vijay and MARGARET and Vijay and MOHAN have not executed an assignment wherein MARGARET and MOHAN's rights to litigate in Illinois are taken over by Vijay. Therefore, this factor is not met.

Third, "in certain limited circumstances," a nonparty may be bound by a judgment because she was " 'adequately represented by someone with the same interests who [wa]s a party' " to the suit.

In this factor, it is clear that this applies to entities with the same interest, such as co-beneficiaries in the same trust or equal shareholders of the same business. The testimony of Weinstein was that MARGARET and Vijay were not paid any proceeds of the Respondent's deposit and that neither MARGARET nor MOHAN owned each other's business or had interests with any other Appellant. The testimony of Appellants were that they had nothing to do with each

other and never were codefendants in any lawsuit with any other defendant in any other circumstance.

Fourth, a nonparty is bound by a judgment if she "assume[d] control" over the litigation in which that judgment was rendered. It is undisputed that MARGARET and MOHAN exerted no control over the Illinois lawsuit.

Fifth, a party bound by a judgment may not avoid its preclusive force by relitigating through a proxy. Preclusion is thus in order when a person who did not participate in litigation later brings suit as the designated representative or agent of a person who was a party to the prior adjudication. It is undisputed that neither MARGARET nor MOHAN litigated in Illinois for any purpose, including any defense of any interest whatsoever.

Sixth, a special statutory scheme otherwise consistent with due process—e.g., bankruptcy proceedings. It is undisputed that neither MOHAN nor MARGARET were ever sued by the Bankruptcy Trustee in Michigan, the US Department of Justice or any other potential claimant who made any litigation claim in any jurisdiction. When Vijay filed for Bankruptcy, MARGARET was NOT a co-debtor. MOHAN of course was not a co-debtor either.

This analysis is no where to be found in the District Court. In holding that privity existed (that word is NOT used in the Restatement 2nd Judgments), the Panel overlooked the fact that absent the proper analysis, the case should be remanded with these matters proceeding to hearing on personal jurisdiction in line with this reasoning and this factorial analysis.

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C. THE COURT FAILED TO CONSIDER FACTS PRECLUDING PRIVITY

In the instant case, there are no undisputed facts relevant to these Appellants, in the formal findings of face and conclusions of law. There is no dispute that no Appellant resides in Nevada (*Vol II, p376, 377, 379*). There is no dispute that MOHAN does not reside with MARGARET. There is no dispute there is no adjudication that Appellants had the minimum contacts necessary for Nevada to claim jurisdiction over them in this case (*Vol III, p541; p767 line 15 - p768 line 8*).

Respondent made a great deal of two highly disputed terms and sets of statements. First, in an unrelated bankruptcy proceeding, Vijay Reddy, stated his wife may be a "silent partner" of WEINSTEIN. Not only is "silent partner" undefined and misconstrued as "conspirator" (*Vol I, p157 lines 3-24*), it is also against the marital privilege MARGARET holds that precludes her husband testifying against her while married; see NRS 49.225(1).

The other issue is the false statement in Respondent's MSJ that the Trustee in Michigan believed that certain transfers were fraudulent and were Margaret's (*Vol V p1159 lines 27-28*). The statement by the Trustee is not made about MARGARET but about Weinstein's wife (*Vol VII p1644 fn 7 and 8*). Regardless, MARGARET completely disputes this concept and as a question of fact, it must be submitted to a jury for determination (*Vol II p376, 377, 379*).

Furthermore, as residents of Michigan and not Nevada, Michigan law controls whether or not judgments held by one party are conclusive against the spouse. Michigan is not a community property state. Michigan's rule judgments is a long standing rule that precludes one party's judgment creditor from executing against

marital property. A judgment against one spouse does not allow the creditor to levy a judgment on real estate owned by spouses as a tenancy by the entirety. *Estes v. Titus*, 481 Mich 573 (2008) see also *Dutcher v Van Duine*, 242 Mich 477 (1928).

Unlike in a community property state, Michigan married couples are not co-debtors. It is unclear whether the District Court used this analysis, but it is a typical analysis in Nevada. Without presuming too much, since there is no record, the District Court would be precluded from applying concepts of community property co-indebtedness to a Michigan marriage for the purposes of establishing privity or at the very least, joint and several liability.

III. CONCLUSION

For all of the reasons set forth, Appellants request rehearing of their Appeal, due to the mistake and misapprehension of the panel in the previous briefing series. Privity was never established and since to assume it was, prevents due process; it must be examined in the proper way using the proper method.

Appellants should be allowed remand to the District Court to establish whether or not personal jurisdiction exists.

Dated this 19th day of July, 2022.

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/s/ Andrew Wasielewski

By: _____

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ATTORNEY'S CERTIFICATE

1. 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 monospaced typeface using MICROSOFT WORD with Courier New typeface, 12 point font.

2. 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:

[X] Does not exceed 10 pages and contains 3051 words

3. 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 sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

DATED this 19th day of July, 2022.

Respectfully submitted,

/s/ Andrew Wasielewski

By: _____

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY AND AFFIRM that this document was filed electronically with the Nevada Supreme Court on July 19, 2022. Electronic service of the foregoing document shall be made in accordance with the Master Service List as follows:

MICHAEL A SINGER, Esq.
STEPHEN HABERFIELD, Esq.
Supreme Court Settlement Judge

ZACHARY T Ball, Esq.

Attorney for Respondent

EXHIBIT A

IN THE SUPREME COURT OF THE STATE OF NEVADA

MARGARET REDDY; MOHAN THALAMARLA; AND MAX GLOBAL, INC.,
Appellants,
vs.
MEDAPPEAL, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY,
Respondent.

No. 83253

FILED

JUN 17 2022

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from a district court order granting summary judgment in a tort action. Eighth Judicial District Court, Clark County; Adriana Escobar, Judge.[1]

Respondent sued appellants and five other defendants who are not parties to this appeal, alleging that the eight defendants conspired to defraud respondent. Appellants filed a motion to dismiss, arguing that they had no contacts with Nevada and that the district court therefore lacked personal jurisdiction over them. The district court denied the motion, concluding that appellants were judicially estopped from arguing a lack of personal jurisdiction based on a previous lawsuit in Illinois wherein the five other defendants successfully moved to dismiss by arguing that they were subject to personal jurisdiction in Nevada. Although appellants were not parties to the Illinois lawsuit, the district court reasoned that they should similarly be judicially estopped because they were in privity with the defendants who were parties to that lawsuit. *Cf. Milton H. Greene Archives, Inc. v. Marilyn Monroe LLC*, 692 F.3d 983, 996 (9th Cir. 2012) (recognizing

[1]Pursuant to NRAP 34(f)(1), we have determined that oral argument is not warranted.

that a party may be judicially estopped when they are in privity with a party who previously and successfully took a contrary position).

Respondent then moved for summary judgment on its claims. In opposition, appellants argued generally that respondent had not produced sufficient evidence connecting them to the alleged conspiracy, and they submitted affidavits in which they distanced themselves from two other defendants, David Weinstein and Kevin Brown. At a hearing, the district court questioned whether those affidavits were sufficient to create a genuine issue of material fact in light of the evidence that respondent had produced showing appellants' connection to the alleged conspiracy. *Cf. Wood v. Safeway, Inc.*, 121 Nev. 724, 732, 121 P.3d 1026, 1031 (2005) (observing that a party opposing summary judgment must "do more than simply show that there is some metaphysical doubt as to the operative facts" (internal quotation marks omitted)). Finding counsel's explanation unpersuasive, the district court granted respondent's motion and held the eight defendants jointly and severally liable for $225,000.

Appellants first contend that the district court erroneously found that they were judicially estopped from arguing a lack of personal jurisdiction. In this, they note that they were not parties to the Illinois lawsuit, but they fail to meaningfully address the district court's finding that they were in privity with the Illinois defendants, one of whom (Vijay Reddy) is appellant Margaret Reddy's husband and appellant Mohan Thalamarla's nephew.[2] Based on this record, we cannot conclude that the district court's finding of privity was erroneous. *See Catholic Diocese of Green Bay, Inc. v. John Doe 119*, 131 Nev. 246, 249, 349 P.3d 518, 520 (2015)

[2]Appellant Max Global, Inc., is a company that is owned by Mr. Thalamarla.

("When reviewing a district court's exercise of [personal] jurisdiction, we review legal issues de novo but defer to the district court's findings of fact if they are supported by substantial evidence."). Appellants also contend that *respondent* should be judicially estopped from asserting claims against them because respondent did not name them as defendants in the Illinois lawsuit. We need not consider this argument because appellants did not raise it below.[3] *See Old Aztec Mine, Inc. v. Brown*, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981) (recognizing that this court need not consider arguments raised for the first time on appeal).

Appellants next contend there are genuine issues of material fact that preclude summary judgment. In particular, appellants appear to contend that the following "issues" are material and disputed: (1) appellants' level of involvement with Messrs. Weinstein and Brown, (2) the definition of a "silent partner," and (3) whether Mrs. Reddy "received any money from Respondent's contract payments." We are not persuaded. Appellants' first identified issue ignores their involvement with the other co-conspirator, Mr. Reddy. Appellants' second identified issue was not raised in district court, and they do not explain how the definition of this term, as it was used in Mr. Reddy's examination, would be "material" to this case. *See Wood*, 121 Nev. at 731, 121 P.3d at 1031 ("The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant."). Relatedly, appellants do not articulate how their third issue would be "material," given that the district court observed at the summary judgment hearing that appellants

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[3]This is not to suggest that such an argument would be meritorious in a similar scenario. *See generally NOLM, LLC v. Cty. of Clark*, 120 Nev. 736, 743, 100 P.3d 658, 663 (2004) (listing factors for when judicial estoppel may be applicable).

could still be liable to respondent even if they did not directly profit from respondent's $75,000 payment. Accordingly, based on the arguments raised on appeal, we are not persuaded that the district court committed reversible error in granting summary judgment. *See id.* at 729, 121 P.3d at 1029 (reviewing de novo the district court's decision to grant summary judgment); *see also Senjab v. Alhulaibi*, 137 Nev., Adv. Op. 64, 497 P.3d 618, 619 (2021) ("We will not supply an argument on a party's behalf but review only the issues the parties present.").

Appellants next contend that the district court should have dismissed respondent's action because respondent is not licensed in Nevada to transact business. *Cf.* NRS 86.548(2) (prohibiting any foreign limited-liability company from "transacting business" in Nevada without first registering with the Secretary of State). This argument is without merit, as it ignores NRS 86.5483(1), which provides that "[f]or the purposes of NRS 86.543 to 86.549, inclusive, the following activities do not constitute transacting business in this State: [m]aintaining, defending or settling any proceeding." Pursuing a legal action appears to fall squarely within this definition, and appellants do not argue otherwise.

Appellants raise an array of additional arguments for the first time on appeal, including that previous counsel "abandon[ed]" them by not attending an August 20, 2019, hearing. Counsel did, however, attend a previous hearing on August 1, 2019, at which counsel argued the merits of appellants' motion to dismiss. Thus, although the circumstances surrounding counsel's nonappearance are unclear, we are not persuaded that it had an adverse effect on the outcome of appellants' case. Appellants' remaining arguments raised for the first time on appeal do not warrant

discussion, and we decline to address them further. *Old Aztec Mine*, 97 Nev. at 52, 623 P.2d at 983. In light of the foregoing, we

ORDER the judgment of the district court AFFIRMED.[4]

Parraguirre, C.J.

Pickering, J.

Gibbons, Sr.J.

cc: Hon. Adriana Escobar, District Judge
Michael H. Singer, Settlement Judge
The Wasielewski Law Firm, Ltd.
The Ball Law Group LLC
Eighth District Court Clerk

[4]The Honorable Mark Gibbons, Senior Justice, participated in the decision of this matter under a general order of assignment.

Exhibit B

if it's asked and negotiated. If we would have done it the standard way, it would have exceeded the amount that they put down. So we had to go and work this one out also.

Q. I see. Okay. So let me ask, do you believe that this is a valid contract?

A. Yes.

Q. Do you have any reason to believe it's not valid?

A. No.

Q. Plaintiffs paid Medasset the $75,000 required by the contract; is that correct?

A. That is -- that is correct. And the plaintiffs also breached the contract by not letting me finish.

Q. Okay. Plaintiff actually paid Medasset through Visionary Business Brokers; is that correct?

A. That is correct.

Q. Okay. How much of the $75,000 was retained by Visionary; do you know?

A. He gets ten percent off the sale price.

Q. So by my calculations, that would be $7500; is that right?

A. No. It's 12,500.

Q. Oh, off the sales price. I apologize. Okay.

$12,500 went to Visionary; correct?

A. Correct.

Q. Did Medasset distribute any portion of the 75,000 to Vijay Reddy or Margaret Reddy?

A. No.

Q. Did Medasset distribute any portion of the $75,000 directly to you?

A. Yes. What do you mean, directly? It went into my company, and then my company -- then I would distribute it out. It was a -- I believe it was an S corp., uh-huh.

Q. Okay. I want to talk some about references. When the owners of Medappeal asked for references, who did you provide them?

A. I believe I provided them Jay Reddy. Jay Reddy, that is correct.

Q. Vijay Reddy is another name for Mr. Reddy; is that right?

A. Yes, uh-huh.

Q. Did you disclose to plaintiff that you already had an ongoing personal, professional relationship with Mr. Reddy?

A. No.

Q. At the same time you gave Mr. Reddy as a reference, you were aware that Mr. Reddy filed

bankruptcy due to a lawsuit over a failed billing business he sold; is that correct?

A. An established business, that is correct, uh-huh.

Q. Mr. Reddy testified that you recommended the New Jersey law firm of Kasen & Kasen to represent him in his bankruptcy; is that right?

A. Yes.

Q. Based on your opposition in plaintiff's motion to dismiss, you were also aware that Mr. Reddy had been sued at least twice for the sale of the same or similar businesses; is that right?

A. He may have mentioned a suit to me; that is correct. I believe it was settled. Other than this one -- I think he was sued twice. One he won. And I think he -- one he won, or two of them. One or two of them he either won or settled.

Q. Okay. You never informed plaintiffs of Mr. Reddy's bankruptcy or the prior lawsuits; is that right?

A. Correct.

Q. Mr. Reddy stated in his bankruptcy testimony, I'll represent to you, that he shared his profits from business sales 50/50 with you. Did you also share equally in the settlement he was forced to pay?