IN THE SUPREME COURT OF THE STATE OF NEVADA

INDICATE FULL CAPTION:

DESERT VALLY CONTRACING, INC., A
NEVADA CORPORATION,
Appellant,

v.

IN-LO PROPERTIES, A NEVADA LIMITED LIABILITY COMPANY, EUGENE INOSE, AN INDIVIDUL No. 83338 Electronically Filed
Aug 19 2021 02:07 p.m.

DOCKETING Stizablethean Brown
CIVIL A Perck ps Supreme Court

GENERAL INFORMATION

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

WARNING

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

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

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

1. Judicial District Eighth	Department <u>15</u>
County Clark	Judge Joe Hardy
District Ct. Case No. A-16-734351-C	
2. Attorney filing this docketing statemen	nt:
Attorney Jonathon R. Patterson	Telephone 702-966-5200
Firm Hurtik Law and Associates	
Address 6767 West Tropicana Ave., Suite #20	00, Las Vegas, NV 89103
Client(s) Desert Valley Contracting, Inc.	
If this is a joint statement by multiple appellants, add the names of their clients on an additional sheet accomfiling of this statement.	
3. Attorney(s) representing respondents(s):
Attorney Brian W. Boshee	Telephone (702) 791-0308
Firm Holley, Driggs, Walch, Fine, Wray, Puz	ey, & Thompson
Address 400 South Fourth Street, Third Floo	${ m r}$
Las Vegas, NV 89103	
Client(s) In-Lo Properties, Eugene Inose, and	l Jeffrey Louie
Attorney N/A	Telephone
FirmAddress	
Client(s)	

4. Nature of disposition below (check all that apply):				
oxtimes Judgment after bench trial	☐ Dismissal:			
☐ Judgment after jury verdict	☐ Lack of jurisdiction			
☐ Summary judgment	☐ Failure to state a claim			
☐ Default judgment	☐ Failure to prosecute			
☐ Grant/Denial of NRCP 60(b) relief	☐ Other (specify):			
\square Grant/Denial of injunction	☐ Divorce Decree:			
\square Grant/Denial of declaratory relief	\square Original \square Modification			
☐ Review of agency determination	☐ Other disposition (specify):			
5. Does this appeal raise issues conce	rning any of the following?			
\square Child Custody				
☐ Venue				
\square Termination of parental rights				
	this court. List the case name and docket number ently or previously pending before this court which			
Prior Pleadings:No. 79751				
DESERT VALLEY CONTRACTING, INC. a Nevada corporation,				
Appellant,,				
vs.				
IN-LO PROPERTIES, a Nevada limited liability company; EUGENE INOSE, an individual;				
JEFFREY LOUIE, an individual; DOES	1 through 10; and ROE ENTITIES 1 through 10,			
court of all pending and prior proceedings	other courts. List the case name, number and in other courts which are related to this appeal ed proceedings) and their dates of disposition:			
In the underlying District Court Case A-Supplemental attorney's fees.	16-734351-C, there is a pending Motion for			

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

The subject matter of this case concerns issues surrounding contractual repairs at 587 Saint Croix, Henderson, NV 89012. Plaintiff DESERT VALLEY CONTRACTING, INC. was contracted to serve as General Contractor overseeing the repairs to be performed at 587 Saint Croix, Henderson, NV 89012 with Defendant INOSE. The above referenced contract states, among other things, that all work beyond any insurance claims would be paid by defendant within Ten (10) days. The contract further states that if the Defendant INOSE terminates the contract he is liable for all fees, costs, and profit the Plaintiff would have earned had the contract not been repudiated. Plaintiff contracted with several sub-contractors to perform the repairs at 587 Saint Croix, Henderson, NV 89012 Defendant INOSE breached the contract multiple times by failing to pay for upgrades and by failing to pay fees, costs, and profit after repudiating the contract.

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

The issues on Appeal will center on damages, whether the District Courts ruling following remand, including the determination that Desert Valley Contracting breached their Contractual obligations first, therefore precluding recover.

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

None.

11. Constitutional issues. If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?
⊠ N/A
☐ Yes
\square No
If not, explain:
12. Other issues. Does this appeal involve any of the following issues?
☐ Reversal of well-settled Nevada precedent (identify the case(s))
☐ An issue arising under the United States and/or Nevada Constitutions
\square A substantial issue of first impression
☐ An issue of public policy
An issue where en banc consideration is necessary to maintain uniformity of this court's decisions
\square A ballot question
If so, explain: N/A

13. Assignment to the Court of Appeals or retention in the Supreme Court. Briefly
set forth whether the matter is presumptively retained by the Supreme Court or assigned to
the Court of Appeals under NRAP 17, and cite the subparagraph(s) of the Rule under which
the matter falls. If appellant believes that the Supreme Court should retain the case despite
its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circum-
stance(s) that warrant retaining the case, and include an explanation of their importance or
significance:

NRAP 17(b)(6) precludes jurisdiction because this matter is a contract matter in excess of \$75,000.00 dollars.

14. Trial. If this action proceeded to trial, how many days did the trial last? 8

Was it a bench or jury trial? Bench

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

TIMELINESS OF NOTICE OF APPEAL

16. Date of entry of	written judgment or order appealed from $07/06/2021$
If no written judg seeking appellate	ment or order was filed in the district court, explain the basis for
seeking appenate	Teview.
17. Date written no	otice of entry of judgment or order was served
Was service by:	
☐ Delivery	
🗵 Mail/electroni	e/fax
18. If the time for f (NRCP 50(b), 52(b),	iling the notice of appeal was tolled by a post-judgment motion , or 59)
(a) Specify the the date of	type of motion, the date and method of service of the motion, and filing.
☐ NRCP 50(b)	Date of filing N/A
□ NRCP 52(b)	Date of filing
\square NRCP 59	Date of filing
	pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the a notice of appeal. See AA Primo Builders v. Washington, 126 Nev, 245 0).
(b) Date of entr	ry of written order resolving tolling motion
(c) Date writte	n notice of entry of order resolving tolling motion was served
Was service	by:
\Box Delivery	
☐ Mail	

T.0.	al filed $08/05/2021$		
If more than one party has appealed from the judgment or order, list the date each notice of appeal was filed and identify by name the party filing the notice of appeal: N.A.			
20. Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a) or other			
SUBSTANTIVE APPEALABILITY			
21. Specify the statute of	or other authority granting this court jurisdiction to review		
the judgment or order a	appealed from:		
the judgment or order a	appealed from: □ NRS 38.205		
the judgment or order a			
the judgment or order a (a) NRAP 3A(b)(1)	□ NRS 38.205		
the judgment or order a (a) ⊠ NRAP 3A(b)(1) □ NRAP 3A(b)(2)	□ NRS 38.205 □ NRS 233B.150		
the judgment or order a (a) NRAP 3A(b)(1) NRAP 3A(b)(2) NRAP 3A(b)(3) Other (specify)	□ NRS 38.205 □ NRS 233B.150		

22. List all parties involved in the action or consolidated actions in the district court: (a) Parties:
Desert Valley Contracting Inc. A Nevada Corporation, Appellant
Eugene Inose, an individual, In-Lo Properties, a Nevada Limited Liability Company, Respondents.
(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, <i>e.g.</i> , formally dismissed, not served, or other:
Jeffrey Louie, an Individual was dismissed on 07/28/2019
23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim.
-Desert Valley Contracting, Incalleges Breach of Contract, Convant of Good Faith and Fair Dealing, Unjust Enrichmetn, and Interference with ContractEugene Inose and In-Lo Properties allege Breach of Contract, Covenant of Good Faith and Fair Dealing, Unjust Enrichment and Intentional Interference with Economic Advantage. All claims were disposed of on July 6, 2021.
24. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?
⊠ Yes
25. If you answered "No" to question 24, complete the following:(a) Specify the claims remaining pending below:N/A

(b) Specify the parties remaining below:
(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?
\square Yes
⊠ No
(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?
\square Yes
⊠ No
26. If you answered "No" to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):
3A(b)(1) A final judgment entered in an action or proceeding commenced in the Court in

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

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

which the Judgment is rendered.

• Notices of entry for each attached order

VERIFICATION

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

Desert Valley Contracting, Inc. Name of appellant	Jonathon R. Patterson, Esq. Name of counsel of record
August 19, 2021 Date	Isl: Jonathan Patterson Signature of counsel of record
Jonathon Patterson State and county where signed	
CERTIFIC	CATE OF SERVICE
completed docketing statement upon all co ☐ By personally serving it upon him ☒ By mailing it by first class mail with	her; or ith sufficient postage prepaid to the following and addresses cannot fit below, please list names
Dated this 8/19/2021 day of Au	$\frac{\text{gust}}{\text{Signature}}$, $\frac{2021}{\text{Signature}}$

1 COMP CARRIE E. HURTIK, ESQ. CLERK OF THE COURT 2 Nevada Bar No. 7028 RACHEL L. SHELSTAD, ESO. Nevada Bar No. 13399 3 **HURTIK LAW & ASSOCIATES** 4 7866 West Sahara Avenue Las Vegas, Nevada 89117 5 (702) 966-5200 Telephone (702) 966-5206 Facsimile churtik@hurtiklaw.com rshelstad@hurtiklaw.com 7 Attorney for Plaintiff, DESERT VALLEY CONTRACTING, INC. 8 9 EIGHTH JUDICIAL DISTRICT COURT 10 CLARK COUNTY, NEVADA 11 CASE NO. A-16-734351-C DESERT VALLEY CONTRACTING, INC., a 12 Nevada Corporation, DEPT NO. XVPlaintiff. 13 **COMPLAINT** 14 vs. **Arbitration Exemption Claimed – Involves** 15 IN-LO PROPERTIES, LLC, a Nevada Limited an Amount in Excess of \$50,000.00 Liability Company, EUGENE INOSE, an Individual, and JEFFREY LOUIE, an 16 Individual, DOES 1 through 10; and ROE ENTITIES 1 through 10, 17 18 Defendant(s). 19 COMES NOW, Plaintiff, DESERT VALLEY CONTRACTING, INC. (hereinafter "DVC"), 20 an individual, by and through its attorneys of record CARRIE E. HURTIK, ESQ., and RACHEL L. 21 SHELSTAD, ESQ., and for its causes of action against Defendants, IN-LO PROPERTIES, LLC, 22 EUGENE INOSE, JEFFREY LOUIE, DOES 1 through 10; and ROE ENTITIES 1 through 10, 23 24 inclusive, hereby files its Complaint and complains, alleges, avers and states as follows: 25 111 26 /// 27

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PARTIES

- 1. Plaintiff, DESERT VALLEY CONTRACTING, INC., was and is at all times relevant a Nevada Corporation, duly authorized and qualified to do business in the State of Nevada, as a contractor holding a Nevada State Contractor's license, which license is in good standing.
- 2. Upon information and belief, Defendant, IN-LO PROPERTIES, LLC, is a Nevada Limited-Liability Company, duly authorized and qualified to do business in the State of Nevada since on or about November 5, 2004. The Registered Agent on file for Defendant, IN-LO PROPERTIES, LLC, is Eugene Inose, and is located at 587 Saint Croix Street, Henderson, Nevada 89012.
- 3. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 4. Upon information and belief, Defendant, EUGENE INOSE is a resident of Clark County, State of Nevada, and during all relevant times herein was a registered manager of Defendant, IN-LO PROPERTIES, LLC.
- 5. Upon information and belief, Defendant, JEFFREY LOUIE is a resident of Clark County, State of Nevada, and during all relevant times herein was a registered manager of Defendant, IN-LO PROPERTIES, LLC.
- 6. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 7. That the true names and capacities, whether individual, corporate, partnership, associate or otherwise, of defendant DOES 1 through 10 and ROE Entities 1 through 10, inclusive, are unknown to Plaintiff, who therefore, sue said defendants by such fictitious names. Plaintiff is informed and believes and thereon alleges that each of the defendants designated herein as DOE and ROE is responsible in some manner for the events and happenings referred to herein, and as a result proximately caused damages to Plaintiff as herein alleged. That Plaintiff will ask leave of this court

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to amend this Complaint to insert the true names and capacities of DOES 1 through 10 and ROE Corporations or Business Entities 1 through 10, inclusive, when the same have been ascertained, and to join such defendants in this action.

II.

JURISDICTION

- 8. The amount of controversy is in excess of Ten Thousand Dollars and Zero Cents (\$10,000.00), plus prejudgment interest and costs of suit.
- 9. The occurrences complained of herein transpired in the State of Nevada, County of Clark. The events that give rise to this Complaint occurred in the State of Nevada, County of Clark.
- 10. Venue is proper in the State of Nevada, Clark County, as the occurrences at issue in this lawsuit occurred there, the events or omissions giving rise to the claim occurred there and Plaintiff's damages were suffered there.

III.

GENERAL ALLEGATIONS

- 11. On or about November 8, 2005, Defendant, IN-LO PROPERTIES, LLC, purchased the residential home located at 587 Saint Croix Street, Henderson, Nevada 89012 (APN: 178-27-114-001) (hereinafter "Subject Property").
- During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, including Defendant, EUGENE INOSE, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 13. On August 8, 2014, Plaintiff, DVC, and Defendant, EUGENE INOSE, executed a valid Work Authorization and Contract for Plaintiff, DVC to perform a scope of work as provided by approved estimates (hereinafter "Contract"). Specifically, the Contract provides that Defendant, EUGENE INOSE, the undersigned (insured):

Represents that he/she/they are collectively or individually agents for the hereinafter specified property (and/or it contents) and hereby authorize and direct Desert Valley Contracting, Inc. (Contractor) to provide all labor, equipment and materials required to properly repair the specified real property or structure common known as [Subject Property.]

- 14. Pursuant to the Contract, Defendant, EUGENE INOSE authorized and transferred and assigned and conveyed to Plaintiff DVC, his right, title and interest in and to the insurance policy proceeds and all drafts for work performed by Plaintiff, DVC.
- 15. Pursuant to the Contract, Defendant, EUGENE INOSE authorized the applicable insurer to pay Plaintiff, DVC for work performed on the property and agreed to endorse and tender all drafts as produced to the Plaintiff, DVC.
- 16. Pursuant to the Contract, Defendant, EUGENE INOSE if either party terminates the Contract prior to completion, Defendant, EUGENE INOSE is to pay Plaintiff, DVC, prior to the actual work beginning and all costs and fees associated with preparation for beginning the job, such as estimates, permits, materials ordered, or any and all such fees and costs for services performed.
- 17. Pursuant to the Contract, Defendant, EUGENE INOSE is responsible for any and all fees and costs associated with the work performed, plus the profit that Plaintiff, DVC would have made on the job had Defendant, EUGENE INOSE not repudiated the contract.
- 18. Pursuant to the Contract, upon termination of the Plaintiff, DVC'S services, Defendant, EUGENE INOSE is responsible to pay all fees and costs incurred by Plaintiff, DVC, within five (5) business days of termination by either party.
- 19. Pursuant to the Contract, if any requests for additional work to be performed were made during the scope of the job, all such requests were required to be put in writing so that these costs will be added to the Scope of work.
- 20. Pursuant to the Contract, if the scope of the work is beyond any insurance claim, the owner, agent or authorized party, including Defendant, EUGENE INOSE, agreed to pay all claims within ten (10) days of completion of work, and agreed to pay for any materials prior to the additional work being performed.
- 21. Pursuant to the Contract, all insurance work performed by Plaintiff, DVC was subject to approval of the terms of the Defendant, EUGENE INOSE'S policy of insurance.
- 22. Pursuant to the Contract, any code-upgrade work or upgrades to the Subject Property were not covered pursuant to the applicable insurance policy.

- 23. During performance of valid Contract, Defendant, EUGENE INOSE chose to have several upgrades in materials and work added onto the Contract's scope of work, which increased the original Contract's scope of work.
- 24. All subcontractors were selected at the direction of Defendant, EUGENE INOSE, who insisted that he have the original subcontractors that built the home.
- 25. Defendant, EUGENE INOSE dictated who the superintendent would be for the jobsite.
- 26. The superintendent was paid over One Hundred Thousand Dollars and Zero Cents (\$100,000.00), and during the performance of the Contract the superintendent quit coming to the jobsite.
- 27. The main subcontractors who have performed work on the Subject Property are as follows, without limitation: Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Plumbing S.S. Inc; ARX LLC dba ARX Engineering; Ferguson; Firehouse Electric; Artesia Kitchen & Bath; Creative Closets & Cabinetry LLC; Diva Interior Concepts LLC; Eagle Sentry; Summit Tile & Stone LLC; Flooring Encounters, LLC; Walker & Zanger, Inc.; Latin Glass; HY-BAR Las Vegas; Picture Perfect TV Repair; Eazy Lift Elevators; and Custom Landau.
- 28. Plaintiff, DVC paid all of its subcontractors for work performed, but the additional change orders made by Defendant, EUGENE INOSE, were significant and materials for certain trades needed to be ordered and paid for in advance.
- 29. Defendant, EUGENE INOSE settled out the claim with the insurance company and contrary to the contractual terms of the Contract, had all funds paid directly to him which was contrary to the terms of the Contract.
- 30. As you may know, most of these type of claims have the insurer remain in the matter until the project is complete in case any contingencies, so that the funds if covered would be made available for contingencies that were unknown or not discovered initially.
- 31. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, is responsible for the upgrades and change orders that he caused to happen on

this Subject Property, due to his choices and changing his mind in several instances as to what products were to be installed.

- 32. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, has failed to pay Plaintiff, DVC the monies owed and due for the upgrades and change orders of the Subject Property.
- 33. On or about December of 2015, Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, breached his duties, obligations, and responsibilities under the Contract by denying Plaintiff, DVC's ability to complete the terms and conditions Contract, and by precluding Plaintiff, DVC from gaining access to the Subject Property, and by failing to pay Plaintiff, DVC the monies owed and due for the upgrades and change orders of the Subject Property.

IV.

FIRST CAUSE OF ACTION

(Breach of Contract against Defendant, EUGENE INOSE)

- 34. Plaintiff, DVC hereby repeats, re-alleges and incorporates by this reference each and every allegation set forth in Paragraphs 1 through 33 above, as though fully set forth herein.
- 35. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, including Defendant, EUGENE INOSE, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 36. On August 8, 2014, Plaintiff, DVC, and Defendant, EUGENE INOSE, executed a valid Work Authorization and Contract for Plaintiff, DVC to perform a scope of work as provided by approved estimates (hereinafter "Contract"). Specifically, the Contract provides that Defendant, EUGENE INOSE, the undersigned (insured):

Represents that he/she/they are collectively or individually agents for the hereinafter specified property (and/or it contents) and hereby authorize and direct Desert Valley Contracting, Inc. (Contractor) to provide all labor, equipment and materials required to properly repair the specified real property or structure common known as [Subject Property.]

- 37. Pursuant to the Contract, Defendant, EUGENE INOSE authorized and transferred and assigned and conveyed to Plaintiff DVC, his right, title and interest in and to the insurance policy proceeds and all drafts for work performed by Plaintiff, DVC.
- 38. Pursuant to the Contract, Defendant, EUGENE INOSE authorized the applicable insurer to pay Plaintiff, DVC for work performed on the property and agreed to endorse and tender all drafts as produced to the Plaintiff, DVC.
- 39. Pursuant to the Contract, Defendant, EUGENE INOSE if either party terminates the Contract prior to completion, Defendant, EUGENE INOSE is to pay Plaintiff, DVC, prior to the actual work beginning and all costs and fees associated with preparation for beginning the job, such as estimates, permits, materials ordered, or any and all such fees and costs for services performed.
- 40. Pursuant to the Contract, Defendant, EUGENE INOSE is responsible for any and all fees and costs associated with the work performed, plus the profit that Plaintiff, DVC would have made on the job had Defendant, EUGENE INOSE not repudiated the contract.
- 41. Pursuant to the Contract, upon termination of the Plaintiff, DVC'S services, Defendant, EUGENE INOSE is responsible to pay all fees and costs incurred by Plaintiff, DVC, within five (5) business days of termination by either party.
- 42. Pursuant to the Contract, if any requests for additional work to be performed were made during the scope of the job, all such requests were required to be put in writing so that these costs will be added to the Scope of work.
- 43. Pursuant to the Contract, if the scope of the work is beyond any insurance claim, the owner, agent or authorized party, including Defendant, EUGENE INOSE, agreed to pay all claims within ten (10) days of completion of work, and agreed to pay for any materials prior to the additional work being performed.
- 44. Pursuant to the Contract, all insurance work performed by Plaintiff, DVC was subject to approval of the terms of the Defendant, EUGENE INOSE'S policy of insurance.
- 45. Pursuant to the Contract, any code-upgrade work or upgrades to the Subject Property were not covered pursuant to the applicable insurance policy.

- 46. During performance of valid Contract, Defendant, EUGENE INOSE chose to have several upgrades in materials and work added onto the Contract's scope of work, which increased the original Contract's scope of work.
- 47. All subcontractors were selected at the direction of Defendant, EUGENE INOSE, who insisted that he have the original subcontractors that built the home.
- 48. Defendant, EUGENE INOSE dictated who the superintendent would be for the jobsite.
- 49. The superintendent was paid over One Hundred Thousand Dollars and Zero Cents (\$100,000.00), and during the performance of the Contract the superintendent quit coming to the jobsite.
- 50. The main subcontractors who have performed work on the Subject Property are as follows, without limitation: Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Plumbing S.S. Inc; ARX LLC dba ARX Engineering; Ferguson; Firehouse Electric; Artesia Kitchen & Bath; Creative Closets & Cabinetry LLC; Diva Interior Concepts LLC; Eagle Sentry; Summit Tile & Stone LLC; Flooring Encounters, LLC; Walker & Zanger, Inc.; Latin Glass; HY-BAR Las Vegas; Picture Perfect TV Repair; Eazy Lift Elevators; and Custom Landau.
- 51. Plaintiff, DVC paid all of its subcontractors for work performed, but the additional change orders made by Defendant, EUGENE INOSE, were significant and materials for certain trades needed to be ordered and paid for in advance.
- 52. Defendant, EUGENE INOSE settled out the claim with the insurance company and contrary to the contractual terms of the Contract, had all funds paid directly to him which was contrary to the terms of the Contract.
- 53. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, is responsible for the upgrades and change orders that he caused to happen on this Subject Property, due to his choices and changing his mind in several instances as to what products were to be installed.

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- 54. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, has failed to pay Plaintiff, DVC the monies owed and due for the upgrades and change orders of the Subject Property, and overhead and contingencies.
- 55. On or about December of 2015, Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, breached his duties, obligations, and responsibilities under the Contract by denying Plaintiff, DVC's ability to complete the terms and conditions Contract, and by precluding Plaintiff, DVC from gaining access to the Subject Property, and by failing to pay Plaintiff, DVC the monies owed and due for the upgrades and change orders of the Subject Property.
- 56. As a direct and proximate result of Defendant, EUGENE INOSE'S breach(es) of contract(s), Plaintiff, DVC has incurred and continues to incur costs and expenses including, but not limited to, litigation costs, attorney fees and costs in connection with the Complaint filed by Plaintiff, DVC in the instant action to the general damages of Plaintiff, DVC as will be shown according to proof at the time of trial of this matter but alleged to be in excess of Ten Thousand Dollars and Zero Cents (\$10,000.00).
- 57. Plaintiff, DVC has suffered additional damages in the form of attorneys' fees and costs as a proximate and foreseeable result of Defendant, EUGENE INOSE'S breach.

SECOND CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing against Defendant EUGENE INOSE)

- 58. Plaintiff, DVC hereby repeats, re-alleges and incorporates by this reference each and every allegation set forth in Paragraphs 1 through 57 above, as though fully set forth herein.
- 59. Every contract imposes upon each party a duty of good faith and fair dealing in its performance and its enforcement. This implied covenant of good faith and fair dealing requires that no party will do anything that will have the effect of impairing, destroying, or injuring the rights of the other party to receive the benefits of their agreement. The covenant implies that in all contracts

each party will do all things reasonably contemplated by the terms of the contract to accomplish it purpose. This covenants protects the benefits of the contract that the parties reasonably contemplated by the terms contract to accomplish its purpose. This covenant protects the benefits of the contract that the parties reasonably contemplated when they entered into the agreement.

- 60. Defendants, EUGENE INOSE breached the contracts/agreements by failing to adequately or accurately disclose the beneficiary or trustee.
- 61. Defendant, EUGENE INOSE, individually and as an agent for Defendant, IN-LO PROPERTIES, LLC, had a duty to act in good faith and fair dealing in the execution of his obligations under the Contract.
- 62. That the covenant of good faith and fair dealing required Defendant, EUGENE INOSE, to fairly, honestly and reasonably deal with Plaintiff, DVC, including the relationship and actions undertaken performance of the Contract. That the covenant of good faith and fair dealing is inherent in every agreement and is implied in the dealings between the parties of this action, as well.
- 63. That Defendant, EUGENE INOSE, enjoyed substantial discretionary power affecting the rights of Plaintiff, DVC, during the events alleged in this Complaint.
- 64. That Defendant, EUGENE INOSE, was required to exercise such power in good faith.
- 65. That Defendant, EUGENE INOSE did not act in good faith and did not deal fairly with Plaintiff, DVC, in connection with the Contract.
- 66. That Defendant, EUGENE INOSE bad faith has caused damages to Plaintiff, DVC in an amount in excess of Ten Thousand Dollars and Zero Cents (\$10,000.00), and Plaintiff, DVC is entitled to recover the same.
- 67. Plaintiff, DVC has suffered additional damages in the form of attorneys' fees and costs as a proximate and foreseeable result of Defendant, EUGENE INOSE'S breach.

THIRD CAUSE OF ACTION

(Unjust Enrichment against Defendants, IN-LO PROPERTIES, LLC, and JEFFREY LOUIE)

- 68. Plaintiff, DVC hereby repeats, re-alleges and incorporates by this reference each and every allegation set forth in Paragraphs 1 through 67 above, as though fully set forth herein.
- 69. Upon information and belief, Defendant, IN-LO PROPERTIES, LLC, is a Nevada Limited-Liability Company, duly authorized and qualified to do business in the State of Nevada since on or about November 5, 2004. The Registered Agent on file for Defendant, IN-LO PROPERTIES, LLC, is Eugene Inose, and is located at 587 Saint Croix Street, Henderson, Nevada 89012.
- 70. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 71. Upon information and belief, Defendant, EUGENE INOSE is a resident of Clark County, State of Nevada, and during all relevant times herein was a registered manager of Defendant, IN-LO PROPERTIES, LLC.
- 72. Upon information and belief, Defendant, JEFFREY LOUIE is a resident of Clark County, State of Nevada, and during all relevant times herein was a registered manager of Defendant, IN-LO PROPERTIES, LLC.
- 73. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 74. Plaintiff, DVC is informed and believes and on that basis alleges that each Defendant, including, EUGENE INOSE, IN-LO PROPERTIES, LLC, and JEFFREY LOUIE owed a duty of good faith to Plaintiff, DVC.

- 75. Plaintiff, DVC is informed and believes and thereon alleges that Defendants, EUGENE INOSE, IN-LO PROPERTIES, LLC, and JEFFREY LOUIE breached that duty by performing in a manner that was unfaithful to the purpose of the contract.
- 76. Plaintiff, DVC is informed and believes and thereon alleges that Plaintiff, DVC'S justified expectations were thus denied.
- 77. During all relevant times herein, Defendant, IN-LO PROPERTIES, LLC, either directly or indirectly through its agents, including Defendants, EUGENE INOSE and JEFFREY LOUIE, employees, subsidiaries and/or related companies held, serviced and/or engaged in transactions related to real property within the State of Nevada.
- 78. On August 8, 2014, Plaintiff, DVC, and Defendant, EUGENE INOSE, executed a valid Work Authorization and Contract for Plaintiff, DVC to perform a scope of work as provided by approved estimates (hereinafter "Contract"). Specifically, the Contract provides that Defendant, EUGENE INOSE, the undersigned (insured):

Represents that he/she/they are collectively or individually agents for the hereinafter specified property (and/or it contents) and hereby authorize and direct Desert Valley Contracting, Inc. (Contractor) to provide all labor, equipment and materials required to properly repair the specified real property or structure common known as [Subject Property.]

- 79. Pursuant to the Contract, Defendant, EUGENE INOSE authorized and transferred and assigned and conveyed to Plaintiff DVC, his right, title and interest in and to the insurance policy proceeds and all drafts for work performed by Plaintiff, DVC.
- 80. Pursuant to the Contract, Defendant, EUGENE INOSE authorized the applicable insurer to pay Plaintiff, DVC for work performed on the property and agreed to endorse and tender all drafts as produced to the Plaintiff, DVC.
- 81. Pursuant to the Contract, Defendant, EUGENE INOSE if either party terminates the Contract prior to completion, Defendant, EUGENE INOSE is to pay Plaintiff, DVC, prior to the actual work beginning and all costs and fees associated with preparation for beginning the job, such as estimates, permits, materials ordered, or any and all such fees and costs for services performed.

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- 82. Pursuant to the Contract, Defendant, EUGENE INOSE is responsible for any and all fees and costs associated with the work performed, plus the profit that Plaintiff, DVC would have made on the job had Defendant, EUGENE INOSE not repudiated the contract.
- 83. Pursuant to the Contract, upon termination of the Plaintiff, DVC'S services, Defendant, EUGENE INOSE is responsible to pay all fees and costs incurred by Plaintiff, DVC, within five (5) business days of termination by either party.
- 84. Pursuant to the Contract, if any requests for additional work to be performed were made during the scope of the job, all such requests were required to be put in writing so that these costs will be added to the Scope of work.
- 85. Pursuant to the Contract, if the scope of the work is beyond any insurance claim, the owner, agent or authorized party, including Defendant, EUGENE INOSE, agreed to pay all claims within ten (10) days of completion of work, and agreed to pay for any materials prior to the additional work being performed.
- 86. Pursuant to the Contract, all insurance work performed by Plaintiff, DVC was subject to approval of the terms of the Defendant, EUGENE INOSE'S policy of insurance.
- 87. Pursuant to the Contract, any code-upgrade work or upgrades to the Subject Property were not covered pursuant to the applicable insurance policy.
- 88. During performance of valid Contract, Defendant, EUGENE INOSE chose to have several upgrades in materials and work added onto the Contract's scope of work, which increased the original Contract's scope of work.
- 89. All subcontractors were selected at the direction of Defendant, EUGENE INOSE, who insisted that he have the original subcontractors that built the home.
- 90. Defendant, EUGENE INOSE dictated who the superintendent would be for the jobsite.
- 91. The superintendent was paid over One Hundred Thousand Dollars and Zero Cents (\$100,000.00), and during the performance of the Contract the superintendent quit coming to the jobsite.

- 92. The main subcontractors who have performed work on the Subject Property are as follows, without limitation: Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Plumbing S.S. Inc; ARX LLC dba ARX Engineering; Ferguson; Firehouse Electric; Artesia Kitchen & Bath; Creative Closets & Cabinetry LLC; Diva Interior Concepts LLC; Eagle Sentry; Summit Tile & Stone LLC; Flooring Encounters, LLC; Walker & Zanger, Inc.; Latin Glass; HY-BAR Las Vegas; Picture Perfect TV Repair; Eazy Lift Elevators; and Custom Landau.
- 93. Plaintiff, DVC paid all of its subcontractors for work performed, but the additional change orders made by Defendant, EUGENE INOSE, were significant and materials for certain trades needed to be ordered and paid for in advance.
- 94. Defendant, EUGENE INOSE settled out the claim with the insurance company and contrary to the contractual terms of the Contract, had all funds paid directly to him which was contrary to the terms of the Contract.
- 95. As you may know, most of these type of claims have the insurer remain in the matter until the project is complete in case any contingencies, so that the funds if covered would be made available for contingencies that were unknown or not discovered initially.
- 96. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, is responsible for the upgrades and change orders that he caused to happen on this Subject Property, due to his choices and changing his mind in several instances as to what products were to be installed.
- 97. Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, has failed to pay Plaintiff, DVC the monies owed and due for the upgrades and change orders of the Subject Property.
- 98. That Defendants, EUGENE INOSE, IN-LO PROPERTIES, LLC, and JEFFREY LOUIE unjustly benefited when they refused to pay Plaintiff, DVC, the outstanding monies owed.
- 99. As a result of Defendants, EUGENE INOSE'S, IN-LO PROPERTIES, LLC'S, and JEFFREY LOUIE'S breach, Plaintiff, DVC has unjustly suffered damages in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00).

FOURTH CAUSE OF ACTION

(INTENTIONAL INTERFERENCE WITH CONTRACT against

Defendants, EUGENE INOSE and IN-LO PROPERTIES, LLC,)

- 100. Plaintiff, DVC hereby repeats, re-alleges and incorporates by this reference each and every allegation set forth in Paragraphs 1 through 99 above, as though fully set forth herein.
- 101. After August 8, 2014, Plaintiff DVC had a valid and enforceable contract with the following subcontractors including: Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators.
- 102. That Defendant, EUGENE INOSE, knew of the existence of the subcontracts between Plaintiff DVC and Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators as it pertains to the Subject Property.
- 103. That Defendant, EUGENE INOSE, was fully aware that knew Plaintiff DVC had a business relationship with Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators as it pertains to Subject Property, which were likely to result in economically advantageous relationship for Plaintiff, DVC.
- 104. On or about December of 2015, Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, precluded Plaintiff, DVC from gaining access to the Subject Property to complete the contractual and sub-contractual work.
- 105. Upon information and belief, On or about December of 2015, Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, made disparaging remarks to Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators, and instructed Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit

Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators to cease its performance of the DVC's valid and enforceable subcontracts and/or business relationship with Plaintiff, DVC as it pertains to the Subject Property. agreements and/or business relationships with QUINCEANERA MAGAZINE NEVADA, INC.

- 106. Upon information and belief, On or about December of 2015, Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, engaged in conduct that tortiously interfered with Plaintiff, DVC'S contractual rights with Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators.
- 107. Thereafter, Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators refused to honor the terms and conditions of the contracts with Plaintiff, DVC.
- 108. That Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, engaged in conduct alleged herein with the intent to harm Plaintiff, DVC and induce Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators to terminate their subcontracts and/or business relationship with Plaintiff, DVC.
- 109. The actions of Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, constitute an intentional and unprivileged interference with the Diversified Protections Systems, Inc.'s Desert Home Electric, Inc., Sunrise Service, Inc.'s, Artesia Kitchen & Bath's, Eagle Sentry's, Summit Tile & Stone LLC's, Efficient Space Planning's, HY-BAR Las Vegas's, and Eazy Lift Elevators's subcontracts with Plaintiff, DVC.
- 110. The conduct by Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC, as alleged herein was a purposeful and intentional interference, that was engaged in for the sole purpose to deprive Plaintiff, DVC of earnings and/or

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causing injury intended and/or designed to disrupt the contractual relationships between Plaintiff, DVC and Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators.

- 111. As a direct and proximate result Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC's intentional interference with Plaintiff, DVC's subcontractual relationships with Diversified Protections Systems, Inc.; Desert Home Electric, Inc.; Sunrise Service, Inc.; Artesia Kitchen & Bath; Eagle Sentry; Summit Tile & Stone LLC; Efficient Space Planning, HY-BAR Las Vegas; and Eazy Lift Elevators, Plaintiff, DVC has suffered, and will continue to suffer, monetary damage and irreparable injury, in an amount exceeding Ten Thousand Dollars (\$10,000.00), plus pre-judgment and post judgment interest.
- 112. Based on the intentional, willful and malicious nature of Defendant, EUGENE INOSE, individually and as a manager of Defendant, IN-LO PROPERTIES, LLC's actions, Plaintiff, DVC is entitled to exemplary damages and reasonable attorneys' fees and costs incurred in connection with this action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, DESERT VALLEY CONTRACTING INC., expressly reserves the right to amend this Complaint at or before the time of trial of the action herein to include all items of damages not yet ascertained, and demands judgment against the Defendant as follows, upon each cause of action:

- 1. Find for Plaintiff and against the Defendant on all causes of action;
- 2. Award general damages in favor of Plaintiff and against Defendants in an amount to be determined at trial, in excess of \$10,000.00;
- 3. Award special damages in favor of Plaintiff and against Defendants in an amount to be determined at trial, in excess of \$10,000.00;

- 4. Award reasonable attorney's fees, costs of suit and pre-judgment interest in favor of Plaintiff and against Defendants; and,
- 5. Award such other relief as this Court deems just and proper in this matter.

DATED this 30 day of March, 2016.

HURTIK LAW & ASSOCIATES

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Nevada Bar No. 7028

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Attorney for Plaintiff,

DESERT VALLEY CONTRACTING, INC.

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A. J. Lunn

CLERK OF THE COURT

EUGENE INOSE'S ANSWER TO COMPLAINT AND COUNTERCLAIM

AACC 1 BRIAN W. BOSCHEE, ESQ. (NBN 7612) E-mail: bboschee@nevadafirm.com 2 WILLIAM N. MILLER, ESQ. (NBN 11658) 3 E-mail: wmiller@nevadafirm.com HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON 4 400 South Fourth Street, Third Floor 5 Las Vegas, Nevada 89101 Telephone: 702/791-0308 702/791-1912 6 Facsimile: Attorneys for Defendants

CLARK COUNTY, NEVADA

DISTRICT COURT

DESERT VALLEY CONTRACTING, INC. a Nevada corporation, Case No.: A-16-734351-C Dept. No.: XV

Plaintiff,

IN-LO PROPERTIES, a Nevada limited liability company; EUGENE INOSE, an individual; JEFFREY LOUIE, an individual; DOES 1 through 10; and ROE ENTITIES 1 through 10,

Defendants.

EUGENE INOSE, an individual;

Counterclaimant.

v.

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DESERT VALLEY CONTRACTING, INC., a Nevada corporation; DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive,

Counterdefendants.

Defendant/Counterclaimant EUGENE INOSE ("Inose"), by and through his attorneys of record, the law firm of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson, hereby: (1) responds to, admits, denies, and answers the allegations of Plaintiff/Counterdefendant DESERT VALLEY CONTRACTING, INC.'s ("Desert Valley") Complaint; and (2) counterclaims against Desert Valley as follows:

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- 1. Answering Paragraph 1 of Desert Valley's Complaint (the "Complaint"), Inose admits that Desert Valley is a Nevada corporation. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 2. Answering Paragraph 2 of the Complaint, Inose admits the allegations contained in this Paragraph.
- 3. Answering Paragraph 3 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 4. Answering Paragraph 4 of the Complaint, Inose denies the allegations contained this Paragraph.
- 5. Answering Paragraph 5 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 6. Answering Paragraph 6 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 7. Answering Paragraph 7 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.

JURISDICTION

- 8. Answering Paragraph 8 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 9. Answering Paragraph 9 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.

10. Answering Paragraph 10 of the Complaint, Inose admits that venue is proper here. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.

GENERAL ALLEGATIONS

- 11. Answering Paragraph 11 of the Complaint, Inose admits that Defendant IN-LO Properties purchased the Subject Property in 2005 but is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 12. Answering Paragraph 12 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- Valley entered into the Contract and further states that this agreement is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 14. Answering Paragraph 14 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 15. Answering Paragraph 15 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.

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- 16. Answering Paragraph 16 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 17. Answering Paragraph 17 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 18. Answering Paragraph 18 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 19. Answering Paragraph 19 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 20. Answering Paragraph 20 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 21. Answering Paragraph 21 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 22. Answering Paragraph 22 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.

- 23. Answering Paragraph 23 of the Complaint, Inose denies the allegations contained in this paragraph.
- 24. Answering Paragraph 24 of the Complaint, Inose denies the allegations contained in this paragraph.
- 25. Answering Paragraph 25 of the Complaint, Inose denies the allegations contained in this paragraph.
- 26. Answering Paragraph 26 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 27. Answering Paragraph 27 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 28. Answering Paragraph 28 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 29. Answering Paragraph 29 of the Complaint, Inose denies the allegations contained in this paragraph.
- 30. Answering Paragraph 30 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 31. Answering Paragraph 31 of the Complaint, Inose denies the allegations contained in this paragraph.
- 32. Answering Paragraph 32 of the Complaint, Inose denies the allegations contained in this paragraph.
- 33. Answering Paragraph 33 of the Complaint, Inose denies the allegations contained in this paragraph.

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HOLLEY-DRIGGS-WALCH FINE-WRAY-PUZEY-THOMPSON

FIRST CAUSE OF ACTION

(Breach of Contract against Defendant EUGENE INOSE)

- 34. Answering Paragraph 34 of the Complaint, Inose adopts, repeats, and realleges its responses to the prior allegations and the preceding paragraphs in the Answer as though fully set forth herein.
- 35. Answering Paragraph 35 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 36. Answering Paragraph 36 of the Complaint, Inose admits that he and Desert Valley entered into the Contract and further states that this agreement is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 37. Answering Paragraph 37 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 38. Answering Paragraph 38 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 39. Answering Paragraph 39 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.

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- Answering Paragraph 40 of the Complaint, Inose states that the Contract is a 40. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 41 of the Complaint, Inose states that the Contract is a 41. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 42 of the Complaint, Inose states that the Contract is a 42. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 43 of the Complaint, Inose states that the Contract is a 43. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 44 of the Complaint, Inose states that the Contract is a 44. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 45 of the Complaint, Inose states that the Contract is a 45. written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- Answering Paragraph 46 of the Complaint, Inose denies the allegations contained 46. in this paragraph.
- Answering Paragraph 47 of the Complaint, Inose denies the allegations contained 47. in this paragraph.

- 48. Answering Paragraph 48 of the Complaint, Inose denies the allegations contained in this paragraph.
- 49. Answering Paragraph 49 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 50. Answering Paragraph 50 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 51. Answering Paragraph 51 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 52. Answering Paragraph 52 of the Complaint, Inose denies the allegations contained in this paragraph.
- 53. Answering Paragraph 53 of the Complaint, Inose denies the allegations contained in this paragraph.
- 54. Answering Paragraph 54 of the Complaint, Inose denies the allegations contained in this paragraph.
- 55. Answering Paragraph 55 of the Complaint, Inose denies the allegations contained in this paragraph.
- 56. Answering Paragraph 56 of the Complaint, Inose denies the allegations contained in this paragraph.
- 57. Answering Paragraph 57 of the Complaint, Inose denies the allegations contained in this paragraph.

SECOND CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing against Defendant EUGENE INOSE)

- 58. Answering Paragraph 58 of the Complaint, Inose adopts, repeats, and realleges its responses to the prior allegations and the preceding paragraphs in the Answer as though fully set forth herein.
- 59. Answering Paragraph 59 of the Complaint, Inose states that the allegations contained therein are legal conclusions. Notwithstanding this however, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore deny the allegations of this Paragraph.
- 60. Answering Paragraph 60 of the Complaint, Inose denies the allegations contained in this paragraph.
- 61. Answering Paragraph 61 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 62. Answering Paragraph 62 of the Complaint, Inose states that the allegations contained therein are legal conclusions. Notwithstanding this however, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore deny the allegations of this Paragraph.
- 63. Answering Paragraph 63 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 64. Answering Paragraph 64 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 65. Answering Paragraph 65 of the Complaint, Inose denies the allegations contained in this paragraph.

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in this paragraph.

THIRD CAUSE OF ACTION

(Unjust Enrichment against Defendants IN-LO PROPERTIES and JEFFREY LOUIE)

- 68. Answering Paragraph 68 of the Complaint, Inose adopts, repeats, and realleges its responses to the prior allegations and the preceding paragraphs in the Answer as though fully set forth herein.
- 69. Answering Paragraph 69 of the Complaint, Inose admits the allegations contained in this Paragraph.
- 70. Answering Paragraph 70 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 71. Answering Paragraph 71 of the Complaint, Inose denies the allegations contained this Paragraph.
- 72. Answering Paragraph 72 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 73. Answering Paragraph 73 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 74. Answering Paragraph 74 of the Complaint, Inose states that the allegations contained therein are legal conclusions. Notwithstanding this however, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore deny the allegations of this Paragraph.
- 75. Answering Paragraph 75 of the Complaint, Inose states that the allegations contained therein are legal conclusions. Notwithstanding this however, Inose is without

sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore deny the allegations of this Paragraph.

- 76. Answering Paragraph 76 of the Complaint, Inose states that the allegations contained therein are legal conclusions. Notwithstanding this however, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore deny the allegations of this Paragraph.
- 77. Answering Paragraph 77 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 78. Answering Paragraph 78 of the Complaint, Inose admits that he and Desert Valley entered into the Contract and further states that this agreement is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 79. Answering Paragraph 79 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 80. Answering Paragraph 80 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 81. Answering Paragraph 81 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 82. Answering Paragraph 82 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information

to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.

- 83. Answering Paragraph 83 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 84. Answering Paragraph 84 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 85. Answering Paragraph 85 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 86. Answering Paragraph 86 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 87. Answering Paragraph 87 of the Complaint, Inose states that the Contract is a written document which speaks for itself. Inose is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in this Paragraph, and, therefore, denies each and every remaining allegation of this Paragraph.
- 88. Answering Paragraph 88 of the Complaint, Inose denies the allegations contained in this paragraph.
- 89. Answering Paragraph 89 of the Complaint, Inose denies the allegations contained in this paragraph.
- 90. Answering Paragraph 90 of the Complaint, Inose denies the allegations contained in this paragraph.

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- 91. Answering Paragraph 91 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 92. Answering Paragraph 92 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 93. Answering Paragraph 93 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 94. Answering Paragraph 94 of the Complaint, Inose denies the allegations contained in this paragraph.
- 95. Answering Paragraph 95 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- 96. Answering Paragraph 96 of the Complaint, Inose denies the allegations contained in this paragraph.
- 97. Answering Paragraph 97 of the Complaint, Inose denies the allegations contained in this paragraph.
- 98. Answering Paragraph 98 of the Complaint, Inose denies the allegations contained in this paragraph.
- 99. Answering Paragraph 99 of the Complaint, Inose is without sufficient knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.

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27 28 FOURTH CAUSE OF ACTION

(Intentional Interference with Contract against Defendants EUGENE INOSE and IN-LO PROPERTIES)

- Answering Paragraph 100 of the Complaint, Inose adopts, repeats, and realleges 100. its responses to the prior allegations and the preceding paragraphs in the Answer as though fully set forth herein.
- Answering Paragraph 101 of the Complaint, Inose is without sufficient 101. knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- Answering Paragraph 102 of the Complaint, Inose denies the allegations 102. contained in this paragraph.
- Answering Paragraph 103 of the Complaint, Inose denies the allegations 103. contained in this paragraph.
- Answering Paragraph 104 of the Complaint, Inose denies the allegations 104. contained in this paragraph.
- Answering Paragraph 105 of the Complaint, Inose denies the allegations 105. contained in this paragraph.
- Answering Paragraph 106 of the Complaint, Inose denies the allegations 106. contained in this paragraph.
- Answering Paragraph 107 of the Complaint, Inose is without sufficient 107. knowledge or information to form a belief as to the truth of the allegations in this Paragraph, and therefore denies the allegations of this Paragraph.
- Answering Paragraph 108 of the Complaint, Inose denies the allegations 108. contained in this paragraph.
- Answering Paragraph 109 of the Complaint, Inose denies the allegations 109. contained in this paragraph.
- Answering Paragraph 110 of the Complaint, Inose denies the allegations 110. contained in this paragraph.

- 111. Answering Paragraph 111 of the Complaint, Inose denies the allegations contained in this paragraph.
- 112. Answering Paragraph 112 of the Complaint, Inose denies the allegations contained in this paragraph.

AFFIRMATIVE DEFENSES

Inose asserts and alleges the following non-exclusive list of defenses to this action. These defenses have been labeled as "Affirmative" defenses regardless of whether, as a matter of law, such defenses are truly affirmative defenses. Such designation should in no way be construed to constitute a concession on the part of Inose that its bears the burden of proof to establish such defenses.

- 1. Inose denies each and every allegation of the Complaint not specifically admitted or otherwise pled to herein.
- 2. The Complaint fails to state a claim against Inose upon which relief can be granted.
- 3. At all times relevant to the allegations contained in the Complaint, Inose acted with due care, circumspection, and good faith in the performance of any and all duties imposed on him, if any.
 - 4. Desert Valley's claims are barred by the doctrine of equitable estoppel.
 - 5. Desert Valley's claims are barred by the doctrine of equitable rescission.
- 6. Desert Valley's claims are barred because it did not incur any injury or damages cognizable at law.
 - 7. Desert Valley, by its own acts and conduct, waived its rights to assert any claim.
- 8. Desert Valley is barred from obtaining any relief from any claim by operation of the doctrine of unclean hands.
 - 9. Desert Valley claims are barred by the doctrine of laches.
- 10. Each and every action contained in the Complaint is barred by Desert Valley's breach of the implied covenant of good faith and fair dealing.

- 11. Desert Valley breached or failed to perform any agreement alleged in the Complaint and is therefore not entitled to any relief under any agreement.
- 12. Damages and injuries suffered by Desert Valley, if any, are not attributable to any act, conduct, or omission on the part of Inose.
 - 13. The conduct of the Inose was privileged.
- 14. Inose performed on his part, each and every term and condition owed by him, if any, to Desert Valley.
- 15. Desert Valley's alleged damages, if any, should be offset by monies due and owing by Desert Valley to Inose.
- 16. Because of Desert Valley's breach of the agreement, Inose had to hire replacement subcontractors to complete/correct Desert Valley's work on the subject property.
 - 17. Desert Valley has pleaded mutually exclusive claims.
- 18. The conduct of Inose alleged to be wrongful was induced by Desert Valley's own wrongful conduct.
- 19. By virtue of the acts, conduct, mismanagement and/or omissions to act of the Desert Valley under the circumstances, Inose is released, excused, and discharged from any liability whatsoever to Desert Valley, which liability is expressly denied.
- 20. Desert Valley is barred from obtaining any relief from any claim by operation of the doctrine of waiver.
- 21. Desert Valley's claims are barred by the doctrines of mutual mistake, unilateral mistake, impossibility, or impracticability.
- 22. Desert Valley is barred from obtaining any relief from any claim by operating of the doctrine of accord and satisfaction.
- 23. Desert Valley's claims for relief are barred on the grounds that Inose has a valid justification for any alleged nonperformance of any alleged agreement.
- 24. Any damages which Desert Valley may have sustained by reason of the allegations of the Complaint were proximately caused, in whole or in part, by sets of persons other than Inose and, therefore, Desert Valley is not entitled to any relief from Inose.

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- To the extent Desert Valley's claims are based in whole or in part on alleged oral 25. promises or statements, such claims are barred by the lack of acceptance, lack of mutuality, failure of consideration, and/or the statute of frauds.
 - Desert Valley ratified, approved, or acquiesced in the actions of Inose. 26.
- Desert Valley has failed to mitigate its damages, if any exist or were incurred, the 27. existence of which is expressly denied by Inose.
- Desert Valley's claims for relief are barred on the grounds that any assent to any 28. alleged contract was obtained by Desert Valley's misrepresentations, concealment, circumvention, and unfair practices.
- Desert Valley materially breached any agreement between the parties, thereby 29. excusing the future performance thereof by Inose.
- Desert Valley brings its claims in bad faith, with an ulterior motive to harass 30. Inose, abuse the litigation process, and otherwise raise frivolous and unfounded claims against Inose causing Inose to incur damages.
 - Desert Valley has acted in bad faith in his dealings with Inose. 31.
 - Desert Valley's claims are barred by the economic loss doctrine. 32.
 - Desert Valley's claims are barred by the statute of limitations. 33.
- Inose hereby incorporates by reference those affirmative defenses enumerated in 34. NRCP 8 as though fully set forth herein. Such defenses are herein incorporated by reference for the specific purpose of not waiving the same.
- It has been necessary for Inose to employ the services of an attorney to defend 35. this Complaint and reasonable sums should be allowed as and for attorneys' fees, together with the costs expended in this action.
- Pursuant to the provisions of NRCP 11, at the time of the filing of this Answer, all 36. possible affirmative defenses may not have been alleged inasmuch as insufficient facts and relevant information may not have been available after reasonable inquiry. Therefore, Inose reserves the right to amend this Answer to allege additional affirmative defenses if subsequent investigation so warrants.

- 1. That Desert Valley takes nothing by way of the Complaint and that the same be dismissed with prejudice;
- 2. That Inose be awarded all costs and expenses, including reasonable attorneys' fees, incurred by Inose in connection with this action; and
 - 3. For such other and further relief as the Court deems just and proper.

COUNTERCLAIM

Defendant/Counterclaimant EUGENE INOSE ("Inose"), by and through his attorneys of record, the law firm of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson, hereby alleges and complains against Plaintiff/Counterdefendant DESERT VALLEY CONTRACTING, INC. ("Desert Valley") as follows:

THE PARTIES

- 1. Inose is, and was at all times relevant to this action, an individual.
- 2. Upon information and belief, at all times relevant to this this action, Desert Valley was a Nevada corporation.
- 3. Inose does not know the true names of the individuals, corporations, partnerships, and entities sued and identified in fictitious names as DOES I through X and ROE Corporations I through X. Inose will request leave of this Honorable Court to amend this Counterclaim to allege the true names and capacities of each fictitious defendants when Inose discovers the information.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this case and venue is proper in Clark County, because the Contract (defined below) was entered in Nevada, and the Property (defined below) is located in Clark County, Nevada.

GENERAL ALLEGATIONS

- 5. On or about October 10, 2005, Defendant IN-LO PROPERTIES ("IN-LO") purchased the real property located at 587 St. Croix Street, Henderson, Nevada 89012, APN Number 178-27-114-001 (the "Property") and since that date, IN-LO has been the owner of the Property.
- 6. On or about August 2, 2014, the Property was flooded and damaged to the core, and Inose was unable to reside in the Property.
- 7. On or about August 24, 2014, Inose and Desert Valley entered into a Work Authorization and Contract to Perform (the "Contract") to fix and repair the Property.
- 8. Pursuant to the Contract, Desert Valley, as the general contractor, was required to repair the Property back to its original condition.
 - 9. Additionally, pursuant to the Contract, among other things:
 - a. Desert Valley had to perform its work on the Property in good and workmanlike manner;
 - b. Desert Valley agreed to perform its work on the Property for the amount of insurance proceeds (the "Insurance Proceeds") for the Property, absent written authorization for additional amounts; and
 - c. If any requests for additional work was needed to be performed during the scope of the work on the Property, all such requests had to be in writing.
- 10. Shortly after entering into the Contract, Desert Valley began its work under the Contract.
- 11. Around that same time, Desert Valley told Inose that the work on the Property was supposed to only take approximately eight months and should be fully completed by approximately April 2015.
- 12. Thus, Desert Valley confirmed that Inose would be able to reside back in the Property by April 2015.
- 13. April 2015 came and went and Desert Valley's work was nowhere near complete on the Property.

- 14. On or about July 3, 2015, Desert Valley confirmed that there were no change orders on the Property.
- 15. In October 2015, approximately fourteen months after the Contract was signed, Inose was still unable to reside in the Property, as the work was not complete on the Property, resulting in considerable damages to Inose.
- 16. On or about December 8, 2015, because Desert Valley had breached its duties, obligations, and responsibilities under the Contract, Inose terminated the Contract for cause, effective immediately.
- 17. More specifically, Desert Valley breached the Contract, as it did not perform its work in "good and workmanlike manner" and did not complete its scope of work on the Property in fifteen months, a considerable delay, harming Inose by keeping him out of the Property.
- 18. Additionally, as noted above, pursuant to the Contract, Desert Valley agreed to perform the work on the Property for the amount of Insurance Proceeds for the Property, absent written authorization for additional amounts; since Desert Valley is claiming, in its Complaint, more than the Insurance Proceeds, it has breached the Contract as well.
- 19. Further, Desert Valley was also grossly negligent and intentionally malicious in its oversight and work on the Property throughout the entire term of the Contract.
- 20. Moreover, throughout the entire term of the Contract, there was no urgency on Desert Valley's part to get Inose back in his Property, as well as there was no full time, or even part time, supervisor that had been assigned to the Property since approximately April 2015, causing the process of repairing the Property to be extremely inefficient and causing inexcusable delay hereto.
- 21. Further, Inose was told that Desert Valley had ordered certain items for installation in the Property, only to find out months later that no such items were ordered, and therefore, not installed.
 - 22. This resulted in massive delays and costs, directly to the detriment of Inose.

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- 23. Before the instant dispute arose between Plaintiff and Inose, Desert Valley never presented any change orders to Inose, and therefore, Inose never signed off or approved any change orders before the instant dispute arose.
- 24. Due to Desert Valley's breach of the Contract, and after Inose terminated the Contract for cause, Inose had no other alternative but to hire replacement subcontractors on the Property to complete/correct Desert Valley's work on the Property.
- 25. Regarding these subcontractors, Desert Valley knew many of them, as many of them were working on the Property during the time period of the Contract, and also knew about the prospective relationship between Inose and the replacement subcontractors.
- 26. Desert Valley intended to harm Plaintiff by preventing such relationship between Plaintiff and the replacement subcontractors, by sending letters to them and instructing them not to work on the Property.
 - 27. Desert Valley had no privilege or justification in preventing such relationship.
- 28. In June 2015, Inose, with Desert Valley's express consent, confirmation and approval, settled out the claim with the insurance company for \$1,321,133.12, the Insurance Proceeds.
- 29. More specifically, the insurance company and Desert Valley negotiated the total amount of Insurance Proceeds that would be available for the construction of the Property, and once an agreement was reached between them, then and only then, did Desert Valley approach Inose and instruct/recommend Inose to except the settlement amount that the insurance company offered.
- 30. Inose would have never settled out the amount of the claim with the insurance company without Desert Valley's express consent, confirmation and approval.
- 31. As of date, Desert Valley has been paid \$1,123,734.48 out of the Insurance Proceeds.

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- Because Desert Valley has materially breached the Contract and has damaged 32. Inose, as noted above, Desert Valley should not be entitled to any of the Insurance Proceeds, but rather, Inose should be entitled to this, so he can pay replacement subcontractors to complete/contract Desert Valley's work on the Property.
- Thus, as a direct and proximate result of Desert Valley's aforementioned conduct, 33. Inose had to hire these aforementioned replacement subcontractors to complete/correct Desert Valley's work on the Property.
- As of date, Inose has had to pay at least \$250,000.00 to hire these aforementioned 34. replacement subcontractors to complete/correct Desert Valley's work on the Property; however, this amount continuously is increasing, as Inose is continuing to have to pay other replacement subcontractors to complete/correct Desert Valley's work on the Property.
- Pursuant to the Contract, and since the outset of the Contract, Inose has performed 35. all of his duties, obligations, and responsibilities under the Contract.
- Since the outset of the Contract, Desert Valley has materially breached its duties, 36. obligations, and responsibilities under the Contract, by among other things, not performing its work in good and workmanlike manner, not completing its scope of work on the Property in fifteen months, a considerable delay, harming Inose by keeping him out of the Property, claiming more than the instance proceeds, and claiming damages on alleged change orders, when Inose never approved these changes, especially since he was never presented any such change orders prior to the instant dispute arising.
- As a direct and proximate result of Desert Valley's aforementioned actions, Inose 37. has been damaged in a substantial sum in excess of \$10,000.00, the exact amount of which will be set forth at the time of trial in this matter.
- As a direct result of the aforementioned conduct on the part of Desert Valley, 38. Inose has been forced to retain the services of the undersigned counsel to defend and prosecute this matter and is thus entitled to an award of his reasonable attorneys' fees and costs associated herewith from Desert Valley.

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FIRST CLAIM FOR RELIEF

(Breach of Contract)

- Inose incorporates the preceding paragraphs of this Counterclaim by reference as 39. though fully set forth herein.
- Inose and Desert Valley entered into a valid and enforceable contract, the 40. Contract, relating to repaid work on the Property.
- Inose has complied with all the conditions and requirements under this contract, 41. the Contract.
- Through its actions complained of herein, Desert Valley has wrongfully, 42. intentionally, and/or maliciously breached its obligations under the Contract.
- As a direct and proximate result of Desert Valley's aforementioned conduct, Inose 43. had to hire replacement subcontractors to complete/correct Desert Valley's work on the Property.
- As a direct and proximate result of Desert Valley's aforementioned conduct, Inose 44. has been damaged in a substantial sum in excess of \$10,000.00, the exact amount of which will be set forth at the time of trial in this matter.
- As a direct result of the aforementioned conduct on the part of Desert Valley, 45. Inose has been forced to retain the services of the undersigned counsel to defend and prosecute this matter and is thus entitled to an award of his reasonable attorneys' fees and costs associated herewith from Desert Valley.

SECOND CLAIM FOR RELIEF

(Breach of the Implied Covenant of Good Fair and Fair Dealing)

- Inose incorporates the preceding paragraphs of this Counterclaim by reference as 46. though fully set forth herein.
- Every contract entered into in Nevada, including the above-referenced Contract, 47: contains an implied covenant that the parties will act in good faith, and with fair dealing, and that one party will not conduct itself in a manner that would prevent the other party from achieving the benefit of its bargain.

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- Inose and Desert Valley entered into a valid and enforceable contract, the 48. Contract, relating to repaid work on the Property.
- Inose has complied with all the conditions and requirements under this contract, 49. the Contract.
- Through its actions complained of herein, Desert Valley has wrongfully, 50. intentionally, and/or maliciously breached said covenant of good faith and fair dealing. This aforementioned conduct was unfaithful to the purpose of the Contract.
- Inose's justified expectations under the Contract were denied because of Desert Valley's aforementioned conduct.
- As a direct and proximate result of Desert Valley's aforementioned conduct, Inose 52. had to hire replacement subcontractors to complete/correct Desert Valley's work on the Property.
- As a direct and proximate result of Desert Valley's aforementioned conduct, Inose 53. has been damaged in a substantial sum in excess of \$10,000.00, the exact amount of which will be set forth at the time of trial in this matter.
- As a direct result of the aforementioned conduct on the part of Desert Valley, Inose has been forced to retain the services of the undersigned counsel to defend and prosecute this matter and is thus entitled to an award of his reasonable attorneys' fees and costs associated herewith from Desert Valley.

THIRD CLAIM FOR RELIEF

(Alternative Claim for Unjust Enrichment)

- Inose incorporates the preceding paragraphs of this Counterclaim by reference as 55. though fully set forth herein.
- In the alternative to the First Claim for Relief for Breach of Contract, Desert 56. Valley unjustly retained Inose's property, including, but not limited to, the money that Desert Valley has received for its work on the Property.
- Desert Valley's unjust retention of this aforementioned property is against the 57. fundamental principles of justice, as the money rightfully belongs to Inose, so he can pay replacement subcontractors to complete/contract Desert Valley's work on the Property.

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- Inose has conferred a benefit upon the Desert Valley, as Desert Valley has failed 58. and/or refused to return any of the aforementioned property to Inose.
- Desert Valley has appreciated this benefit, as well as accepted and retained this 59. benefit, since Desert Valley has failed and/or refused to return any of the aforementioned property to Inose.
- As a direct and proximate result of Desert Valley's aforementioned conduct, Inose 60. has been damaged in a substantial sum in excess of \$10,000.00, the exact amount of which will be set forth at the time of trial in this matter.
- As a direct result of the aforementioned conduct on the part of Desert Valley, 61. Inose has been forced to retain the services of the undersigned counsel to defend and prosecute this matter and is thus entitled to an award of his reasonable attorneys' fees and costs associated herewith from Desert Valley.

FOURTH CLAIM FOR RELIEF

(Intentional Interference with Prospective Economic Advantage)

- Inose incorporates the preceding paragraphs of this Counterclaim by reference as 62. though fully set forth herein.
- Due to Desert Valley's breach of the Contract, and after Inose terminated the 63. Contract for cause, Inose had no other alternative but to hire replacement subcontractors on the Property to complete/correct Desert Valley's work on the Property.
- Thus, there was a perspective contractual relationship between Plaintiff and third 64. parties, the replacement subcontractors.
- Regarding these subcontractors, Desert Valley knew many of them, as many of 65. them were working on the Property during the time period of the Contract, and also knew about the prospective relationship between Inose and the replacement subcontractors.
- Desert Valley intended to harm Plaintiff by preventing such relationship between 66. Plaintiff and the replacement subcontractors, by sending letters to them and instructed them not to work on the Property.

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- 67. Desert Valley had no privilege or justification in preventing such relationship.
- 68. As a direct and proximate result of Desert Valley's aforementioned conduct, Inose has been damaged in a substantial sum in excess of \$10,000.00, the exact amount of which will be set forth at the time of trial in this matter.
- 69. As a direct result of the aforementioned conduct on the part of Desert Valley, Inose has been forced to retain the services of the undersigned counsel to defend and prosecute this matter and is thus entitled to an award of his reasonable attorneys' fees and costs associated herewith from Desert Valley.

PRAYER

WHEREFORE, Inose prays for judgment against Desert Valley as follows:

- 1. With respect to the First Claim for Relief (Breach of Contract), judgment in an amount in excess of \$10,000.00;
- 2. With respect to the Second Claim for Relief (Breach of the Implied Covenant of Good Fair and Fair Dealing) judgment in an amount in excess of \$10,000.00;
- 3. With respect to the Third Claim for Relief (Alternative Claim for Unjust Enrichment) judgment in an amount in excess of \$10,000.00;
- 4. With respect to the Fourth Claim for Relief (Intentional Interference with Prospective Economic Advantage) judgment in an amount in excess of \$10,000.00;
 - 5. For pre-judgment and post-judgment interest;
- 6. For all costs and expenses incurred by Inose in enforcing its rights under the Contract, including, but not limited to, reasonable attorneys' fees and costs incurred in defending and prosecuting this action; and

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FINE-WRAY-PUZEY-THOMPSON HOLLEY-DRIGGS-WALCH

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For such other and further relief as the Court deems just and proper. 7.

Dated this 2 day of June, 2016.

HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY & THOMPSON

BRIAN W. BOSCHEE, ESQ. (NBN 7612) WILLIAM N. MILLER, ESQ. (NBN 11658) 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 Attorneys for Defendants

HOLLEY•DRIGGS•WALCH FINE•WRAY•PUZEY•THOMPSON

CERTIFICATE OF SERVICE

	I	HEREBY	CERTIFY	that	the	foregoing	EUGENE	INOSE'S	ANSWER	TO
COM	PL	AINT AND	COUNTE	RCLA	AIM,	was submit	ted electroni	cally for fili	ng and/or se	rvice
with th	ne	Eighth Judio	cial District	Court	on t	he day	of June, 20	16. Electron	nic service o	of the
forego	ing	document s	shall be mad	e in a	ccord	lance with the	he E-Service	List as follo	ows:	

Carrie E. Hurtik, Esq.
Rachel L. Shelstad, Esq.
HURTIK LAW & ASSOCIATES
7866 West Sahara Avenue
Las Vegas, NV 89117
Attorneys for Plaintiff/Counterdefendant

An employee of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson

BRIAN W. BOSCHEE, ESQ. Nevada Bar No. 7612 2 E-mail: bboschee@nevadafirm.com SEAN E. STORY, ESQ. 3 Nevada Bar No. 13968 E-mail: sstory@nevadafirm.com 4 HOLLEY DRIGGS WALCH 5 FINE PUZEY STEIN & THOMPSON 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 6 Telephone: 702/791-0308 Facsimile: 702/791-1912 7 Attorneys for Defendant IN-LO Properties and Defendant/Counterclaimant Eugene Inose 8 9 10 DESERT VALLEY CONTRACTING, INC. a 11 Nevada corporation, 12 Plaintiff, 13 V. 14 IN-LO PROPERTIES, a Nevada limited liability company; EUGENE INOSE, an individual; 15 JEFFREY LOUIE, an individual: DOES 1 16 through 10; and ROE ENTITIES 1 through 10, Defendants. 17 EUGENE INOSE, an individual; 18 19 Counterclaimant. ٧. 20 DESERT VALLEY CONTRACTING, INC., a Nevada corporation; DOES I through X, 21 inclusive, and ROE CORPORATIONS I through X, inclusive, 22 Counterdefendants. 23 24 /// 25 26 /// 27 28

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Electronically Filed 9/4/2019 9:03 AM Steven D. Grierson CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

Case No.: A-16-734351-C Dept. No.: XV

NOTICE OF ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW

11218-00/2280943

HOLLEY DRIGGS

YOU, and each of you, will please take notice that a Finding of Fact and Conclusions of Law in the above entitled matter was filed and entered by the Clerk of the above-entitled Court on the 3rd day of September, 2019, a copy of which is attached hereto.

Dated this 4th day of September, 2019.

HOLLEY DRIGGS WALCH FINE PUZEY STEIN & THOMPSON

/s/ Sean E. Story, Esq.
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HOLLEY DRIGGS

CERTIFICATE OF SERVICE

The undersigned, an employee of HOLLEY DRIGGS WALCH FINE PUZEY STEIN & THOMPSON, hereby certifies that on the 4th day of September, 2019, a copy of NOTICE OF ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW, was served via electronic service in accordance with Administrative Order 14.2, to all interested parties, through the Court's Odyssey E-File & Serve to the addresses below. Pursuant to EDCR 8.05(i), the date and time of the electronic service is in place of the date and place of deposit in the mail.:

Carrie E. Hurtik, Esq. Rachel L. Shelstad, Esq. HURTIK LAW & ASSOCIATES 6767 West Tropicana Ave., #200 Las Vegas, NV 89103

Attorneys for Plaintiff/Counterdefendant

/s/ Sandy Sell

An employee of HOLLEY DRIGGS WALCH FINE PUZEY STEIN & THOMPSON

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FFCL BRIAN W. BOSCHEE, ESO. Nevada Bar No. 7612 2 E-mail: bboschee@nevadafirm.com SEAN E. STORY, ESQ. 3 Nevada Bar No. 13968 E-mail: sstory@nevadafirm.com 4 HOLLEY DRIGGS WALCH FINE PUZEY STEIN & THOMPSON 5 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 6 Telephone: 702/791-0308 Facsimile: 702/791-1912 7 Attorneys for Defendant IN-LO Properties and 8 Defendant/Counterclaimant Eugene Inose

DISTRICT COURT

CLARK COUNTY, NEVADA

DESERT VALLEY CONTRACTING, INC. a Nevada corporation, Case No.: A-16-734351-C Dept. No.: XV

Plaintiff,

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Disposed After Trial Start

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Disposed After The Stern Non-Jury Judgment Reached Transferred before Trial

IN-LO PROPERTIES, a Nevada limited liability company; EUGENE INOSE, an individual; JEFFREY LOUIE, an individual; DOES 1 through 10; and ROE ENTITIES 1 through 10,

Defendants.

EUGENE INOSE, an individual;

Counterclaimant.

v.

DESERT VALLEY CONTRACTING, INC., a Nevada corporation; DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive,

Counterdefendants.

DEFENDANT IN-LO PROPERTIES AND DEFENDANT/COUNTERCLAIMANT EUGENE INOSE'S [AMENDED-PROPOSED] FINDINGS OF FACT AND CONCLUSIONS OF LAW

Trial Dates: April 8-11, 2019 June 19-21, 2019 July 24, 2019

Honorable Joe Hardy

This case having come on for trial on April 8-11, 2019, June 19-21, 2019, and July 24, 2019 before this Court, Defendant IN-LO PROPERTIES ("In-Lo") and Defendant/Counterclaimant EUGENE INOSE ("Inose" and collectively, "Defendants"), by and through its undersigned counsel of record, Brian W. Boschee, Esq. and Sean E. Story, Esq. of the

11218-00/2276284

AUG 2 3 2019

law firm of Holley Driggs Walch Fine Puzey Stein & Thompson, and DESERT VALLEY CONTRACTING, INC. ("Desert Valley"), by and through undersigned counsel of record, Carrie E. Hurtik, Esq. and Jonathon R. Patterson, Esq., of the law firm Hurtik Law & Associates.

Desert Valley asserted four (4) causes of action against Defendants: 1) Breach of Contract, 2) Breach of the Covenant of Good Faith and Fair Dealing, 3) Unjust Enrichment, and 4) Intentional Interference with Contractual Relations. Inose asserted four (4) causes of action as counterclaims against Desert Valley: 1) Breach of Contract, 2) Breach of the Implied Covenant of Good Faith and Fair Dealing, 3) Unjust Enrichment, and 4) Intentional Interference with Prospective Economic Advantage.

The Court, having fully heard the testimony of the witnesses, reviewed the evidence during the trial, having considered the oral and written arguments set forth by appearing counsel at the trial, having read and considered the other papers and pleadings on file herein, and good cause appearing therefor, enters the following findings of fact and conclusions of law. To the extent any finding of fact shall more appropriately be deemed a conclusion of law, it is so deemed. To the extent any conclusion of law shall more appropriately be deemed a finding of fact, it is so deemed.

FINDINGS OF FACT

- 1. Inose testified and it is not disputed that Inose is the principal of In-Lo, which owns the residential real property located at 587 St. Croix Street, Henderson, Nevada 89012 (APN No. 178-27-114-001) (the "Property"); and that Inose utilizes the Property as his residence when he is in Nevada.
- 2. Per the testimony of Inose, on or about August 2, 2014, the Property was flooded and damaged to the extent that Inose was unable to reside at the Property.
- 3. Inose testified that an agent acting on his behalf initially contacted ServPro of Henderson to conduct the water extraction and remediation work on the Property.
- 4. Per the testimony of Inose, a representative of ServPro of Henderson recommended Desert Valley as a general contractor purported to be experience and proficient in the restoration and remodeling of high-end custom homes such as the Inose Property.

owner of Desert Valley. 2 THE CONTRACT 3 6. Per the testimony of Inose and other witnesses, Inose retained Desert Valley to be 4 the general contractor in the restoration of the Property (the "Project"). See Work Authorization 5 and Contract to Perform Scope of Work (the "Contract"), Exhibit 560. 6 7. The Contract provides, in pertinent part, as follows: 7 Should Client terminate the Contractor after work has begun, but not 8 completed in full, the Client shall be responsible for any and all fees and costs associated with the work performed, plus the profit that 9 the client would have made on the job had Client not repudiated 10 the contract. 11 Contract, Ex. 560 (emphasis added).

Register the testimony of Zachary and Merrit

8. Per the testimony of Zachary and Merritt, the Contract was prepared by Desert Valley and is a form contract utilized by Desert Valley when it performs insurance work.

Dennis Zachary ("Zachary") confirmed through his testimony that Zachary is the

9. Per the testimony of Zachary, the Contract was to be performed on a "10 and 10" basis, meaning that Desert Valley's job costs would have built in to its total an additional tenpercent to account for Desert Valley's overhead and another ten-percent to account for Desert Valley's profit.

PROJECT ESTIMATES AND SUPERVISION

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- 10. Per the testimony of Zachary and Daniel Merritt ("Merritt"), Desert Valley assigned Merritt as the lead estimator on the project.
- 11. Per Merritt's testimony, he spent a minimum of one week assessing the damage and coordinating with subcontractors as well as Inose's insurance company, Fireman's Fund, from which it produced an estimated job cost.
- 12. Per Merritt's testimony, Desert Valley also begin overseeing the project and engaging subcontractors to perform work on the Property.
- 13. Per the testimony of Inose, at all times relevant hereto, Merritt acted as Inose's primary point of contact with Desert Valley.

1	14. Inose and Merritt testified that at the onset of the project, in part because the
2	Property was a custom home that had originally been constructed pursuant to "as-built" plans,
3	Merritt inquired with Inose to identify a person that Inose believed knows the home the best.
4	15. Inose testified that he identified Robert Ramirez ("Ramirez") as the person who
5	knows the home the best.
6	16. Per the testimony of Rachelle Elliston ("Elliston") and Zachary, Elliston was the
7	operations manager primarily responsible for handling the in-house administrative duties related
8	to the Project.

- 17. Zachary and Elliston Desert Valley testified that Desert Valley retained Ramirez as a W-2 employee to act as a supervisor and/or consultant for the project. See Payroll Records, Exhibit 244.
- 18. Merritt and Zachary testified that, in addition to Ramirez, Desert Valley also had a designated project manager throughout the course of the Project.
- 19. The Contract provides, in pertinent part, that Desert Valley agreed to "perform all repair work in good and workmanlike manner." Contract, Ex. 560.
- 20. Each of the Subcontractors further confirmed that their primary point of contact throughout the course of the Project was Merritt.

COST OVERRUNS

- 21. Per Merritt's testimony, during the course of the Project Merritt oversaw the cost projections for the restoration of the Property and regularly communicated directly with Inose's insurance company, Fireman's Fund.
- 22. Per Merritt's testimony, an initial bid for the project was completed on or around November 17, 2014 and was provided to Fireman's Fund to coordinate an anticipated scope of work and release of insurance proceeds. *See* Inose Full Bid3 (the "November Bid"), Exhibit 266.
- 23. The November Bid includes a line item total job cost of \$1,035,605.74, plus 10% overhead in the amount of \$103,561.15, plus 10% profit in the amount of \$103,561.15, and material sales tax of \$31,371.63, for a grand total claim of \$1,274,099.67. *Id.* at DVC000662.

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- Inose, Merritt, and Zachary all testified that Desert Valley had consistently 24. represented to Inose that Desert Valley could offset the costs of certain changes in scope by removing other items that were part of the original scope of work and that doing so would not affect the total cost of the project. This included, but was not limited to, the removal of the sauna which had previously been on the Property offset by an expansion and various upgrades to the wine room.
- 25. Merritt testified that there were many cost overruns on the project which included, but were not limited to, an over-order of approximately eight (8) pallets of tile which Merritt testified were ordered based on measurements provided by Summit Tile and Stone, one of the subcontractors working for Desert Valley.
- Inose and Merritt testified that, as of today, the eight (8) pallets of over-ordered tile 26. are still in his garage and taking up otherwise usable space.
- Merritt testified that an additional cost overrun was attributable to the necessity for 27. repainting the interior of the home since the home had originally been repainted prior to the installation of tile and that the cutting of tile caused dust to adhere to the painted walls which could not thereafter be sufficiently cleaned.
- Merritt and Inose testified that additional cost overruns were attributable to items 28. going missing from the Project including a television and several Lutron switches.
- Pursuant to testimony by Daniel Merritt and Rachelle Elliston, and Exhibit 475, 29. delivery of marble floors were delayed for several months due to customs issues and a dock workers strike in Los Angeles, California.

CHANGE ORDERS

- The Contract further provides that "[i]f any requests for additional work to be 30. performed are made during the scope of the job, all such requests must be put in writing so that these costs will be added to the Scope of Work." Contract, Ex. 560 (emphasis added).
- Zachary testified that the industry practice is for a general contractor to obtain from 31. a subcontractor a written, approved, and signed "change order" in order for a subcontractor to make any changes to its scope of work and be paid for those changes.

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	32.	Each of the Subcontractors also testified that all change orders should be in writing
All of	the Sub	contractors testified that they would not expect to be paid for any additional work
perfor	med out	side the scope of their bids unless the additional work was approved through a
writte	n, approv	ved, and signed change order.

- 33. Zachary further testified that without a written, approved, and signed change order, Desert Valley would have no obligation to and would not pay the subcontractor for the change to its scope of work.
- 34. Zachary further testified that the process of requiring a written and approved change order signed by the owner (in this case Inose) would be necessary to obligate Inose to pay for any changes to Desert Valley's scope of work.
- 35. Zachary and Merritt further testified that Desert Valley did not obtain Inose's approval or signature on any change orders throughout the course of the Project.
- 36. The majority of the subcontractor change orders dated before July 3, 2015 are approved by and/or signed by Merritt. See, e.g., Exhibit 576 at IN-LO00255; Exhibit 82 at DVC000104; Exhibit 83 at DVC000105; Exhibit 90 at DVC000120.
- 37. Each of the Subcontractors confirmed through testimony that they had change orders on the Project which had been provided to and approved by Desert Valley prior to July 3, 2015.
- 38. No change orders that were signed or approved by Inose were presented as evidence at trial.
- 39. No written communications from Desert Valley to Inose prior to October 2015 indicating the existence of change orders were presented as evidence at trial.
- 40. Rachelle Elliston and Daniel Merritt testified that Inose was aware of the Change Orders and refused to sign them,.
- 41. Inose's claims that he was unaware of the change orders was belied by the evidence presented at trial.

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THE INSURANCE CLAIM

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- The Contract further provides that the "Contractor agrees to perform the insured 42. work as approved by the Insurance Company and accept insurance proceeds as payment for the insured work." Contract, Ex. 560.
- 43. Merritt testified that throughout the course of the Project he negotiated directly with Fireman's Fund the total amount of Insurance Proceeds that would be available for the scope of work on the Property based on cost estimates prepared by Desert Valley.
- 44. On June 5, 2015, Merritt emailed Bryan Lynch of Fireman's Fund and indicated that Desert Valley was at the "agreed contract amount with no needed change orders, and no more change orders from all of the subcontractors which had submitted their bids." Exhibit 571 at IN-LO00074.
- 45. Merritt further represented in his email to Fireman's Fund that Desert Valley "will be able to complete the project for this amount." Id.
 - 46. The subject-line of the email states "Agreement on amount of \$1,321,133.12." Id.
- 47. The estimate attached to Merritt's email which is titled as a Final Bid with a completed date of 4/27/15 includes work (such as the Sauna Bath for example) which Merritt, Inose, and Zachary all confirmed was removed from the scope of the Project and was never done. Id. at IN-LO00094.
- 48. Bryan Lynch of Fireman's Fund emailed Inose on June 19, 2015 stating that "[w]e have received the final estimate from your contractor" and identified that he was attaching "[a]n email from Desert Valley Construction stating that no further billing exists beyond their final estimate" as well as a "copy of the final estimate presented by your contractor totaling \$1,320,429.28. (Final DVC Estimate)." Id. at IN-LO00071. The email also included a Policyholder Release and Lynch requested therein that Inose forward a fully completed copy of the release. Id.
- 49. Inose's testimony that Desert Valley Contracting advised him to close out the insurance claim was not credible as it was in Desert Valley's best interest to keep the insurance claim open.

50.	lnose took no steps to reopen the insurance claim after it appeared that there was a
need to do so.	

51. No evidence was presented at trial of any written communications from Desert Valley to Inose prior to October 2015 objecting to Inose having closed out the insurance claim.

POST INSURANCE CLAIM

- 52. Inose and Merritt testified that on or about July 3, 2015, Desert Valley provided to Inose a waiver and release which included a notation signed by Daniel indicating "No change orders as of 07/03/2015." *See* Unconditional Waiver and Release on Progress Payment (the "Waiver"), Exhibit 562.
 - 53. The Waiver provides in capitalized text as follows:

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

- 54. In addition to Daniel's signature on the notation that there are no change orders as of 7/3/15, the Waiver is also signed by Rachell Elliston, Desert Valley's operations manager. *Id.*
- 55. Elliston testified that she signed an invoice dated September 4, 2015 which includes the following handwritten notation: "Total Contract to Complete House \$1,321,331,27." Desert Valley Invoice dated 9/4/15, Exhibit 564.
- 56. Elliston and Zachary testified that Desert Valley sent a letter dated November 16, 2015 to all subcontractors working on the project directing them to cease working on the Property. See Letter dated November 16, 2015, Exhibit 567.
- 57. Merritt testified that on or around November 23, 2015, he prepared a summary <u>for Desert Valley's attorney</u> of the purported differences between the initial bids of each of the subcontractors on the Project as well as Merritt's own projected costs and the actual costs for each category of work. *See* November 23, 2015 Email, Exhibit 568.
- 58. On November 24, 2015, Merritt forwarded to Inose this list of what Desert Valley purported to be the differences between its estimated and actual costs to complete the project. The

total amount of the asserted differences was approximately \$125,763.26. Id.

- 59. The list delineates between the estimate and finals costs and does not specify what amounts are accounted for through written, approved, and signed change orders and what amounts are not. *Id.*
- 60. Merritt testified that, although he had been receiving and approving change orders throughout the course of the Project, and notwithstanding that Desert Valley had indicated to Inose in writing in July 2015 that there were no change orders and again in September 2015 that the cost to complete the house was \$1,321,331,27, Merritt always intended to prepare and submit one large master change order to Inose toward the end of the Project.
- 61. No evidence was presented at trial or any written communications to Inose indicating Desert Valley's intent to compile and submit a large master change order at the end of the project.
- 62. Inose testified that on or around December 8, 2015, he terminated the Contract with Desert Valley.
- 63. Inose testified that at the time Desert Valley ceased working on the Project, Desert Valley had not fully restored the Property and, as a result, Inose was unable to reside in the Property.
- 64. Merritt confirmed through testimony that at the time Desert Valley ceased working on the Property, the Project was approximately eighty-five (85%) done.

DAMAGES CALCULATION

- 65. Inose testified that after Desert Valley left the project uncompleted, with the work incomplete and the Property not yet in livable condition, and in order avoid any liens from being placed on the Property, Inose was forced to engage many of the subcontractors directly to complete the work and to pay the subcontractors directly.
- 66. In Merritt's June 5, 2015 email to Fireman's Fund, Merritt represented that the house would be completed with no needed change orders for \$1,321,133.12 and in reliance on this representation and further discussions with Merritt, Inose closed out the claim for this amount.

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- 67. This amount was confirmed in a signed Desert Valley invoice dated September 4, 2015.
- 68. Merritt confirmed through testimony that the Project was approximately eightyfive percent (85%) complete at the time that Desert Valley left the Project
- 69. During the course of the Project, Inose paid to Desert Valley the total amount of one-million, one-hundred twenty-three thousand seven-hundred thirty-four dollars and eightyseven cents (\$1,123,734.87). See Checks, Exhibit 585.
- 70. Zachary testified that on April 25, 2017, well after Desert Valley had ceased working on the Project, Desert Valley generated a Job Cost & Billing Detail report. See Exhibit 274.
- 71. Zachary confirmed through testimony that in total Desert Valley incurred costs in the amount of one-million twelve-thousand four-hundred fifty-one dollars and eight cents (\$1,012,451.08). *Id.* at DVC000706.
- Zachary and Elliston testified that Desert Valley was paid for the entirety of its 72. costs incurred as well as a portion of its profit and overhead.
- 73. Inose paid directly to subcontractors the total amount of two-hundred fifty-six thousand four-hundred eighty-one dollars and forty-six cents (\$256,481.46) to complete work for which Desert Valley had already been paid. See Checks and Credit Card Statements, Exhibits 586 through 595.
- Inose paid Desert Valley \$1,123,734.87 to complete approximately 85% of the 74. Project, plus an additional \$256,481.46 to subcontractors directly to finish the project, for a sum total paid by Inose of \$1,380,216.33.

CONCLUSIONS OF LAW

A. Desert Valley's Claims

- 1. Desert Valley's Claim for Breach of Contract
- 1. In Nevada, in order to make a prima facie showing of a cause of action for breach of contract, a Plaintiff must establish the following elements: 1) a valid contract; 2) Defendant's breached the contract or failed to render performance when due; 3) Defendant's breach or failure

of performance was unexcused; 4) All conditions precedent to defendant's duty to perform were fulfilled by plaintiff or were excused; 5) Plaintiff was damaged by the breach; 6) Causation and damages were a foreseeable consequence of a particular breach. See Cohen-Breen v. Gray Tel. Grp., Inc., 661 F. Supp. 2d 1158, 1171 (D. Nev. 2009); see also Clark Cnty. School Dist. v. Richardson Constr., Inc., 123 Nev. 382, 168 P.3d 87 (2007); May v. Anderson, 19 P.3d 1254, 1257 (Nev. 2005).

- 2. The August 24, 2014 Work Authorization and Contract to Perform is a valid and enforceable agreement between Desert Valley and Inose.
- 3. The Court finds that Defendant/Counter-Plaintiff INOSE was in Breach of Contract. However, Plaintiff/Counter-Defendant DVC failed to meet their burden, to show by a preponderance of the evidence the damages caused by that Breach of Contract.
- 4. Based on the foregoing, Desert Valley did not and cannot satisfy the necessary elements to succeed on a claim for breach of contract and the Court therefore finds in favor of Inose on Desert Valley claim for breach of contract.

2. Desert Valley's Claim for Breach of the Implied Covenant of Good Faith and Fair Dealing

- 5. In Nevada, to prevail on a breach of the implied covenant of good faith and fair dealing claim, there must be proof that: (1) the parties entered into a contract; (2) defendant owed a duty of good faith to plaintiff; (3) defendant breached that duty by performing in a manner that was unfaithful to the purpose of the contract and (4) plaintiff's justified expectations were thus denied. See Perry v. Jordan, 111 Nev. 943, 948, 900 P.2d 335, 338 (1995); see also Hilton Hotels Corp. v. Butch Lewis Prods., 107 Nev. 226, 234, 808 P.2d 919, 923-24 (1991).
- 6. The August 24, 2014 Work Authorization and Contract to Perform is a valid and enforceable agreement between Desert Valley and Inose.
- 7. A covenant of good faith and fair dealing arising from the Contract was owed by Inose to Desert Valley.
- 8. That as both parties are in Breach of Contract, the Court does not need to make a finding regarding this Cause of Action.

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- 9. To the extent the Court is required to make a ruling on this Cause of Action, it fails for the reasons outlined in the Breach of Contract Cause of Action. Plaintiff/Counter Defendant DVC failed to prove his damages beyond a preponderance of the evidence.
- 10. Based on the foregoing, Desert Valley did not and cannot satisfy the necessary elements to succeed on a claim for breach of the implied covenant of good faith and fair dealing and the Court therefore finds in favor of Inose on Desert Valley's claim for breach of the implied covenant of good faith and fair dealing.

3. Desert Valley's Claim for Unjust Enrichment

- 11. In Nevada, "[u]njust enrichment is the unjust retention . . . of money or property of another against the fundamental principles of justice or equity and good conscience." Asphalt Products Corp. v. All Star Ready Mix, Inc., 111 Nev. 799, 802, 898 P.2d 699, 701 (1995) (citations omitted). This claim for relief "exists when the plaintiff confers a benefit on the defendant, the defendant appreciates such benefit, and there is 'acceptance and retention by the defendant of such benefit under circumstances such that it would be inequitable for him to retain the benefit without payment of the value thereof." Certified Fire Prot., Inc. v. Precision Constr., Inc., _ Nev. , 283 P.3d 250, 257 (2012) (citations omitted).
- 12. "An action based on a theory of unjust enrichment is not available when there is an express, written contract, because no agreement can be implied when there is an express agreement." Leasepartners Corp. v. Robert L. Brooks Tr. Dated November 12, 1975, 113 Nev. 747, 755, 942 P.2d 182, 187 (1997).
- 13. Nevada law would permit an unjust enrichment claim when the benefit conferred is "vastly different in scope and kind from the contracted-for benefit." Sierra Dev. Co. v. Chartwell Advisory Group, Ltd., 223 F. Supp. 3d 1098, 1108 (D. Nev. 2016).
- 14. "An action based on a theory of unjust enrichment is not available when there is an express, written contract, because no agreement can be implied when there is an express agreement." Lease partners Corp. v. Robert L. Brooks Tr. Dated November 12, 1975, 113 Nev. 747, 755, 942 P.2d 182, 187 (1997).

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- 15. Nevada law would permit an unjust enrichment claim when the benefit conferred is "vastly different in scope and kind from the contracted-for benefit." *Sierra Dev. Co. v. Chartwell Advisory Group, Ltd.*, 223 F. Supp. 3d 1098, 1108 (D. Nev. 2016).
- 16. The Court finds that a valid contract exists between the parties, therefore the Cause of Action for Unjust Enrichment fails as a matter of law.

4. Desert Valley's Claim for Intentional Interference with Contract

- 17. In Nevada, the elements for a claim of intentional interference with contractual relations are: 1) A valid and existing contract between plaintiff and a third party; 2) Defendant had knowledge of the valid contract or had reason to know of its existence; 3) Defendant committed intentional acts intended or designed to disrupt the contractual relationship or to cause the contracting party to breach the contract; 4) Actual disruption of the contract (the contracting party breached the contract); 5) The breach was caused by the wrongful and unjustified conduct; 6) Causation and damage. See Klein v. Freedom Strategic Partners, LLC, 595 F. Supp. 2d 1152 (D. Nev. 2009); see also Blanck v. Hager, 360 F. Supp.2d 1137 (D. Nev. 2005).
- 18. Desert Valley failed to establish that any disruptions in its contracts or contractual relations with subcontracts were caused Inose.
- 19. Desert Valley failed to identify any way in which it suffered damages by the actions of Inose arising from any alleged interference with its contractual relations.
- 20. The Court finds in favor of Inose on Desert Valley's claim for intentional interference with contractual relations.

B. <u>Inose's Claims</u>

1. Inose's Claim for Breach of Contract

21. In Nevada, in order to make a prima facie showing of a cause of action for breach of contract, a Plaintiff must establish the following elements: 1) a valid contract; 2) Defendant's breached the contract or failed to render performance when due; 3) Defendant's breach or failure of performance was unexcused; 4) All conditions precedent to defendant's duty to perform were fulfilled by plaintiff or were excused; 5) Plaintiff was damaged by the breach; 6) Causation and

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damages were a foreseeable consequence of a particular breach. See Cohen-Breen v. Gray Tel. Grp., Inc., 661 F. Supp. 2d 1158, 1171 (D. Nev. 2009); see also Clark Cnty. School Dist. v. Richardson Constr., Inc., 123 Nev. 382, 168 P.3d 87 (2007); May v. Anderson, 19 P.3d 1254, 1257 (Nev. 2005).

- 22. The August 24, 2014 Work Authorization and Contract to Perform is a valid and enforceable agreement between Desert Valley and Inose.
- Desert Valley breached its obligations under the Contract by failing to complete the 23. work in a good and workmanlike manner including, but not limited to, by causing damage to the Property unrelated to the restoration and incorporating the cost of repairs for this damage into the cost it sought to collect from Inose.
- 24. Desert Valley breached its obligations under the Contract by failing to complete the scope of work and provide Inose with a fully restored property.
- 25. Desert Valley breached its obligations under the Contract by failing to complete the scope of work set forth in the Contract within the confines of the Insurance Proceeds as required under the Contract.
- 26. Desert Valley breached the Contract by failing to pay the subcontractors in full for work to be completed by the subcontractors.
- 27. Desert Valley breached its obligations under the Contract by unilaterally approving change orders received from subcontractors and failing to obtain approval of the same from Inose.
 - 28. The above-referenced breaches by Desert Valley were unexcused.
- 29. Inose breached the Contract by failing to forward insurance proceeds as and when received to Desert Valley.
- 30. Inose breached the Contract by coordinating directly with the subcontractors retained by Desert Valley.
- 31. Inose paid subcontractors directly the total amount \$256,481.46 to complete work but could not distinguish between what was paid to restore the property versus what was paid for upgrades to the property.

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- 32. Based on the evidence presented at trial, Inose failed to establish what portion, if any, of the funds paid to subcontractors was for work included in Desert Valley's scope of work and what was paid for extras.

 33. Inose therefore failed to establish damages under his claim for breach of contract.
- 34. The Court finds in favor of Desert Valley and against Inose on Inose's claim for breach of contract.

2. Inose's Claim for Breach of the Implied Covenant of Good Faith and Fair Dealing

- 35. In Nevada, to prevail on a breach of the implied covenant of good faith and fair dealing claim, there must be proof that: (1) the parties entered into a contract; (2) defendant owed a duty of good faith to plaintiff; (3) defendant breached that duty by performing in a manner that was unfaithful to the purpose of the contract and (4) plaintiff's justified expectations were thus denied. See Perry v. Jordan, 111 Nev. 943, 948, 900 P.2d 335, 338 (1995); see also Hilton Hotels Corp. v. Butch Lewis Prods., 107 Nev. 226, 234, 808 P.2d 919, 923-24 (1991).
- 36. The August 24, 2014 Work Authorization and Contract to Perform is a valid and enforceable agreement between Desert Valley and Inose.
- 37. A covenant of good faith and fair dealing arising from the Contract was owed by Desert Valley to Inose.
- 38. Desert Valley breached its covenant of good faith and fair dealing arising from the Contract by failing to complete the scope of work set forth in the Contract within the confines of the Insurance Proceeds.
- 39. Desert Valley breached its covenant of good faith and fair dealing by causing or allowing damage to be caused under its supervision to Property and incorporating the repair costs related to said damage into its restoration job cost to be recovered from Fireman's Fund.
- 40. Desert Valley breached its covenant of good faith and fair dealing arising from the Contract by representing to Inose that certain costs could be covered elsewhere or buried without submitting written changes written change orders to Inose.

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41. Desert Valley breached its covenant of good faith and fair dealing by failing to timely present to Inose the written change orders that it received from subcontractors throughout the course of the project. 42. Desert Valley breached its covenant of good faith and fair dealing arising from the

- 42. Desert Valley breached its covenant of good faith and fair dealing arising from the Contract by directing Inose to close out for the Insurance Proceeds and representing to both Fireman's Fund and Inose that it could complete the work for the total amount of Insurance Proceeds and that it had no change orders as of July 2015.
- 43. Inose breached his covenant of good faith and fair dealing by failing to forward insurance proceeds as and when received to Desert Valley.
- 44. Inose breached his covenant of good faith and fair dealing by coordinating directly with the subcontractors retained by Desert Valley.
- 45. As a result of Desert Valley's above-referenced breaches of its duty of good faith and fair dealing, Inose's justified expectations were denied.
- 46. Inose failed to establish any damages suffered in relation to his claim for breach of the implied covenant of good faith and fair dealing.
- 47. The Court therefore finds in favor of Desert Valley and against Inose on Inose's claim for breach of the implied covenant of good faith and fair dealing.

3. Inose's Claim for Unjust Enrichment

- 48. In Nevada, "[u]njust enrichment is the unjust retention . . . of money or property of another against the fundamental principles of justice or equity and good conscience." *Asphalt Products Corp. v. All Star Ready Mix, Inc.*, 111 Nev. 799, 802, 898 P.2d 699, 701 (1995) (citations omitted). This claim for relief "exists when the plaintiff confers a benefit on the defendant, the defendant appreciates such benefit, and there is 'acceptance and retention by the defendant of such benefit under circumstances such that it would be inequitable for him to retain the benefit without payment of the value thereof." *Certified Fire Prot., Inc. v. Precision Constr., Inc.*, __ Nev. __, 283 P.3d 250, 257 (2012) (citations omitted).
- 49. "An action based on a theory of unjust enrichment is not available when there is an express, written contract, because no agreement can be implied when there is an express

agreement." Leasepartners Corp. v. Robert L. Brooks Tr. Dated November 12, 1975, 113 Nev. 747, 755, 942 P.2d 182, 187 (1997).

- 50. Nevada law would permit an unjust enrichment claim when the benefit conferred is "vastly different in scope and kind from the contracted-for benefit." Sierra Dev. Co. v. Chartwell Advisory Group. Ltd., 223 F. Supp. 3d 1098, 1108 (D. Nev. 2016).
- 51. The Court finds that a valid contract exists between the parties, therefore the Cause of Action for Unjust Enrichment fails as a matter of law.

4. Inose's Claim for Intentional Interference with Prospective Economic Advantage

- 52. In Nevada, the elements for a claim of intentional interference with prospective economic advantage are as follows: 1) A prospective contractual relationship between plaintiff and a third party; 2) Defendant has knowledge of the prospective relationship; 3) The intent to harm plaintiff by preventing the relationship; 4) The absence of privilege or justification by the defendants; 5) Actual harm to plaintiff as a result of defendant's conduct; and 6) Causation and damages. Custom Tel., Inc. v. Int'l Tele-Services, Inc., 254 F. Supp. 2d 1173, 1180-81 (Nev. 2003); Wichinsky v. Mosa, 109 Nev. 84, 88, 847 P.2d 727 (1993); Leavitt v. Leisure Sports, Inc., 103 Nev. 81, 88, 734 P.2d 1221, 1225 (1987).
- 53. After Desert Valley left the project, Inose had a prospective contractual relationship with the subcontractors that had been working on the Property.
- 54. As the prior general contractor on the project, Desert Valley had knowledge of his prospective relationship and was aware that Inose would need to engage the subcontractors to complete the restoration of his home and to avoid any liens being placed on the Property.
- 55. In sending written direction to the subcontractors to cease work on the Property and to refrain from dealing with Inose, Desert Valley had a clear intent to prevent the prospective relationship between Inose and the subcontractors.
- 56. Desert Valley had no privilege or justification to inform the subcontractors to cease work or to refrain from dealing with Inose after it had left the project.

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57. Inose failed to establish how the aforementioned actions of Desert Valley caused any damage to Inose.

58. The Court therefore finds in favor of Desert Valley and against Inose on Inose's claim for intentional interference with prospective economic advantage.

DAMAGES

- 1. The provision of the Contract which provides that upon termination by the client, Desert Valley would be entitled to its costs "plus the profit that the <u>client</u> would have made on the job had Client not repudiated the contract" is ambiguous. *See Anvui, LLC v. G.L. Dragon, LLC*, 123 Nev. 212, 215, 163 P.3d 405, 407 (2007) ("A contract is ambiguous when it is subject to more than one reasonable interpretation.").
- 2. Desert Valley conceded that it prepared the Contract, which it utilizes as a form contract, and thus any ambiguities are to be construed against Desert Valley. *Id.* ("Any ambiguity, moreover, should be construed against the drafter.").
- Accordingly, Desert Valley failed to establish that it is entitled to recover any profit
 or overhead for amounts paid to subcontractors by Inose for work completed after Desert Valley
 left the Project.
- 4. Desert Valley was paid approximately 85% of the contract price for a job that its own witness testified was approximately 85% completed at the time that Desert Valley left the Project. Desert Valley failed to establish any legal theory upon which it is entitled to any additional sums and therefore failed to establish any damages under its asserted legal theories.
- 5. Inose paid additional sums directly to subcontractors after Desert Valley left the project. However, changes and upgrades were performed on the project and thus Inose failed to establish any specific amount of damages suffered under any of his asserted legal theories.

ORDER

Based on the foregoing, and other good cause appearing:

IT IS HEREBY ORDERED that, as to Plaintiff Desert Valley's claims for relief against Defendants for: 1) Breach of Contract, 2) Breach of the Covenant of Good Faith and Fair Dealing, 3) Unjust Enrichment, and 4) Intentional Interference with Contractual Relations; the Court finds

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in favor of Defendants and against Desert Valley. Thus, Desert Valley's claims are dismissed with prejudice.

IT IS FURTHER ORDERED that, as to Inose's claims for relief against Desert Valley for: 1) Breach of Contract, 2) Breach of the Implied Covenant of Good Faith and Fair Dealing, 3) Unjust Enrichment, and 4) Intentional Interference with Prospective Economic Advantage; the Court finds in favor of Desert Valley and against Inose. Thus, Inose's claims are dismissed with prejudice.

IT IS FURTHER ORDERED that no damages are awarded to either party and neither party is considered the prevailing party.

IT IS FURTHER ORDERED that the Court will address any issues of attorneys' fees, costs, and prejudgment interest though post-decision motions that may be filed with the Court.

IT IS SO ORDERED.

DATED this day of August, 2019

DISTRICT COC

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Respectfully Submitted by: HOLLEY DRIGGS WALCH FINE PUZEY STEIN & THOMPSON

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Attorneys for Defendant IN-LO Properties and

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HURTIK LAW & ASSOCIATES

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Attorneys for Plaintiff/Counter-defendant,

DVC CONTRACTING, INC.

7/6/2021 2:52 PM Steven D. Grierson CLERK OF THE COURT BRIAN W. BOSCHEE, ESQ. 1 Nevada Bar No. 7612 E-mail: bboschee@nevadafirm.com 2 JESSICA M. LUJAN, ESQ. Nevada Bar No. 14913 3 E-mail: jlujan@nevadafirm.com HOLLEY DRIGGS 4 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101 5 702/791-0308 Telephone: 6 Facsimile: 702/791-1912 Attorneys for Defendant IN-LO Properties and 7 Defendant/Counterclaimant Eugene Inose 8 DISTRICT COURT 9 **CLARK COUNTY, NEVADA** DESERT VALLEY CONTRACTING, INC. a Case No.: A-16-734351-C 10 Nevada corporation, Dept. No.: XV 11 Plaintiff, 12 NOTICE OF ENTRY OF AMENDED v. FINDINGS OF FACT AND 13 IN-LO PROPERTIES, a Nevada limited liability CONCLUSIONS OF LAW FOLLOWING company; EUGENE INOSE, an individual; **REMAND** 14 JEFFREY LOUIE, an individual; DOES 1 through 10; and ROE ENTITIES 1 through 10, 15 Defendants. 16 EUGENE INOSE, an individual; 17 Counterclaimant. 18 v. 19 DESERT VALLEY CONTRACTING, INC., a

Electronically Filed

Counterdefendants.

inclusive, and ROE CORPORATIONS I through

Nevada corporation; DOES I through X,

PLEASE take notice that the Amended Finding of Fact and Conclusions of Law in the above-entitled matter was filed and entered by the Clerk of the above-entitled Court on the $1^{\rm st}$ day ///

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of July, 2021, a copy of which is attached hereto.

Dated this 6th day of July, 2021.

HOLLEY DRIGGS

/s/Brian W. Boschee
BRIAN W. BOSCHEE, ESQ.
Nevada Bar No. 7612
JESSICA M. LUJAN, ESQ.
Nevada Bar No. 14913
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

Attorneys for Defendants

CERTIFICATE OF SERVICE

The undersigned, an employee of Holley Driggs, hereby certifies that on the 6 th day of July
2021, a copy of NOTICE OF ENTRY OF AMENDED FINDINGS OF FACT AND
CONCLUSIONS OF LAW FOLLOWING REMAND was served via electronic service to all
interested parties, through the Court's Odyssey E-File & Serve to the addresses below.

Carrie E. Hurtik, Esq. Rachel L. Shelstad, Esq. HURTIK LAW & ASSOCIATES 6767 West Tropicana Ave., #200 Las Vegas, NV 89103

Attorneys for Plaintiff/Counterdefendant

/s/Madeline VanHeuvelen
An employee of HOLLEY DRIGGS

ELECTRONICALLY SERVED 7/1/2021 3:45 PM

Electronically Filed 07/01/2021 3:44 PM CLERK OF THE COURT

1		BRIAN	W.	BOSCHEE,	ESQ.
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HOLLEY DRIGGS 4

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702/791-0308 Telephone:

6 Facsimile: 702/791-1912

> Attorneys for Defendant IN-LO Properties and Defendant/Counterclaimant Eugene Inose

DISTRICT COURT **CLARK COUNTY, NEVADA**

DESERT VALLEY CONTRACTING, INC. a Nevada corporation,

Plaintiff,

v.

IN-LO PROPERTIES, a Nevada limited liability company; EUGENE INOSE, an individual; JEFFREY LOUIE, an individual; DOES 1 through 10; and ROE ENTITIES 1 through 10,

Defendants.

EUGENE INOSE, an individual;

Counterclaimant.

v.

DESERT VALLEY CONTRACTING, INC., a Nevada corporation; DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive,

Counterdefendants.

Case No.: A-16-734351-C

Dept. No.: XV

AMENDED FINDINGS OF FACT AND CONCLUSIONS OF LAW FOLLOWING **REMAND**

Hearing Date: June 2, 2021 Hearing Time: 10:00 a.m.

This matter came on for hearing on June 2, 2021, at 10:00 a.m., upon the Nevada Supreme Court's March 3, 2021, Order of Reversal and Remand, the Honorable Joe Hardy Jr. presiding. Brian W. Boschee, Esq. and Jessica M. Lujan, Esq., of the law firm Holley Driggs appeared on behalf of Defendant IN-LO PROPERTIES ("In-Lo") and Defendant/Counterclaimant EUGENE INOSE ("Inose" and collectively, "Defendants") and Carrie E. Hurtik, Esq., of the law firm Hurtik Law & Associates appeared on behalf of Plaintiff/Counter-defendant DESERT VALLEY

CONTRACTING, INC. ("Desert Valley" or "Plaintiff").

The Court, having heard the arguments of counsel and having considered the Nevada Supreme Court's Order of Reversal and Remand, the parties' supplemental briefs on remand and any exhibits attached thereto, the Court's previous Findings of Fact and Conclusions of law dated September 3, 2019, and the other papers and pleadings on file herein, the Court hereby enters the following Amended Findings of Fact and Conclusions of Law on remand. To the extent any finding of fact should properly be designated a conclusion of law, it shall be deemed a conclusion of law. To the extent any conclusion of law should properly be designated a finding of fact, it shall be deemed a finding of fact.

FINDINGS OF FACT

a. Relevant Procedural History

- 1. This matter came on for bench trial before this Court on April 8–11, 2019, June 19–21, 2019, and July 24, 2019.
- 2. On September 3, 2019, the Court entered its Findings of Fact and Conclusions of Law, ultimately finding that neither side had proven their damages by a preponderance of the evidence, which is an essential element of all the claims/counterclaims asserted. *See* Findings of Fact and Conclusions of Law ("FFCL"), on file herein. Accordingly, the Court awarded neither side damages. *Id*.
- 3. Thereafter, on February 6, 2020, the Court granted Defendants an award of attorneys' fees and costs under NRCP 68 pursuant to an offer of judgment Defendants made to Plaintiff in May 2017, whereby Defendants would allow judgment to be entered against them in exchange for \$50,000 paid to Plaintiff. As Plaintiff failed to obtain an award of damages in excess of the \$50,000 offer of judgment, an award of attorneys' fees and costs in favor of Defendants was appropriate. *See* Order Regarding Defendant's Motion for Attorneys' Fees and Costs ("Order Granting Fees"), on file herein.
- 4. Following entry of the Court's FFCL, Plaintiff timely appealed to the Nevada Supreme Court. *See* Notice of Appeal, on file herein.
 - 5. On March 3, 2021, the Nevada Supreme Court entered its Order of Reversal and

Remand (the "Remand Order"). In its Remand Order, the Nevada Supreme Court held that the District Court erred when it construed a scrivener's error in the subject Construction Agreement as an ambiguity and thus construed the provision against the drafter, Plaintiff Desert Valley. *See* Remand Order at 4.

6. The Construction Agreement provides, in pertinent part, as follows:

Should Client terminate the Contractor after work has begun, but not completed in full, the Client shall be responsible for any and all fees and costs associated with the work performed, plus the profit that the <u>client</u> would have made on the job had Client not repudiated the contract.

Construction Agreement, Trial Ex. 560 (emphasis added).

- 7. The Nevada Supreme Court held that the words "the client" is a scrivener's error and not an ambiguity, and should therefore be reformed to reference the contractor, Desert Valley. *See* Remand Order at 4. However, because the Nevada Supreme Court could not "say whether the district court's error was harmless here, we reverse the judgment and remand for further proceedings." *Id.* at 5.
- 8. "In particular," the Nevada Supreme Court continued, "the [district] court did not determine who breached first or if the breaches were mutual, thereby precluding relief." *Id.* (citing *Cain v. Price*, 134 Nev. 193, 196, 415 P.3d 25, 29 (2018) ("one party's material breach of its promise discharges the non-breaching party's duty"); *Westinghouse Elec. Corp. v. Garrett Corp.*, 601 F.2d 155, 158 (4th Cir. 1979) (observing that under general contract law, "in proper circumstances a court may refuse to allow recovery by either party to an agreement because of their mutual fault")).
- 9. Thus, the Nevada Supreme Court instructed this Court to "address whether, in light of the evidence presented, the contract, once reformed to omit the scrivener's error, entitled Desert Valley to its expected profit and overhead in the event of termination by Inose." *Id*.
- 10. The Remand Order did not reverse any other findings of fact in the FFCL besides the scrivener's error in the Construction Agreement, thereby leaving all other findings of fact in the FFCL intact. *See* Remand Order.
 - 11. On April 21, 2021, the Court entered a minute order directing the parties to submit

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supplemental briefs discussing the issues on remand, which the parties submitted to the Court on May 21, 2021. See Plaintiff's Briefing as to Supreme Court Ruling; Defendant's Supplemental Brief on Remand, both dated May 21, 2021, on file herein.

12. The parties appeared before the Court on June 2, 2021, at 10:00 a.m. and presented oral argument in support of their respective positions on remand.

b. Amendments to September 3, 2019, FFCL Following Remand

- 13. Because the Nevada Supreme Court reversed only one of the Court's prior findings of fact, the Court hereby incorporates by reference and readopts the findings of fact as stated in the FFCL dated September 3, 2019, with the exception of \P 1–3 at page 18 (discussing the "ambiguity" in the Construction Agreement), and hereby substitutes those paragraphs' findings as follows:
 - Consistent with the Remand Order, the Court finds that the provision of the Construction Agreement which provides that, upon termination by the client, Desert Valley would be entitled to its costs "plus the profit that the client would have made on the job had Client not repudiated the contract" contains a scrivener's error, and is hereby reformed to entitle Desert Valley to the profit it would have made in the event the client repudiated, notwithstanding any other facts or circumstances which might preclude recovery by Desert Valley. See Remand Order at 4-5.

Additional Findings of Fact Following Remand

Based on the Court's prior FFCL, the parties' supplemental briefs on remand, the arguments set forth by counsel at the June 2, 2021, hearing on this matter, and the instructions of the Nevada Supreme Court in its Remand Order, the Court hereby makes additional findings of fact as follows:

- 14. The Court finds that both sides committed material breaches of the Construction Agreement.
- 15. The Court further finds that the first material breach of the Construction Agreement was committed by Desert Valley, when it stopped work on Defendants' construction project and

instructed the subcontractors to also stop performing work on the project.

16. The Court further finds that, even with the reformation of the Construction Agreement as set forth in the Remand Order, the parties failed to present sufficient evidence setting forth their respective damages by a preponderance of the evidence.

CONCLUSIONS OF LAW

- 1. Because the Nevada Supreme Court reversed only one of the Court's prior findings of fact, the Court hereby incorporates by reference and readopts the conclusions of law as stated in the FFCL dated September 3, 2019, with the exception of ¶¶ 1–3 at page 18 (discussing the "ambiguity" in the Construction Agreement), and hereby adopts additional conclusions of law consistent with the Remand Order, as follows.
- 2. "When parties exchange promises to perform, one party's material breach of its promise discharges the non-breaching party's duty to perform." *Cain v. Price*, 134 Nev. 193, 196, 415 P.3d 25, 29 (2018) (citing Restatement (Second) of Contracts § 237 (Am. Law Inst. 1981)).
- 3. Further, under general contact law, "courts have held that in some instances where both parties are at fault (or in default) neither may recover. . . Whether this doctrine is described as failure of consideration, failure to satisfy a condition precedent, or mutual breach of contract, it is clear that in proper circumstances a court may refuse to allow recovery by either party to an agreement because of their mutual fault, which in contract terms might be more properly described as mutual default." *Westinghouse Elec. Corp. v. Garrett Corp.*, 601 F.2d 155, 158 (4th Cir. 1979) (internal citations omitted).
- 4. Thus, the Court finds that the single error upon which the Nevada Supreme Court reversed this Court's Judgment was harmless, and does not alter the Court's final determination that neither side is entitled to an award of damages for the following reasons:
 - a. The parties' mutual breaches of the Construction Agreement preclude recovery by either side, despite the now-reformed scrivener's error in the Construction Agreement;
 - b. In the alternative, the Court holds that Desert Valley is precluded from recovering on its contract claims despite the now-reformed scrivener's error in the

Construction Agreement, as Desert Valley was the first party to materially breach the Construction Agreement.

- c. Also in the alternative, the Court holds that Desert Valley has failed to prove its damages by a preponderance of the evidence despite the now-reformed scrivener's error in the Construction Agreement, such that even if Desert Valley had not materially breached the Construction Agreement, it still would not be entitled to damages on any of its claims.
- 5. As neither side is entitled to recovery based on their failure to establish damages by a preponderance of the evidence, neither party is the prevailing party in this action.
- 6. Because Desert Valley still has not obtained an award of damages in excess of Defendants' May 2017 offer of judgment following the Nevada Supreme Court's reversal and remand, the Court's February 6, 2020, award of fees and costs in favor of Defendants is still appropriate under NRCP 68 and shall continue to be in full legal force and effect. Moreover, the Order Granting Fees was not the subject of Desert Valley's appeal, and the Nevada Supreme Court did not reverse or otherwise disturb the Order Granting Fees in its Remand Order.
- 7. Finally, the Court holds that a new bench trial is not necessary to fully address the issues stated in the Remand Order, as both Plaintiff and Defendants had a full and fair opportunity to present documents and witnesses at trial. Moreover, both sides agreed that the issues could be resolved without need of additional documentary evidence and witness testimony, and as neither side requested leave to introduce new evidence in support of their respective positions.

IT IS SO ORDERED.

Dated this 1st day of July, 2021

2EA 680 48F3 D51E Joe Hardy

District Court Judge

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1	Respectfully submitted by:	Approved as to form and content by:
2	HOLLEY DRIGGS	HURTIK LAW & ASSOCIATES
3	/s/ Brian W. Boschee	
4	BRIAN W. BOSCHEE, ESQ. (NBN 7612)	/s/Jonathon Patterson CARRIE E. HURTIK, ESQ. (NBN 7028)
5	JESSICA M. LUJAN, ESQ. (NBN 14913) 400 South Fourth Street, Third Floor Las Vegas, Nevada 89101	JONATHON PATTERSON, ESQ. (NBN 9644)
6	Attorneys for Defendant IN-LO Properties and Defendant/Counterclaimant Eugene Inose	ose Las Vegas, NV 89103 Attorneys for Plaintiff/Counter-defendant,
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Madeline VanHeuvelen

From: Brian Boschee

Sent: Wednesday, June 30, 2021 4:43 PM

To: Madeline VanHeuvelen

Subject: Fwd: Order Regarding Remand

Sent from my iPhone

Begin forwarded message:

From: Jonathan Patterson < jpatterson@hurtiklaw.com>

Date: June 30, 2021 at 4:38:21 PM PDT

To: Brian Boschee <bboschee@nevadafirm.com>

Subject: RE: Order Regarding Remand

Yes, sorry. You can affix my e-signature.

Thank You,

Jonathon Patterson, Esq. HURTIK LAW & ASSOCIATES 6767 West Tropicana Ave., Suite #200 Las Vegas, NV 89103 (702) 966-5200 Telephone (702) 966-5206 Facsimile jpatterson@hurtiklaw.com www.hurtiklaw.com

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From: Brian Boschee <bboschee@nevadafirm.com>

Sent: Wednesday, June 30, 2021 4:37 PM

To: Jonathan Patterson < jpatterson@hurtiklaw.com>

Cc: Carrie Hurtik <churtik@hurtiklaw.com>; Madeline VanHeuvelen <mvanheuvelen@nevadafirm.com>;

Jessica M. Lujan <jlujan@nevadafirm.com> **Subject:** RE: Order Regarding Remand

Great. Can we insert your e-signature? Assuming so, Maddie, please get this submitted. Thanks!

Brian W. Boschee

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 Desert Valley Contracting Inc, CASE NO: A-16-734351-C 6 Plaintiff(s) DEPT. NO. Department 15 7 VS. 8 IN-LO Properties LLC, 9 Defendant(s) 10 11 **AUTOMATED CERTIFICATE OF SERVICE** 12 This automated certificate of service was generated by the Eighth Judicial District 13 Court. The foregoing Findings of Fact, Conclusions of Law and Judgment was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled 14 case as listed below: 15 Service Date: 7/1/2021 16 Nancy Ramirez nramirez@hurtiklaw.com 17 Brian W. Boschee. bboschee@nevadafirm.com 18 Carrie Hurtik. 19 churtik@hurtiklaw.com 20 Dawn Dudas. ddudas@nevadafirm.com 21 John Patterson. jpatterson@hurtiklaw.com 22 John Perlstein. john@jp-law.net 23 mwalker@hurtiklaw.com Matt Walker. 24 Nancy Ramirez. nramirez@hurtiklaw.com 25 Oneydy Morales. omorales@hurtiklaw.com 26 William N. Miller. wmiller@nevadafirm.com 27

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1	Carrie Hurtik
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