IN THE SUPREME COURT OF THE STATE OF NEVADA

LAW OFFICE OF DANIEL S. SIMON: SUPREME COURT DOES 1 through 10; and, ROE entities 1 through 10;

Petitioner,

VS.

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK: THE HONORABLE **TIERRA JONES**

Respondents,

and

EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC,

Real Parties in Interest.

CASE NO.

Electronically Filed DISTRICT COURT Mar 11 2022 03:54 p.m. NO.: A-16-738444- Elerk of Supreme Court

Consolidated with:

DISTRICT COURT CASE NO.: A-18-767242-C

PETITIONER'S APPENDIX TO PETITION FOR WRIT OF MANDAMUS **VOLUME IX OF X**

JAMES R. CHRISTENSEN, ESQ. Nevada Bar No. 003861 601 S. 6th Street Las Vegas, NV 89101 (702) 272-0406 (702) 272-0415 fax jim@jchristensenlaw.com Attorney for Petitioner

Document Page No. Volume I: Email chain between Brian Edgeworth to Daniel Simon regarding initial discussions about case, dated WA00001-May 27, 2016 (Exhibit 23 admitted in Evidentiary Hearing) WA00002 Invoice, dated December 12, 2016 (Exhibit 8 admitted in WA00003-Evidentiary Hearing) WA00006 Invoice, dated April 7, 2017 (Exhibit 9 admitted in WA00007-Evidentiary Hearing) WA00012 Invoice, dated July 28, 2017 (Exhibit 10 admitted in WA00013-Evidentiary Hearing) WA00023 Invoice, dated September 19, 2017 (Exhibit 11 admitted WA00024in Evidentiary Hearing) WA00033 Vannah & Vannah Fee Agreement, dated November 29, 2017 (Exhibit 90 admitted in Evidentiary Hearing) WA00034 Notice of Attorney Lien, dated November 30, 2017 WA00035-(Exhibit 3 admitted in Evidentiary Hearing) WA00043 Notice of Amended Attorney Lien, dated January 2, 2018 WA00044-(Exhibit 4 admitted in Evidentiary Hearing) WA00050 Complaint, filed January 4, 2018 (Exhibit 19 admitted WA00051in Evidentiary Hearing) WA00060 Letter from Robert Vannah to Sarah Guindy regarding account, dated January 4, 2018 (Exhibit 51 admitted in Evidentiary Hearing) WA00061

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Supplement to Motion to Adjudicate Attorney Lien of the Law Office Daniel Simon PC, dated February 16, 2018	WA00633- WA00643

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	selling [2] 11/20 17/5	spread [1] 9/21	testified [1] 7/18	three [1] 5/14
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Steven D. Grierson **CLERK OF THE COURT** JOHN B. GREENE, ESQ. 1 Nevada Bar No. 004279 ROBERT D. VANNAH, ESQ. 2 Nevada Bar No. 002503 VANNAH & VANNAH 3 400 S. Seventh Street, 4th Floor 4 Las Vegas, Nevada 89101 igreene@vannahlaw.com 5 Telephone: (702) 369-4161 Facsimile: (702) 369-0104 6 Attorneys for Plaintiffs 7 DISTRICT COURT 8 **CLARK COUNTY, NEVADA** 9 --000--10 EDGEWORTH FAMILY TRUST; AMERICAN CASE NO.: A-16-738444-C DEPT. NO.: X 11 GRATING, LLC, 12 Plaintiffs, VS. 13 LANGE PLUMBING, LLC; THE VIKING NOTICE OF ENTRY OF ORDERS 14 CORPORATION, a Michigan corporation; 15 SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan corporation; and 16 DOES I through V and ROE CORPORATIONS VI through X, inclusive, 17 Defendants. 18 19 EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC, CASE NO.: A-18-767242-C 20 DEPT. NO.: XXIX Plaintiffs, 21 22 VS. 23 DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, A PROFESSIONAL 24 CORPORATION; DOES I through X, inclusive, and ROE CORPORATIONS I through X, 25 inclusive, 26 Defendants. 27 28 1 WA02003

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Exhibit 1

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2			
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4	DISTRICT COURT CLARK COUNTY, NEVADA		
5			
6 7	EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC,		
8	Plaintiffs,	G + ST > 10 G < G 2 40 G	
9	vs.	CASE NO.: A-18-767242-C DEPT NO.: XXVI	
10	LANGE PLUMBING, LLC; THE VIKING		
11	CORPORATION, a Michigan Corporation; SUPPLY NETWORK, INC., dba VIKING	Consolidated with	
12	SUPPLYNET, a Michigan Corporation; and DOES 1 through 5; and, ROE entities 6 through	CASE NO.: A-16-738444-C	
13	10;	DEPT NO.: X	
14	Defendants.		
15	EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC,		
16	Plaintiffs,	DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN	
17	vs.	TO ADJUDICATE LIEN	
18	DANIEL S. SIMON; THE LAW OFFICE OF		
19	DANIEL S. SIMON, a Professional Corporation		
20	d/b/a SIMON LAW; DOES 1 through 10; and, ROE entities 1 through 10;		
21	Defendants.		
22			
23	DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN		
24	This case come on for an evidentiant	hearing August 27-30, 2018 and concluded o	
25	This case came on for an evidentiary hearing August 27-30, 2018 and concluded		
26	September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorab		

on ole Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

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person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the COURT FINDS:

FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more that happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been doen earlier snce who would have thought this case would meet the hurdle of punitives at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. Id. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. Id. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

^{\$265,677.50} in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at a mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee
 - The parties agree that an express written contract was never formed.
- On December 7, 2017, the Edgeworths signed a Consent to Settle their claims against
- On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.

CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-

> (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.

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The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited. thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah, PLLC v. TJ Allen LLC. 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury & Standish, 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon. regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier snce who would have thought this case would meet the hurdle of punitives at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

- Refusal to communicate with an attorney creates constructive discharge. Rosenberg v. Calderon Automation, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).
- Refusal to pay an attorney creates constructive discharge. See e.g., Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).

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Id.

- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). See also <u>Maples v. Thomas</u>, 565 U.S. 266 (2012); Harris v. State, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact litigation that Simon was representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the

week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put

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Id.

into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly identified as the firm that solely advised the clients about the settlement. The actual language in the settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon

and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

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Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.
 - 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
 - (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
 - (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
 - 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
 - 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
 - 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees

had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law Office retained the payments, indicating an implied contract was formed between the parties. The Court find that the Law Office of Daniel Simon should be paid under the implied contract until the date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing

indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees; however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This amount has already been paid by the Edgeworths on December 16, 2016.

²There are no billing amounts from December 2 to December 4, 2016.

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.³

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.⁶

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq.

³ There are no billings from July 28 to July 30, 2017.

⁴ There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

There is no billing from September 19, 2017 to November 5, 2017.

or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities, Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The <u>Brunzell</u> factors are: (1) the qualities of the advocate; (2) the character of the work to be done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

1. Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's work product and results are exceptional.

2. The Character of the Work to be Done

The character of the work done in this case is complex. There were multiple parties,

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3. The Work Actually Performed

substantial factor in achieving the exceptional results.

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that caused possible other floods. While the Court finds that Mr. Edgeworth was extensively involved and helpful in this aspect of the case, the Court disagrees that it was his work alone that led to the other activations being uncovered and the result that was achieved in this case. Edgeworth is not a lawyer, it is impossible that it was his work alone that led to the filing of motions and the litigation that allowed this case to develop into a \$6 million settlement. All of the work by the Law Office of Daniel Simon led to the ultimate result in this case.

multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the

gamut from product liability to negligence. The many issues involved manufacturing, engineering,

fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp

testified that the quality and quantity of the work was exceptional for a products liability case against

a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the

Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the

case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a

4. The Result Obtained

The result was impressive. This began as a \$500,000 insurance claim and ended up settling for over \$6,000,000. Mr. Simon was also able to recover an additional \$100,000 from Lange Plumbing LLC. Mr. Vannah indicated to Simon that the Edgeworths were ready so sign and settle the Lange Claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This ultimately led to a larger settlement for the Edgeworths. Recognition is due to Mr. Simon for placing the Edgeworths in a great position to recover a greater amount from Lange. Mr. Kemp testified that this was the most important factor and that the result was incredible. Mr. Kemp also testified that he has never heard of a \$6 million settlement with a \$500,000 damage case. Further, in the Consent to Settle, on the Lange claims, the Edgeworth's acknowledge that they

were made more than whole with the settlement with the Viking entities.

In determining the amount of attorney's fees owed to the Law Firm of Daniel Simon, the Court also considers the factors set forth in Nevada Rules of Professional Conduct – Rule 1.5(a) which states:

- (a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:
- (1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) The fee customarily charged in the locality for similar legal services:
 - (4) The amount involved and the results obtained;
- (5) The time limitations imposed by the client or by the circumstances;
- (6) The nature and length of the professional relationship with the client;
- (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and
 - (8) Whether the fee is fixed or contingent.
- NRCP 1.5. However, the Court must also consider the remainder of Rule 1.5 which goes on to state:
 - (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
 - (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in writing, signed by the client, and shall state, in boldface type that is at least as large as the largest type used in the contingent fee agreement:
 - (1) The method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal;
 - (2) Whether litigation and other expenses are to be deducted from the recovery, and whether such expenses are to be deducted before or after the contingent fee is calculated;

- (3) Whether the client is liable for expenses regardless of outcome;
- (4) That, in the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law; and
- (5) That a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

NRCP 1.5.

The Court finds that under the <u>Brunzell</u> factors, Mr. Simon was an exceptional advocate for the Edgeworths, the character of the work was complex, the work actually performed was extremely significant, and the work yielded a phenomenal result for the Edgeworths. All of the <u>Brunzell</u> factors justify a reasonable fee under NRPC 1.5. However, the Court must also consider the fact that the evidence suggests that the basis or rate of the fee and expenses for which the client will be responsible were never communicated to the client, within a reasonable time after commencing the representation. Further, this is not a contingent fee case, and the Court is not awarding a contingency fee. Instead, the Court must determine the amount of a reasonable fee. The Court has considered the services of the Law Office of Daniel Simon, under the <u>Brunzell</u> factors, and the Court finds that the Law Office of Daniel Simon is entitled to a reasonable fee in the amount of \$200,000, from November 30, 2017 to the conclusion of this case.

CONCLUSION

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court must adjudicate the lien. The Court further finds that there was an implied agreement for a fee of \$550 per hour between Mr. Simon and the Edgeworths once Simon started billing Edgeworth for this amount, and the bills were paid. The Court further finds that on November 29, 2017, the Edgeworth's constructively discharged Mr. Simon as their attorney, when they ceased following his advice and refused to communicate with

him about their litigation. The Court further finds that Mr. Simon was compensated at the implied agreement rate of \$550 per hour for his services, and \$275 per hour for his associates; up and until the last billing of September 19, 2017. For the period from September 19, 2017 to November 29, 2017, the Court finds that Mr. Simon is entitled to his implied agreement fee of \$550 an hour, and \$275 an hour for his associates, for a total amount of \$284,982.50. For the period after November 29, 2017, the Court finds that the Law Office of Daniel Simon properly perfected their lien and is entitled to a reasonable fee for the services the office rendered for the Edgeworths, after being constructively discharged, under quantum meruit, in an amount of \$200,000.

ORDER

It is hereby ordered, adjudged, and decreed, that the Motion to Adjudicate the Attorneys Lien of the Law Office of Daniel S. Simon is hereby granted and that the reasonable fee due to the Law Office of Daniel Simon is \$484,982.50.

IT IS SO ORDERED this ________ day of November, 2018.

DISTRICT COURT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on or about the date e-filed, this document was copied through e-mail, placed in the attorney's folder in the Regional Justice Center or mailed to the proper person as follows:

Electronically served on all parties as noted in the Court's Master Service List and/or mailed to any party in proper person.

Tess Driver

Judicial Executive Assistant

Department 10

Exhibit 2

Exhibit 2

1 ORD 2 3 DISTRICT COURT 4 CLARK COUNTY, NEVADA 5 6 EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC, 7 Plaintiffs. 8 CASE NO.: A-18-767242-C DEPT NO.: XXVI VS. 9 10 LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan Corporation; Consolidated with 11 SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and 12 DOES 1 through 5; and, ROE entities 6 through CASE NO.: A-16-738444-C 10; DEPT NO.: X 13 Defendants. 14 EDGEWORTH FAMILY TRUST; and 15 AMERICAN GRATING, LLC, 16 **DECISION AND ORDER ON MOTION** Plaintiffs, TO DISMISS NRCP 12(B)(5) 17 VS. 18 DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, a Professional Corporation 19 d/b/a SIMON LAW; DOES 1 through 10; and, 20 ROE entities 1 through 10; 21 Defendants. 22 AMENDED DECISION AND ORDER ON MOTION TO DISMISS NRCP 12(B)(5) 23 This case came on for an evidentiary hearing August 27-30, 2018 and concluded on 24

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James

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attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the COURT FINDS:

FINDINGS OF FACT

Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or

"Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - The case involved a complex products liability issue. 2.
- On April 10, 2016, a house the Edgeworths were building as a speculation home 3. suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send 4. a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
- On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and 5. American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc.,

dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more that happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been doen earlier snce who would have thought this case would meet the hurdle of punitives at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell.

I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. Id. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no

indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. Id. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's settled their claims against the Viking Corporation ("Viking").
- 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the open invoice. The email stated: "I know I have an open invoice that you were going to give me at a mediation a couple weeks ago and then did not leave with me. Could someone in your office send

¹ \$265,677.50 in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.
 - 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly

express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.

- 22. The parties agree that an express written contract was never formed.
- 23. On December 7, 2017, the Edgeworths signed a Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.

CONCLUSION OF LAW

Breach of Contract

The First Claim for Relief of the Amended Complaint alleges breach of an express oral contract to pay the law office \$550 an hour for the work of Mr. Simon. The Amended Complaint alleges an oral contract was formed on or about May 1, 2016. After the Evidentiary Hearing, the Court finds that there was no express contract formed, and only an implied contract. As such, a claim for breach of contract does not exist and must be dismissed as a matter of law.

Declaratory Relief

The Plaintiff's Second Claim for Relief is Declaratory Relief to determine whether a contract existed, that there was a breach of contract, and that the Plaintiffs are entitled to the full amount of the settlement proceeds. The Court finds that there was no express agreement for compensation, so there cannot be a breach of the agreement. The Plaintiffs are not entitled to the full amount of the

settlement proceeds as the Court has adjudicated the lien and ordered the appropriate distribution of the settlement proceeds, in the Decision and Order on Motion to Adjudicate Lien. As such, a claim for declaratory relief must be dismissed as a matter of law.

Conversion

The Third Claim for Relief is for conversion based on the fact that the Edgeworths believed that the settlement proceeds were solely theirs and Simon asserting an attorney's lien constitutes a claim for conversion. In the Amended Complaint, Plaintiffs allege "The settlement proceeds from the litigation are the sole property of the Plaintiffs." Amended Complaint, P. 9, Para. 41.

Mr. Simon followed the law and was required to deposit the disputed money in a trust account. This is confirmed by David Clark, Esq. in his declaration, which remains undisputed. Mr. Simon never exercised exclusive control over the proceeds and never used the money for his personal use. The money was placed in a separate account controlled equally by the Edgeworth's own counsel, Mr. Vannah. This account was set up at the request of Mr. Vannah.

When the Complaint was filed on January 4, 2018, Mr. Simon was not in possession of the settlement proceeds as the checks were not endorsed or deposited in the trust account. They were finally deposited on January 8, 2018 and cleared a week later. Since the Court adjudicated the lien and found that the Law Office of Daniel Simon is entitled to a portion of the settlement proceeds, this claim must be dismissed as a matter of law.

Breach of the Implied Covenant of Good Faith and Fair Dealing

The Fourth Claim for Relief alleges a Breach of the Implied Covenant of Good Faith and Fair Dealing based on the time sheets submitted by Mr. Simon on January 24, 2018. Since no express contract existed for compensation and there was not a breach of a contract for compensation, the cause of action for the breach of the covenant of good faith and fair dealing also fails as a matter of law and must be dismissed.

Breach of Fiduciary Duty

The allegations in the Complaint assert a breach of fiduciary duty for not releasing all the funds to the Edgeworths. The Court finds that Mr. Simon followed the law when filing the attorney's lien. Mr. Simon also fulfilled all his obligations and placed the clients' interests above his when completing the settlement and securing better terms for the clients even after his discharge. Mr. Simon timely released the undisputed portion of the settlement proceeds as soon as they cleared the account. The Court finds that the Law Office of Daniel Simon is owed a sum of money based on the adjudication of the lien, and therefore, there is no basis in law or fact for the cause of action for breach of fiduciary duty and this claim must be dismissed.

Punitive Damages

Plaintiffs' Amended Complaint alleges that Mr. Simon acted with oppression, fraud, or malice for denying Plaintiffs of their property. The Court finds that the disputed proceeds are not solely those of the Edgeworths and the Complaint fails to state any legal basis upon which claims may give rise to punitive damages. The evidence indicates that Mr. Simon, along with Mr. Vannah deposited the disputed settlement proceeds into an interest bearing trust account, where they remain. Therefore, Plaintiffs' prayer for punitive damages in their Complaint fails as a matter of a law and must be dismissed.

CONCLUSION

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court adjudicated the lien. The Court further finds that the claims for Breach of Contract, Declaratory Relief, Conversion, Breach of the Implied Covenant of Good Faith and Fair Dealing, Breach of the Fiduciary Duty, and Punitive Damages must be dismissed as a matter of law.

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ORDER It is hereby ordered, adjudged, and decreed, that the Motion to Dismiss NRCP 12(b)(5) is GRANTED. IT IS SO ORDERED this ______ day of November, 2018.

CERTIFICATE OF SERVICE

I hereby certify that on or about the date e-filed, this document was copied through e-mail, placed in the attorney's folder in the Regional Justice Center or mailed to the proper person as follows:

Electronically served on all parties as noted in the Court's Master Service List and/or mailed to any party in proper person.

Tess Driver

Judicial Executive Assistant

Department 10

ELECTRONICALLY SERVED 3/16/2021 2:56 PM

Electronically Filed 03/16/2021 2:55 PM CLERK OF THE COURT

ORD 1 2 3 **DISTRICT COURT** 4 **CLARK COUNTY, NEVADA** 5 6 EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC, 7 Plaintiffs, 8 CASE NO.: A-18-767242-C VS. DEPT NO.: X 9 10 LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan Corporation; Consolidated with 11 SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and 12 DOES 1 through 5; and, ROE entities 6 through CASE NO.: A-16-738444-C 13 10; DEPT NO.: X Defendants. 14 EDGEWORTH FAMILY TRUST; and 15 AMERICAN GRATING, LLC, 16 Plaintiffs, SECOND AMENDED DECISION AND **ORDER ON MOTION TO ADJUDICATE** 17 LIEN VS. 18 DANIEL S. SIMON; THE LAW OFFICE OF 19 DANIEL S. SIMON, a Professional Corporation d/b/a SIMON LAW; DOES 1 through 10; and, 20 ROE entities 1 through 10; 21 Defendants. 22 SECOND AMENDED DECISION AND ORDER ON MOTION TO 23

<u>ADJUDICATE LIEN</u>

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

Hon. Tierra Jones DISTRICT COURT JUDGE DEPARTMENT TEN

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person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS**:

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FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

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American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell.

I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. Id. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. Id. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

¹ \$265,677.50 in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

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out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.
 - 22. The parties agree that an express written contract was never formed.
- 23. On December 7, 2017, the Edgeworths signed Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.

CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The <u>Court</u>

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-738444-C under NRS 18.015.

NRS 18.015(1)(a) states:

- 1. An attorney at law shall have a lien:
- (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
- Nev. Rev. Stat. 18.015.

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The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited, thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah, PLLC v. TJ Allen LLC, 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury & Standish, 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon, regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

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"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

• Refusal to communicate with an attorney creates constructive discharge. Rosenberg v. Calderon Automation, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).

- Refusal to pay an attorney creates constructive discharge. *See e.g.*, Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).
- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). See also <u>Maples v. Thomas</u>, 565 U.S. 266 (2012); Harris v. State, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact litigation that Simon was representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

Id.

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This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the

week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly identified as the firm that solely advised the clients about the settlement. The actual language in the settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

<u>Id</u>.

Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law

Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.
 - 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
 - (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
 - (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
 - 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
 - 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
 - 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been

produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law Office retained the payments, indicating an implied contract was formed between the parties. The Court find that the Law Office of Daniel Simon should be paid under the implied contract until the date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice

billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees; however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This

amount has already been paid by the Edgeworths on December 16, 2016.²

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.³

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work

²There are no billing amounts from December 2 to December 4, 2016.

³ There are no billings from July 28 to July 30, 2017.

⁴ There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.6

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq. or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award

⁶ There is no billing from September 19, 2017 to November 5, 2017.

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is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities, Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The <u>Brunzell</u> factors are: (1) the qualities of the advocate; (2) the character of the work to be done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's

work product and results are exceptional.

The Character of the Work to be Done

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The character of the work done in this case is complex. There were multiple parties, multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the gamut from product liability to negligence. The many issues involved manufacturing, engineering, fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp testified that the quality and quantity of the work was exceptional for a products liability case against a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a substantial factor in achieving the exceptional results.

The Work Actually Performed

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that caused possible other floods. While the Court finds that Mr. Edgeworth was extensively involved and helpful in this aspect of the case, the Court disagrees that it was his work alone that led to the other activations being uncovered and the result that was achieved in this case. Since Mr. Edgeworth is not a lawyer, it is impossible that it was his work alone that led to the filing of motions and the litigation that allowed this case to develop into a \$6 million settlement. All of the work by the Law Office of Daniel Simon led to the ultimate result in this case.

The Result Obtained

The result was impressive. This began as a \$500,000 insurance claim and ended up settling for over \$6,000,000. Mr. Simon was also able to recover an additional \$100,000 from Lange Plumbing LLC. Mr. Vannah indicated to Simon that the Edgeworths were ready so sign and settle the Lange Claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This ultimately led to a larger settlement for the Edgeworths. Recognition is due to Mr. Simon for placing the Edgeworths in a great position to recover a greater amount from

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Lange. Mr. Kemp testified that this was the most important factor and that the result was incredible. Mr. Kemp also testified that he has never heard of a \$6 million settlement with a \$500,000 damage case. Further, in the Consent to Settle, on the Lange claims, the Edgeworth's acknowledge that they were made more than whole with the settlement with the Viking entities.

In determining the amount of attorney's fees owed to the Law Firm of Daniel Simon, the Court also considers the factors set forth in Nevada Rules of Professional Conduct – Rule 1.5(a) which states:

- (a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:
- (1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) The fee customarily charged in the locality for similar legal services:
 - (4) The amount involved and the results obtained;
- (5) The time limitations imposed by the client or by the circumstances;
- (6) The nature and length of the professional relationship with the client:
- (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and
 - (8) Whether the fee is fixed or contingent.

NRCP 1.5. However, the Court must also consider the remainder of Rule 1.5 which goes on to state:

- (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
- (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in writing, signed by the client, and shall state, in boldface type that is at least as large as the largest type used in the contingent fee agreement:

- (1) The method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal;
- (2) Whether litigation and other expenses are to be deducted from the recovery, and whether such expenses are to be deducted before or after the contingent fee is calculated;
 - (3) Whether the client is liable for expenses regardless of outcome;
- (4) That, in the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law; and
- (5) That a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

NRCP 1.5.

The Court finds that under the <u>Brunzell</u> factors, Mr. Simon was an exceptional advocate for the Edgeworths, the character of the work was complex, the work actually performed was extremely significant, and the work yielded a phenomenal result for the Edgeworths. All of the <u>Brunzell</u> factors justify a reasonable fee under NRPC 1.5.

However, the Court must also consider the fact that the evidence suggests that the basis or rate of the fee and expenses for which the client will be responsible were never communicated to the client, within a reasonable time after commencing the representation. Further, this is not a contingent fee case, and the Court is not awarding a contingency fee.

Instead, the Court must determine the amount of a reasonable fee. In determining this amount of a reasonable fee, the Court must consider the work that the Law Office continued to provide on the Edgeworth's case, even after the constructive discharge. The record is clear that the Edgeworths were ready to sign and settle the Lange claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This resulted in the Edgeworth's recovering an additional \$75,000 from Lange plumbing. Further, the Law Office of Daniel Simon continued to work on the Viking settlement until it was finalized in December of 2017, and the

checks were issued on December 18, 2017. Mr. Simon continued to personally work with Mr. Vannah to attempt to get the checks endorsed by the Edgeworths, and this lasted into the 2018 year. The record is clear that the efforts exerted by the Law Office of Daniel Simon and Mr. Simon himself were continuing, even after the constructive discharge. In considering the reasonable value of these services, under quantum meruit, the Court is considering the previous \$550 per hour fee from the implied fee agreement, the Brunzell factors, and additional work performed after the constructive discharge. As such, the COURT FINDS that the Law Office of Daniel Simon is entitled to a reasonable fee in the amount of \$200,000, from November 30, 2017 to the conclusion of this case.

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CONCLUSION

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court must adjudicate the lien. The Court further finds that there was an implied agreement for a fee of \$550 per hour between Mr. Simon and the Edgeworths once Simon started billing Edgeworth for this amount, and the bills were paid. The Court further finds that on November 29, 2017, the Edgeworth's constructively discharged Mr. Simon as their attorney, when they ceased following his advice and refused to communicate with him about their litigation. The Court further finds that Mr. Simon was compensated at the implied agreement rate of \$550 per hour for his services, and \$275 per hour for his associates; up and until the last billing of September 19, 2017. For the period from September 19, 2017 to November 29, 2017, the Court finds that Mr. Simon is entitled to his implied agreement fee of \$550 an hour, and \$275 an hour for his associates, for a total amount of \$284,982.50. For the period after November 29, 2017, the Court finds that the Law Office of Daniel Simon properly perfected their lien and is entitled to a reasonable fee for the services the office rendered for the Edgeworths, after being constructively discharged, under quantum meruit, in an amount of \$200,000. The Court further finds that the Law Office of Daniel Simon is entitled to costs in the amount of \$71,594.93.

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5	<u>ORDER</u>
6	It is hereby ordered, adjudged, and decreed, that the Motion to Adjudicate the Attorneys Lien
7	of the Law Office of Daniel S. Simon is hereby granted and that the reasonable fee due to the Law Dated this 16th day of March, 2021
8	Office of Daniel Simon is \$556,577.43, which includes outstanding costs.
9	IT IS SO ORDERED this 16 th day of March, 2021.
10	Dunch
11	DISTRICT COURT JUDGE
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13	B7B 840 B8A7 FF62
14	Tierra Jones District Court Judge
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3	DISTRICT COURT CLARK COUNTY, NEVADA		
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6	Edgeworth Family Trust,	CASE NO: A-16-738444-C	
7	Plaintiff(s)	DEPT. NO. Department 10	
8	VS.		
9	Lange Plumbing, L.L.C., Defendant(s)		
10			
11	AUTOMATED CERTIFICATE OF SERVICE		
12			
13	This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order was served via the court's electronic eFile system to all		
14	recipients registered for e-Service on the above entitled case as listed below:		
15	Service Date: 3/16/2021		
16	Daniel Simon .	lawyers@simonlawlv.com	
17	Rhonda Onorato .	ronorato@rlattorneys.com	
18	Mariella Dumbrique	mdumbrique@blacklobello.law	
19	Michael Nunez	mnunez@murchisonlaw.com	
20 21	Tyler Ure	ngarcia@murchisonlaw.com	
22	Nicole Garcia	ngarcia@murchisonlaw.com	
23	Bridget Salazar	bsalazar@vannahlaw.com	
24	John Greene	jgreene@vannahlaw.com	
25	James Christensen	jim@jchristensenlaw.com	
26	Daniel Simon	dan@danielsimonlaw.com	
27			

1	Michael Nunez	mnunez@murchisonlaw.com	
2 3	Gary Call	gcall@rlattorneys.com	
4	J. Graf	Rgraf@blacklobello.law	
5	Robert Vannah	rvannah@vannahlaw.com	
6	Christopher Page	chrispage@vannahlaw.com	
7	Jessie Church	jchurch@vannahlaw.com	
8			
9	via United States Postal Service, postage prepaid, to the parties listed below at their last		
10			
11	Theodore Parker	2460 Professional CT STE 200	
12		Las Vegas, NV, 89128	
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Electronically Filed 5/13/2021 2:47 PM Steven D. Grierson CLERK OF THE COURT

JAMES R. CHRISTENSEN, ESQ. Nevada Bar No. 003861 601 S. 6th Street Las Vegas, NV 89101 (702) 272-0406 jim@jchristensenlaw.com Attorney for Daniel S. Simon

EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA

EDGEWORTH FAMILY TRUST, and AMERICAN GRATING, LLC Plaintiffs.

VS.

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LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan corporation; SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and DOES 1 through 5 and ROE entities 6 through 10;

Defendants.

EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC

Plaintiffs,

VS.

DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, A PROFESSIONAL CORPORATION; DOES 1 through 10; and, ROE entities 1 through 10;

Defendants.

Case No.: A-16-738444-C

Dept. No.: 10

OPPOSITION TO THE SECOND MOTION TO RECONSIDER; COUNTER MOTION TO ADJUDICATE LIEN ON REMAND

Hearing date: 5.27.21 Hearing time: 9:30 a.m.

CONSOLIDATED WITH

Case No.: A-18-767242-C

Dept. No.: 10

WA02065

OPPOSITION TO THE SECOND MOTION FOR RECONSIDERATION

I. Relevant Procedural Overview

Over two years ago, this Court adjudicated the Simon lien and sanctioned the Edgeworths for bringing and maintaining their conversion complaint without reasonable grounds. The Supreme Court affirmed in most respects with instructions to revisit the quantum meruit fee award to Simon and the amount of the sanction levied upon the Edgeworths. The high court then denied the Edgeworths' bid for rehearing. Procedure relevant to the subject motions follows.

On December 30, 2020, the Supreme Court issued an appeal order affirming this Court in most respects; and an order finding the Simon petition for writ moot, apparently in light of the instructions on remand to revisit the quantum meruit fee award to Simon.

On January 15, 2021, the Edgeworths filed a petition for rehearing.

The Edgeworths again challenged the dismissal of the conversion complaint and the sanction order. The petition did not follow the rules and was rejected.

On January 25, 2021, the Supreme Court issued a Notice in Lieu of Remittitur.

WA02066

On January 26, 2021, the Supreme Court granted leave to the Edgeworths to file an untimely petition for rehearing. *The order granting leave to file the untimely petition was not copied to this Court.*

On March 16, 2021, per the instructions on remand, this Court issued the Amended Decision and Order Granting in Part and Denying in Part, Simon's Motion for Attorney's Fees and Costs ("Attorney Fee Order"). This Court also issued an amended order adjudicating the lien.

On March 18, 2021, rehearing was denied by the Supreme Court. A corrected order denying rehearing followed on March 22, 2021.

On March 31, 2021, the Edgeworths filed a motion for reconsideration in district court.

On April 12, 2021, remitter was issued by the Supreme Court.

On April 28, 2021, this Court issued the Third Amended Decision and Order on Motion to Adjudicate Lien ("Third Lien Order").

On May 3, 2021, the Edgeworths filed their second motion for reconsideration.

II. Summary of Arguments

The second Edgeworth motion for reconsideration addresses the Third Lien Order and the Attorney Fee Order. Simon opposes the motion to reconsider the Third Lien Order, acknowledges the Attorney Fee Order must be refiled; and brings a counter motion to adjudicate the lien and/or reconsider the Third Lien Order regarding the quantum meruit fee award to Simon per the remand instructions.

A. The Third Lien Order

The Edgeworths' second motion to reconsider the Third Lien Order is without merit. The Edgeworths do not present adequate grounds for reconsideration.

First, the Edgeworths assert they are due reconsideration because they were deprived of "the right to reply" in support of their first motion for reconsideration. The Edgeworths are incorrect. The Edgeworths do not provide a citation to support the claim that the opportunity to reply is a fundamental right. The Edgeworths did not make an offer of proof regarding the reply, and thus did not establish they suffered undue prejudice. Nor did the Edgeworths provide authority that motion practice is required before the Court acts on the remand instructions. In any event,

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the Edgeworths have had ample notice and many opportunities to be heard on lien adjudication. Process does not provide a basis for reconsideration.

Second, the Edgeworths argue for reconsideration by making the claim that a disagreement over the facts underlying the quantum meruit decision amounts to a clear error of law. The argument is poor. A disagreement over facts is not a clear error of law meriting reconsideration. The determination of attorney fees under quantum meruit is within the discretion of the district court. As such, the Edgeworths are effectively foreclosed from relief via promotion of their own factual narrative under the abuse of discretion standard. Further, the Edgeworths' frivolous conversion narrative, which they have morphed into an equally frivolous extortion narrative in the current motion, was solidly rejected by this Court and the Supreme Court. The Edgeworths did not provide the substantially different evidence required for reconsideration, they have merely served up different spin.

Finally, the Edgeworths complain about a scrivener's error regarding costs owed. In doing so, the Edgeworths note but fail to take to heart the "Costs Owed" section of the Third Lien Order which specifically states that costs were paid, and no costs are currently owed. Specific language

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controls over general language. Thus, there is no possibility of undue prejudice and no basis to reconsider the Third Lien Order is presented.

B. The Attorney Fee Order

The Attorney Fee Order was issued before remittitur. Accordingly, the order must be refiled. The Edgeworths appear to have abandoned their challenge to the conservative amount of fees awarded. As to Clark's costs, Simon has already informed the Edgeworths that only the amount of the bill (\$2,520.00) will be sought. Accordingly, while Simon does not oppose changing the cost number for Clark's fees in the Attorney Fee Order, no prejudice will result to the Edgeworths regardless.

C. Simon's Counter Motion

Whether the counter motion is more properly presented as a motion to adjudicate the lien on remand or as a motion to reconsider, Simon respectfully requests this Court to revisit its quantum meruit decision expressed in the Third Lien Order. Simon requests that the Court abide by the finding affirmed on appeal that the implied contract was discharged and therefore, not enforce the implied payment term for work performed after September 19, 2017. Re-adjudication and/or reconsideration on this point may be had because the use of an implied payment term of a discharged contract as controlling in a fee adjudication is a clear error of law.

Simon's counter motion is well-supported by the uncontested declaration of Will Kemp, whom this Court has already recognized as an expert.

IV. Rebuttal to the Edgeworths' statement of facts and related argument

The Edgeworths' factual arguments are inaccurate and contrary to the Court's affirmed findings. Because the facts are well known, only a brief response follows.

A. The Edgeworths have the case file.

The Edgeworths continue their false argument regarding the case file.

During lien adjudication, everything Vannah requested was provided, but

Vannah did not request the file. (Ex. 1, Day 4 at 26.)

In 2020, a different Edgeworth lawyer asked for the file and the file was given directly to Brian Edgeworth as requested. (Ex. 2, Ex. 3, & Ex. 4.) As can be seen from the attached correspondence, there were certain matters that were not produced because they were covered by non-disclosure agreements, etc. The privileged items withheld did not present a problem until the Edgeworths filed their second motion for reconsideration when they apparently felt the need for an additional argument.

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After the Edgeworths filed their second motion for reconsideration, counsel spoke about the file. Letters were exchanged and are attached. (Ex. 5 & 6.) As can be seen from the Simon response, the allegations of stripping emails, etc., are farfetched. (Ex. 6.)

In addition, NRS 7.055 applies to a "discharged attorney". Before admitting to discharge at a point when the Edgeworths thought the change of course might benefit them, the Edgeworths had consistently denied they had discharged Simon, for example at the evidentiary hearing:

MR. VANNAH: Of course, he's never been fired. He's still counsel of record. He's never been fired.

(Ex. 1, Day 4 at 22:1-2.) And before the Supreme Court:

Neither the facts nor the law supports a finding of any sort of discharge of Simon by Appellants, constructive or otherwise.

(Ex. 7, opening brief excerpt, at 10.)

The Edgeworths wasted time and resources on their frivolous no discharge stance; therefore, new sanctions are warranted based on their recent admission that Simon really was discharged. *Capanna v. Orth*, 134 Nev. 888, 432 P.3d 726 (2018) (sanctions are appropriate when a claim or defense is maintained without reasonable grounds). Rebutting the Edgeworths' frivolous no discharge position wasted at least a day of the

evidentiary hearing, and many hours spent briefing the issue at the district court and appellate levels.

B. The November 17 meeting

The Edgeworths' description of the November 17 meeting is fanciful and rehashes claims made at the evidentiary hearing which the Court found wanting. The latest version contains factual claims that are not in the findings and are not supported by citation to the record.

The Edgeworths admitted six times in their opening appeal brief that they were not found to be credible. (Ex. 7 at 11,12,15,18, & 28.) The latest factual claims corroborate the many Edgeworth admissions that they are not credible.

C. The privileged Viking email of November 21

The November 21 email was sent between two different lawyers representing Viking; accordingly, Simon did not know its contents. The Edgeworths did not disclose how they obtained a privileged email sent between Viking's lawyers. Further, the Edgeworths did not address how they propose the Court could consider this new proffer of evidence years after the evidentiary hearing ended.

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WA02073

Nevertheless, the email supports Simon. Simon agrees that Viking was aware confidentiality was an issue and that the confidentiality term was removed after November 21.

D. The date of the Viking settlement and release terms

Continuing the lack of credibility theme, the Edgeworths argue: "all negotiations were complete by November 27". (Bold and italics in original.) (2nd Mot., at 12:21-22.) Putting aside that the bolded factual assertion is not supported by what the cited record states, there is a larger problem in that the factual claim is contrary to the findings of this Court.

On November 19, 2018, the Court made finding of fact #13:

13. On the evening of November 15, 2017, the Edgeworths received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or after December 1, 2017.

(Ex. 8 at 4:22-24, & Third Lien Order at F.F. #13 at 4:22-24.) A good portion of the second motion for reconsideration dwells on factual claims contrary to the finding (see, e.g., 2nd Mot., at 4:5-6:11), while never mentioning or contrasting finding of fact #13 - which is now the law of the case.

The Edgeworths have taken so many bites at the evidentiary apple that it is down to the core. They do not get another. This issue is over.

E. The Lange settlement

In a new brand-new factual claim, raised years after the evidentiary hearing, the Edgeworths accuse Simon of slow walking the Lange settlement. The accusation is untimely and unfair, resolution of a complex case takes time. Further, Simon had been fired by the clients, was being frivolously sued by his former clients, and was working via replacement counsel who acknowledged in open court he did not know what was going on:

MR. VANNAH: If you take out the form and content, I don't know anything about the case, and I want – I don't know anything about the case – I mean, we're not involved in a case. You understand that, Teddy?

MR.PARKER: I do.

MR. VANNAH: We – we're not involved a case in any way shape, or form.

(Ex. 9, February 20, 2018 Transcript at 3:22-4:3.)

In the November 19, 2018, Lien Order this Court found that Simon was due recognition for improving the position of his former clients. (*See, e.g.*, Ex. 8 at 19:19-20:1.) This aspect of the Lien Order was not challenged on appeal and is now the law of the case. The finding was repeated in the Third Lien Order. (Third Lien Order at 20:8-17.) The Edgeworth assertions are wholly without merit.

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F. This Court took testimony regarding the work performed at the evidentiary hearing.

The Edgeworths proclaim that the "only evidence in the record of work Simon claims to have performed post-discharge is set forth in the "super bill". (2nd Mot., at 9:24-25.) The claim is not true. The Court took days of testimony at the evidentiary hearing regarding work that was done, some of which is cited by the Court in the Third Lien Order. (*See, e.g.*, Third Lien Order at 18-22.)

Finally, the assertion that only simple acts remained to be addressed is belied by Vannah's statements, acts, and emails. Vannah openly admitted he was in deep water and needed Simon to close the case. If Vannah, at \$925 dollars an hour, does not feel competent to close out the case, then the work that remained is more than ministerial, just as this Court found.

G. The Viking settlement drafts

The Edgeworths first raised a complaint over the Viking tender of settlement drafts, instead of a certified check, in their first motion for reconsideration, years after the evidentiary hearing. The grievance is repeated in the second motion. (2nd Mot., at 6:12-2.) The picayune criticism would have been better left unraised because it underscores the weakness of the Edgeworths' overall position.

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In addition to being untimely, the complaint is nonsensical. Viking tendered settlement drafts in the proper amount which were deposited and cleared. At worst, the Viking drafts can be seen as falling within the ambit of substitute performance - which is normally not a problem at least when the Edgeworths are not involved. The Edgeworths and Vannah did not raise the settlement drafts as an issue years ago, and the settlement drafts should not be an issue to the Edgeworths and their latest counsel today.

IV. Argument

The Edgeworths did not provide an adequate basis for this Court to grant reconsideration of the Third Lien Order. Reconsideration is rarely granted and only when there is considerably different evidence or a clear error. *Masonry & Tile Contractors Ass'n of S. Nevada v. Jolley, Urga & Wirth, Ltd.*, 113 Nev. 737, 741, 941 P.3d 486, 489 (1997) (reconsideration may be granted on rare occasion when there is "substantially different evidence ... or the decision is clearly erroneous").

The Edgeworths' argument they received inadequate process is unsupported and incorrect. The Edgeworths merely rehash old factual arguments about the inferences to be had from the evidence, they do not present substantially different evidence. Finally, the Edgeworths do not

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present a clear error of law in the Third Lien Order. Reconsideration is not warranted.

The Edgeworths received due process. Α.

The Edgeworths claim they did not receive due process and are due reconsideration on that basis, because they only had a short time in which to file a reply. (2nd Mot., at 2:27-3:7 & 10:18-19.) The claim is unsupported, and the Edgeworths do not present cogent argument or relevant authority. Hence, the argument can be ignored. See, Edwards v. Emperor's Garden Rest., 122 Nev. 317, 330 n. 38, 130 P.3d 1280, 1288 n.38 (2006). Similarly, the Edgeworths do not provide argument or authority that additional briefing was contemplated or required on remand. (Ibid.)

Importantly, the Edgeworths do not present an offer of the reply arguments they were deprived of or explain how a reply would have changed the outcome.

In this case, there were multiple filings and hearings regarding adjudication of the lien. There was a five-day evidentiary hearing and post hearing arguments and motion practice. There was an appeal. The Edgeworths have had more than sufficient notice and a generous opportunity to be heard. See, e.g., Callie v. Bowling, 123 Nev. 181, 160

P.3d 878 (2007) (procedural due process is afforded when a party has notice and an opportunity to be heard).

The Edgeworths request for reconsideration based on a lack of due process is without merit.

B. The Edgeworths' latest quantum meruit arguments merely rehash or spin prior arguments and evidence.

The Edgeworths argue they are due reconsideration because the Court made a poor factual decision. The argument does not raise to the level required for a district court to grant reconsideration. *Masonry & Tile Contractors Ass'n of S. Nevada*, 113 Nev. 737, 741, 941 P.3d 486, 489 (reconsideration may be granted on rare occasion when there is "substantially different evidence ... or the decision is clearly erroneous").

In support of their request for reconsideration, the Edgeworths argue their latest factual narrative. However, the latest narrative is not based on substantially different evidence, it is based on the latest spin. The Edgeworths do not explain how this Court can ignore its own factual findings which are now law of the case and now find, for example, that Simon "slow walked" the Lange settlement.¹

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¹ At the hearing of 2/20/2018, attorney Teddy Parker explained how adding Vannah to the mix caused some extra steps and delay. (Ex. 9.)

The Edgeworths' arguments are exposed by their return yet again to the use of *ad hominin* attacks against Simon. Just as the claim of conversion against Simon was frivolous, so too is the claim of extortion. An attorney is due a reasonable fee. NRS 18.015. An attorney may file a lien when there is a fee dispute. NRS 18.015. The use of a lien is not an ethical violation. NRS 18.015(5). An attorney can take steps to protect themselves and/or to secure a reasonable fee for their work. NRS 18.015 & NRPC 1.16(b)(6). The only limit is an attorney cannot seek an unreasonable fee. NRCP 1.5. The expert testimony of Will Kemp stands unrebutted, the fee sought by Simon is reasonable under the market approach. The latest frivolous accusation is simply a continuation of the Edgeworths desire to "punish" Simon.

Here, this Court already found that Simon legitimately used a statutory attorney lien to seek a reasonable fee. This Court already found that Simon's work was exceptional, and the result obtained was impressive. Yet, the Edgeworths frivolously sued Simon for conversion claiming Simon was owed nothing - even though they admitted to already receiving more money than the claim was worth, and that Simon was in fact owed fees and costs. The ill placed trust argument is Simons to use, not the Edgeworths.

-16- WA02080

The Edgeworths did not present substantially different facts, nor did they demonstrate clear error. There is no basis for reconsideration.

C. The cost award

The Edgeworths protest the cost language in the conclusion of the Third Lien Order as grounds for reconsideration. Yet, the Edgeworths acknowledge that the costs are correctly found as paid on page 18 of the same order. In so doing the Edgeworths establish that there is no undue prejudice. The order's specific and detailed language on page 18 controls over the general language in the conclusion.

D. The Attorney Fee Order

The Attorney Fee Order needs to be re-filed. Although Simon will only seek the amount Clark billed in any event, Simon has no objection to the correction of the amount of costs related to Clark's fees, \$2,520.00.

VI. Conclusion

The motion for reconsideration is without merit. Simon requests the motion be denied and the Edgeworths sanctioned for needlessly extending this case.

COUNTER MOTION TO ADJUDICATE LIEN ON REMAND/RECONSIDERATION

I. Introduction to the Counter Motion

On December 30, 2020, the Supreme Court issued two orders addressing the Edgeworth appeal and the Simon writ petition. The appeal order affirmed this Court in all but two respects. The appeal order remanded the case with instructions to re-address the quantum meruit award of fees to Simon and to re-address the amount of fees assessed as a sanction against the Edgeworths for pursuit of their frivolous conversion complaint. In the writ order, the Simon petition on the manner of calculation of quantum meruit for outstanding fees due at the time of discharge was denied as moot, apparently in consideration of the instructions on remand contained in the appeal order.

Simon moves for adjudication of the lien/reconsideration regarding the calculation of the quantum meruit fee award per the remand instructions and the *Brunzell* factors as stated in the attached declaration of Will Kemp.

-18- WA02082

II. The Court may Reconsider the Quantum Meruit Award on a Claim of Clear Legal Error.

The Court found that Simon worked for the Edgeworths on the sprinkler case on an implied in fact contract; and, that Simon was discharged from the contract on November 29, 2017. (Third Lien Order at 9:1-9 & 12:16-17.)

The Court found that Simon was paid under the implied contract through September 19, 2017, and was not paid for considerable work that came after September 19. (Third Lien Order at 14:26-15:3.)

This Court also concluded that:

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. (Citations omitted.)

(Third Lien Order at 18:5-6.) The conclusion coincides with NRS 18.015(2) and case law. The conclusion and the findings were affirmed on appeal.

Edgeworth Family Trust, 477 P.3d 1129 (table) 2020 WL 7828800.

However, the payment term of the repudiated implied contract was enforced for the time worked from September 19 through November 29, 2017. Retroactive enforcement of the payment term of a discharged or repudiated contract is not consistent with the finding quoted above, NRS 18.015(2) or case law. The conflict with established law creates clear error

needed under *Masonry & Tile Contractors Ass'n of S. Nevada*, 113 Nev. 737, 741, 941 P.3d 486, 489, for reconsideration. Simon respectfully submits that the correct path is to use quantum meruit as the measure to compensate Simon for work performed from the date of September 19, 2017 forward.

A. When a fee contract is terminated by the client, the amount of the outstanding fee due the attorney is determined by quantum meruit.

The Edgeworths discharged Simon on November 29, 2017. Thus, the fee contract was repudiated as of that date. The Edgeworths terminated the fee contract before the lien was served, before funds were paid and before Simon was paid for work dating from September 19, 2017. Therefore, the implied fee contract had been repudiated and was not enforceable when the lien was adjudicated, and the amount Simon should be paid from September 19 is not controlled by the repudiated implied contract.

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged contract but is paid based on *quantum merit*. *Edgeworth Family Trust*, 477 P.3d 1129 (table) 2020 WL 7828800; *Golightly v. Gassner*, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged attorney paid by *quantum merit* rather than by contingency); *citing*, *Gordon*

-20-

v. Stewart, 324 P.3d 234 (1958) (attorney paid in *quantum merit* after client breach of agreement); and, *Cooke v. Gove*, 114 P.2d 87 (Nev. 1941)(fees awarded in *quantum merit* when there was no agreement).

This Court cited *Rosenberg* in concluding the Edgeworths fired Simon. *Rosenberg v. Calderon Automation, Inc.*, 1986 Ohio App. LEXIS 5460 (1986). In *Rosenberg*, Calderon stopped all communication with his lawyer, Rosenberg, on the eve of a settlement. Rosenberg sought his fees.

The Rosenberg court found that Rosenberg was constructively discharged when Calderon stopped speaking with the lawyer. On the question of compensation, the court found that termination of a contract by a party after part performance of the other party entitles the performing party to elect to recover the value of the labor performed irrespective of the contract price. Id., at *19. In other words, the lawyer is not held to the payment term of the repudiated contract, but rather receives a reasonable fee under quantum meruit.

The Edgeworths did not admit to firing Simon even after they stopped communication and then frivolously sued for conversion. Even as late as the appeal, the Edgeworths denied firing Simon in a transparent gambit to avoid a reasonable fee under quantum meruit. The law is clear that because Simon was fired, Simon's outstanding fee for the work performed

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on the sprinkler case after September 19, 2017, is set by quantum meruit, the reasonable value of services rendered as per NRS 18.015(1). Simon respectfully requests this Court use quantum meruit to reach the attorney fee due Simon for work performed after September 19, instead of retroactively applying the payment term of the discharged fee contract.

В. The quantum meruit award

Will Kemp testified as an expert on product defect litigation, the prevailing market rate for such litigation in the community², and the method of determination of a reasonable fee for work performed on a product case in Las Vegas. Mr. Kemp's credentials are well known, and his opinion was beyond question.

The Edgeworths have gone to ridiculous lengths to punish Simon and extend this dispute, such as hiring counsel at \$925 an hour and filing a frivolous complaint. Yet even the Edgeworths did not attempt an attack on Mr. Kemp; his opinion was so solid, it stood unrebutted.

Mr. Kemp has provided a declaration in which he reviewed his unrebutted opinion in the light of the Supreme Court orders. (Ex. 10) Mr. Kemp responded to the Supreme Court's instructions and explained how

² The Edgeworths also rely upon the prevailing market rate as a metric for quantum meruit, although they misapply the standard. 1st Mot., at 21:10-21.

his opinion is in agreement. Mr. Kemp also reviewed the *Brunzell* factors and concluded that a reasonable fee under the prevailing market rate of the community for product liability trial counsel from September 19, 2017, through February of 2018, is \$2,072,393.75.

III. Conclusion

Simon respectfully suggests the Court make a reasonable fee award based on the market rate under quantum meruit for the work performed following September 19, 2017, through February of 2018, in accord with the unrefuted opinion of Will Kemp, which is consistent with the Supreme Court's order of remand.

DATED this 13th day of May 2021.

JAMES CHRISTENSEN, ESQ. Nevada Bar No. 003861 601 S. 6th Street Las Vegas, NV 89101 (702) 272-0406 (702) 272-0415 jim@jchristensenlaw.com Attorney for Daniel S. Simon

CERTIFICATE OF SERVICE

I CERTIFY SERVICE of the foregoing Opposition and Request for Sanctions; Countermotion was made by electronic service (via Odyssey) this <u>13th</u> day of May 2021, to all parties currently shown on the Court's E-Service List.

/s/ Dawn Christensen
an employee of

JAMES R. CHRISTENSEN

-24- WA02088

EXHIBIT 1

RTRAN		
	/	
DISTRICT COURT		
CLARK COUNTY, NEVADA		
EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC,) CASE#: A-16-738444-C	
Plaintiffs,) DEPT. X)	
Defendants.		
EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC,) CASE#: A-18-767242-C) DEPT. X	
Plaintiffs,	}	
VS.		
DANIEL S. SIMON, ET AL.,		
Defendants.		
)	
BEFORE THE HONORABLE TIERRA THURSDAY, AU	JONES, DISTRICT COURT JUDGE JGUST 30, 2018	
RECORDER'S TRANSCRIPT OF I	EVIDENTIARY HEARING - DAY 4	
APPEARANCES:		
	OBERT D. VANNAH, ESQ.	
J(OHN B. GREENE, ESQ.	
For the Defendant: JA	AMES R. CHRISTENSEN, ESQ. ETER S. CHRISTIANSEN, ESQ.	
RECORDED BY: VICTORIA BOYD, (COURT RECORDER	
	DISTRICT CLARK COUN EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC, Plaintiffs, vs. LANGE PLUMBING, LLC, ET AL., Defendants. EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC, Plaintiffs, vs. DANIEL S. SIMON, ET AL., Defendants. BEFORE THE HONORABLE TIERRA THURSDAY, AU RECORDER'S TRANSCRIPT OF IT APPEARANCES: For the Plaintiff: RO For the Defendant:	

MR. VANNAH: Of course, he's never been fired. He's still counsel of record. He's never been fired. There's no -- in fact, there's an email telling him that you are still on the case, do a good job.

THE COURT: And I've seen that email, Mr. Vannah. So, I mean, we're going to -- I know Mr. Simon's characterization of what happened is he believed he was fired and that is the reason -- based on the reasons that he's already testified to here this morning. But the constructive discharge issue is still an issue that's before this Court that I have yet to decide on.

MR. CHRISTENSEN: Correct, Your Honor. And perhaps it was inartful phrasing of the question, but Mr. Simon has already testified that he felt he had been fired --

THE COURT: I understand. He testified to the --

MR. CHRISTENSEN: -- so that was the gist in which the question was -- was made.

THE COURT: Right. And he testified the reasons for which he felt that way.

MR. CHRISTENSEN: However, I just for the record I do disagree with Mr. Vannah's characterization.

THE COURT: And I know. I mean that's an issue that I'm going to decide as part of what we're having this hearing about, but I understand Mr. Simon believed he was fired, he testified to it, as well as he testified to the reasons for which he was fired. So that's based on Mr. Simon's understanding.

BY MR. CHRISTENSEN:

- 1		
1	pending m	otions for summary judgment and counter summary
2	judgment.	I mean there was just so much going on it was crazy.
3	Q	What kind of contact did you receive from Vannah and
4	Vannah to	become involved in that process to effect a compromise?
5		MR. VANNAH: Your Honor, let me object again as leading.
6	never calle	d him to effect a compromise. It's leading. He's testifying as
7	to his theory of the case. He's leading every single question.	
8		THE COURT: Well, I mean, I think the I mean if he gets to
9	change the	e first word of that to did, did you receive any communication
10	from Vannah and Vannah?	
11	BY MR. CHRISTENSEN:	
12	Q.	Did Vannah and Vannah call?
13	А	No.
14	Q	Did you receive requests for the file?
15	A	Didn't receive a request for the file. I think we had our first
16	meaningful discussion on a conference call with Mr. Vannah, Mr.	
17	Greene, yourself, and myself, on December 7th.	
18	Q	Okay.
19	A	I'm sure I had prior conversations, I think you did, too, with
20	Mr. Greene, but they weren't too meaningful because he always had to	
21	check with Mr. Vannah.	
22	Q	What were you doing during that period with regard to the
23	underlying case?	
24	A	What I was expected to do.
25		MR. VANNAH; I'm sorry

[Counsel confer] 1 2 MR. VANNAH: Okay. So sounds great. So, let me be kind to your staff. So now we're looking to at 11:00, 3 so from 11:00 a.m. to 5:00, which I don't have a problem with. But --4 5 THE COURT: At some point we're going to have to break in there, I mean, I understand Mr. Christensen is going to schedule, we'll 6 work it out with Judge. Herndon. But yeah, at some we're going to have 7 to a break and eat, we all need to eat. 8 MR. CHRISTIANSEN: As soon as I am done with the witness 9 I will go back to my murder trial and let --10 THE COURT: Oh, okay, okay. Yeah. Well we're still going to 11 take a little recess. 12 [Counsel confer] 13 THE COURT: Yeah. We'll get Mr. Christiansen out of here 14 then we will break for lunch, and then you guys --15 MR. CHRISTIANSEN: And then come back. 16 THE COURT: Yeah. So, I'll keep that whole afternoon open 17 for you guys. So, yeah, that's what we'll do. We'll get Mr. Christiansen, 18 so will get Mrs. Edgeworth on, Mr. Christiansen out of here, and then 19 we'll break for lunch, and then you guys will come back and close. 20 MR. CHRISTIANSEN: Thank you very much. 21 MR. VANNAH: Thank you, Judge. 22 23 THE COURT: Thank you.

MR. CHRISTIANSEN: Judge, thanks for you

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accommodations.

1	MR. VANNAH: Thank you.
2	THE COURT: No problem.
3	MR. VANNAH: That's been great.
4	[Proceedings adjourned at 4:16 p.m.]
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19	ATTEST: I do hereby certify that I have truly and correctly transcribed the audio-visual recording of the proceeding in the above entitled case to the
20	best of my ability.
21	OV - B 6111
22	Xusica P. Cakell
23	
24	Maukele Transcribers, LLC
25	Jessica B. Cahill, Transcriber, CER/CET-708

EXHIBIT 2

Ashley Ferrel

From:

Kendelee Works < kworks@christiansenlaw.com>

Sent:

Sunday, May 17, 2020 4:24 PM

To:

Patricia Lee

Cc:

Peter S. Christiansen; Jonathan Crain

Subject:

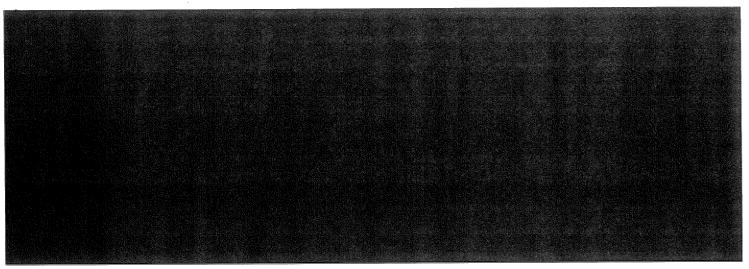
Simon v. Edgeworth et al: underlying client file

Attachments:

Edgeworth Stipulated Protective Order.pdf; ATT00001.txt

Patricia,

We are in receipt of your Notice of Intent to Bring Motion to Compel Production of Legal File Per NRS 7.055(2). Please note that because the client has not paid for the services rendered, a retaining lien exists under the law. Additionally, the 16.1 conference in this case has not taken place (to date, no Defendant has filed an answer) and thus, Plaintiffs are not yet obligated to produce any documents in the instant litigation. That aside, we are nevertheless willing to work with you and produce the file. Simon Law has expended substantial time getting the file ready and because it is so large, they had to purchase an external hard drive. However, it has come to our attention there exists information in the file that is subject to a protective order that must be addressed prior to disclosure. Please find attached the protective order for the underlying litigation with Viking and Lange. Specifically, please review the notice provision requiring that we notify the underlying defendants of any production of these materials prior to releasing the subject documents. The fact that you are not bound by the protective order, of course, raises concerns. If you have any input on addressing these matters in a professional manner, please let us know at your earliest convenience.



From: Patricia Lee <plee@hutchlegal.com> Date: May 19, 2020 at 12:01:58 AM PDT

To: Kendelee Works < kworks@christiansenlaw.com>

Cc: "Peter S. Christiansen" <pete@christiansenlaw.com>, Jonathan Crain <jcrain@christiansenlaw.com>

Subject: RE: Simon v. Edgeworth et al: underlying client file

Kendelee: With respect to the Edgeworth defendants, they are presumably bound by the protective order and are absolutely entitled to receive all of the information that makes up their legal file per NRS 7.055. As they are parties to the Protective Order, which does not prevent them from being in possession of this information, we once again maintain that the entirety of the file must be produced prior to the expiration of the 5-day notice. As counsel for the Edgeworths, we will analyze the information produced (once it's finally produced) to determine which portions are arguably within the scope of the executed Protective Order and will conduct ourselves accordingly. In short, the Protective Order cannot be an excuse for withholding the entirety of the file. In closing, we will expect the entirety of the file prior to the expiration of the 5-day notice. Thank you.

Best regards,

----Original Message----

From: Kendelee Works [mailto:kworks@christiansenlaw.com]

Sent: Sunday, May 17, 2020 4:24 PM To: Patricia Lee <PLee@hutchlegal.com>

Cc: Peter S. Christiansen <pete@christiansenlaw.com>; Jonathan Crain <jcrain@christiansenlaw.com>

Subject: Simon v. Edgeworth et al: underlying client file

Patricia,

We are in receipt of your Notice of Intent to Bring Motion to Compel Production of Legal File Per NRS 7.055(2). Please note that because the client has not paid for the services rendered, a retaining lien exists under the law. Additionally, the 16.1 conference in this case has not taken place (to date, no Defendant has filed an answer) and thus, Plaintiffs are not yet obligated to produce any documents in the instant litigation. That aside, we are nevertheless willing to work with you and produce the file. Simon Law has expended substantial time getting the file ready and because it is so large, they had to purchase an external hard drive. However, it has come to our attention there exists information in the file that is subject to a protective order that must be addressed prior to disclosure. Please find attached the protective order for the underlying litigation with Viking and Lange. Specifically, please review the notice provision requiring that we notify the underlying defendants of any production of these materials prior to releasing the subject documents. The fact that you are not bound by the protective order, of

course, raises concerns. If you have any input on addressing these matters in a professional manner, please let us know at your earliest convenience.

Patricia Lee

Partner

[HS

logo]https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fhutchlegal.com%2f&c=E,1,yo2Rwmli8Co8 OZcSA6SulkkvOWcp3NX8qM2vvdHr914XRvvN5gUPB4NDjVTJbgdx_ITTyccrjyJeRQ8zPppho6bgVPkExU2dd XmAN8jih6 tzrWu&typo=1>

HUTCHISON & STEFFEN, PLLC

(702) 385-2500

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ptGKeMd8xfV4NB0UYGVvmSmzkNNxc3HE4osCK4r3D8u&typo=1

<a href="https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fwww.hutchlegal.com&c=E,1,3TXgyyYy7g-PD4-eUB1t_oi-bull-ni-b

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Ashley Ferrel

From:

Kendelee Works < kworks@christiansenlaw.com>

Sent:

Friday, May 22, 2020 9:40 AM

To:

Patricia Lee

Cc:

Peter S. Christiansen; Jonathan Crain

Subject:

Re: Simon v. Edgeworth et al: underlying client file

Attachments:

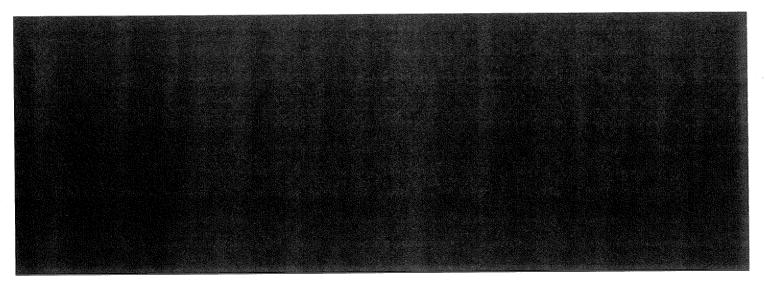
Exhibit A.pdf; ATT00001.htm

Patricia.

We understand that the Edgeworths are a party to the Protective Order and thus, bound by its terms. However, section 7.1 makes clear that a party in receipt of protected materials may only use such documents for prosecuting, defending or attempting to settle the <u>underlying litigation</u>. Confidential protected material may only be disclosed to a party's counsel of record in the <u>underlying litigation</u>. See Section 7.2. Accordingly, despite that we have not not received any formal subpoena or document request, we nevertheless contacted the underlying defendants with notice of your request for the protected material. Mr. Parker for Lange Plumbing requested that we not disclose the non-construction documents in the production. Mr. Henriod is contacting his client for further direction prior to disclosure. We anticipate they will require at a minimum, that you and Ms. Carteen execute the Acknowledgment and Agreement to be Bound, which is attached hereto for your reference. Please promptly let us know whether you are willing to sign the Acknowledgment and if so, sign and return executed copies as soon as possible.

We would prefer to resolve this issue amicably and in compliance with the parties' respective obligations under the underlying protective order. However, if you insist upon motion practice, pursuant to NRS 7.055(3), we will deposit the file with the clerk so the Court may adjudicate the Edgeworth's rights to the file, a significant portion of which constitutes confidential, protected material. Please let us know how you wish to proceed.

Thank you, KLW



From: Patricia Lee <plee@hutchlegal.com> Date: May 22, 2020 at 4:40:31 PM PDT

To: Kendelee Works kworks@christiansenlaw.com

Cc: "Peter S. Christiansen" <pete@christiansenlaw.com>, Jonathan Crain

<iri>icrain@christiansenlaw.com>

Subject: RE: Simon v. Edgeworth et al: underlying client file

Kendelee: Please arrange to have the file mailed directly to Mr. Edgeworth at the following address:

Brian Edgeowrth American Grating 1191 Center Point Drive Henderson, Nevada 89074

You may send the bill for the carrier or postage to my attention for payment, or, alternatively, we can arrange for Fed Ex to pick it up for delivery directly to Mr. Edgeworth, whichever you prefer. As we will not be receiving any portion of the file, my firm does not need to execute a wholesale agreement with respect to the Protective Order. In any event, the terms of the Protective Order itself mandates that Mr. Simon's office return or destroy all CONFIDENTIAL information produced within 60 days of the conclusion of the dispute. My understanding is that the underlying dispute has been concluded for some time. It is therefore unclear what documents you would even still have in your possession that would be deemed "Protected."

In any event, we will not be dispatching anyone to your office as we are carefully minimizing our staff's exposure to third party situations in light of COVID. Please let me know if you would like us to arrange Fed Ex pick up for delivery to Mr.

Edgeworth. Otherwise, please have it mailed via carrier to Mr. Edgeworth and send us the bill for such delivery. Thank you.

Best regards,

From: Kendelee Works [mailto:kworks@christiansenlaw.com]

Sent: Friday, May 22, 2020 3:40 PM
To: Patricia Lee < PLee@hutchlegal.com>

Cc: Peter S. Christiansen <pete@christiansenlaw.com>; Jonathan Crain <jcrain@christiansenlaw.com>

Subject: Re: Simon v. Edgeworth et al: underlying client file

The file is ready for pick-up by the Edgeworth's. Please sign and return the Acknowledgment sent this morning prior to having the file picked up so that we may release it without any concerns for our respective clients. The file can be picked up any time before 5:00 p.m. at 810 S. Casino Center Blvd, Las Vegas, Nevada 89101.

Please note that Simon Law has retained internal emails based on relevancy, work product privilege and proportionality. Additionally, at the request of Mr. Parker, the Lange Plumbing Tax Returns are not being produced. If you have additional concerns, you may reach me on my cell anytime: (702) 672-8756.

On May 22, 2020, at 10:28 AM, Patricia Lee < PLee@hutchlegal.com > wrote:

I'm not refusing anything. I'm asking you to please produce my clients' file to them as requested over a month ago. Also, as you know, Lisa is not yet counsel of record on this matter so I'm not sure why you need her signature.

So, to be clear, you will produce the entirety of my clients' legal file today, if I sign the protective order? Alternatively, I would expect that you could produce the non-"confidential" portions of their file without any issues, either way. Thanks!

Best regards,

From: Kendelee Works [mailto:kworks@christiansenlaw.com]

Sent: Friday, May 22, 2020 10:15 AM

To: Patricia Lee < PLee@hutchlegal.com>

Cc: Peter S. Christiansen < pete@christiansenlaw.com >; Jonathan Crain

<icrain@christiansenlaw.com>

Subject: Re: Simon v. Edgeworth et al: underlying client file

To be clear, are you refusing to sign off on the Acknowledgment and be bound by the protective order?

On May 22, 2020, at 9:51 AM, Patricia Lee <PLee@hutchlegal.com> wrote:

Kendelee: You may produce the protected portions of the Edgeworth's file (which, based on the definitions set forth in the Protective Order are likely limited) directly to them as they are under the protective order. We will expect full production of the Edgeworth's legal file today. Thank you.

Best regards,

From: Kendelee Works [mailto:kworks@christiansenlaw.com]
Sent: Friday, May 22, 2020 9:40 AM
To: Patricia Lee < PLee@hutchlegal.com >
Cc: Peter S. Christiansen < pete@christiansenlaw.com >; Jonathan Crain < icrain@christiansenlaw.com >
Subject: Re: Simon v. Edgeworth et al: underlying client file

Patricia,

We understand that the Edgeworths are a party to the Protective Order and thus, bound by its terms. However, section 7.1 makes clear that a party in receipt of protected materials may only use such documents for prosecuting, defending or attempting to settle the underlying litigation. Confidential protected material may only be disclosed to a party's counsel of record in the underlying litigation. See Section 7.2. Accordingly, despite that we have not not received any formal subpoena or document request, we nevertheless contacted the underlying defendants with notice of your request for the protected material. Mr. Parker for Lange Plumbing requested that we not disclose the non-construction documents in the production. Mr. Henriod is contacting his client for further direction prior to disclosure. We anticipate they will require at a minimum, that you and Ms. Carteen execute the Acknowledgment and Agreement to be Bound, which is attached hereto for your reference. Please promptly let us know whether you are willing to sign the Acknowledgment and if so, sign and return executed copies as soon as possible.

We would prefer to resolve this issue amicably and in compliance with the parties' respective obligations under the underlying protective order. However, if you insist upon motion practice, pursuant to NRS 7.055(3), we will deposit the file with the clerk so the Court may adjudicate the Edgeworth's rights to the file, a significant portion of which constitutes confidential, protected material. Please let us know how you wish to proceed.

Thank you, KLW

Patricia Lee

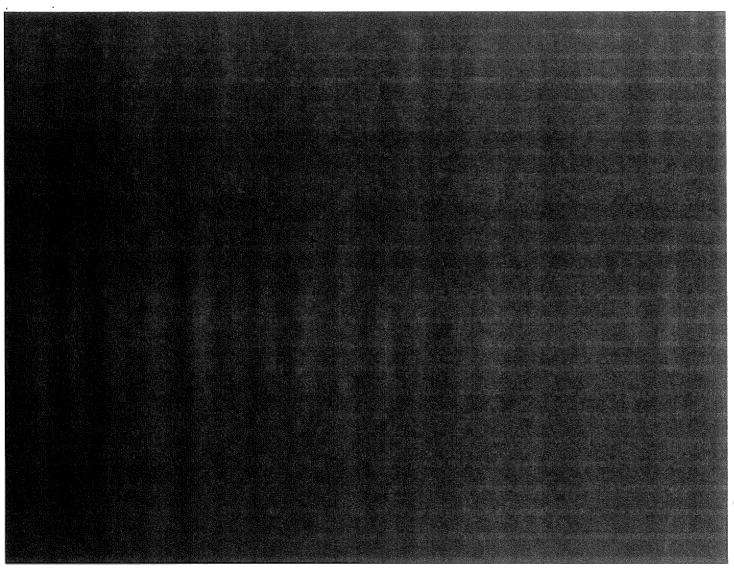
Partner				
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(702) 385-2500				
hutchlegal.com				
Notice of Confidentiality: The information	mation transm	uitted is int	tended only	for the
person or entity to whom it is address				
privileged material. Any review, retra	ınsmission, di	sseminatio	on or other u	ise of,
or taking any action in reliance upon,	this informat	ion by any	one other th	ian the
intended recipient is not authorized.				

Patricia Lee
Partner

HUTCHISON & STEFFEN, PLLC
(702) 385-2500
hutchlegal.com

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Patricia Lee
Partner
X
HUTCHISON & STEFFEN, PLLC
(702) 385-2500
hutchlegal com



From: Patricia Lee < PLee@hutchlegal.com>

Subject: RE: Simon v. Edgeworth et al: underlying client file

Date: May 27, 2020 at 2:37:51 PM PDT

To: "Peter S. Christiansen" < pete@christiansenlaw.com>

Cc: Jonathan Crain < icrain@christiansenlaw.com >, Kendelee Works

<kworks@christiansenlaw.com>

Mr. Christiansen: We will inform our client that their attorney file, sans documents clearly marked "Confidential," should be received by them shortly. It is my understanding that the "action" to which the Protective Order pertains is the underlying products defect action, not the unrelated attorneys' lien matter which involves different parties and different issues. It is therefore perplexing that you still consider the litigation to which the Protective Order clearly applies, to still be "ongoing." In any event, I appreciate your office finally agreeing to turn over those parts of the file that are not deemed "Confidential," (which is what I suggested at the outset when initially confronted with the "Protective Order") and depositing the balance

with the Court. As for my comment, "I'm not refusing anything," it was not an agreement that I would sign a blanket protective order with language subjecting my firm to liability. If you read the rest of my email, it was actually me that was trying to seek clarification about your firm's position with respect to the Edgeworths' legal file (which was to be produced by the 14th per the agreement of the parties).

As for my demands and threats, they are neither baseless nor "threatening." It is your firm's actions that have triggered the need for repeated extra-judicial intervention by my firm. Indeed, right out of the gate your firm, after waiting 3 months to serve a complaint, ran to court with your "hair on fire" demanding that my clients turn over all of their personal electronic devices for full imaging by a third party, with absolutely zero explanation as to the "emergency" or any explanation as to why extraordinary protocols were even warranted. When I asked about it during our call, you retorted that "this was not the time nor place to discuss these issues." When presented with a different preservation protocol, that still contemplated full imaging of "all" electronic devices, I followed up with a series of clarifying questions, which have gone unanswered by your firm to date.

Next, your firm files a completely untenable opposition to Ms. Carteen's routine *pro hac vice* application, which I tried to resolve with your associate outside of the need for further motion practice, which attempts were solidly rebuffed by your office.

Finally, the simple act of providing a former client with his or her file has somehow become unnecessarily complicated by the introduction of a "Protective Order" which your office insisted that my firm execute prior to the production of the same. The Edgeworths are absolutely entitled to their legal file without the need to propound discovery. Thank you for finally agreeing to send it.

It is clear that your office is taking a scorched earth approach to this litigation in an attempt to inflate costs and wage a war of attrition. Mr. Simon, who is likely the author of many if not all of the pleadings and papers being generated on your end, has the luxury of being an attorney and can therefore better manage and control costs

on his end, and use his abilities to vexatiously multiply the proceedings to the material detriment of my clients.

As I have stated from the first time that you and I spoke on the phone, it is always my goal to work cooperatively with opposing counsel so long as doing so does not prejudice my client. Reciprocally, I would expect the same professionalism on the other end. Thanks Peter.

Best regards,

From: Peter S. Christiansen [mailto:pete@christiansenlaw.com]

Sent: Wednesday, May 27, 2020 12:57 PM To: Patricia Lee < PLee@hutchlegal.com >

Cc: Jonathan Crain < icrain@christiansenlaw.com >; Kendelee Works

<kworks@christiansenlaw.com>

Subject: Re: Simon v. Edgeworth et al: underlying client file

Ms. Lee:

Your erratic and inconsistent emails make responding rationally difficult. You first demanded we turn the Edgeworth file over to you ASAP and followed with a series of threats. When we agreed to turn over the file but noted there was a protective order in place you responded that because your client is bound by the order there should be no issue providing you with the entire file, including the confidential protected material. We then pointed out that use of the confidential material was limited to the underlying litigation and counsel of record in that particular case, which you were not. You then stated you were not refusing to "sign anything," seemingly indicating you would sign the Acknowledgement and agreement to be bound. When we sent the Stip for you to sign you then pivoted and DEMANDED we send the entire file to the Edgeworths via mail b/c your office is observing covid protocol (which is funny in light of your ridiculous timed demands for the file forcing my office to work).

While we are willing to provide the Edgeworth's with their file (despite that discovery has not yet begun and there remains a charging lien in place), my client is bound by a protective order which it has become apparent you are attempting to circumvent (perhaps in an attempt to conjure up another baseless counterclaim or frivolous accusations against my client). Further, you stated that it was your understanding that the underlying dispute has been concluded for some time and you are unclear what documents we would have in our possession that would be deemed "protected." Your understanding is incorrect. Pursuant to the protective order, these documents are only supposed to be destroyed within 60 days of the final

disposition of the "action." Since the fee dispute litigation is ongoing, these documents have not been destroyed.

As a result, we will mail the Edgeworths the file without the protected confidential material. If you want to sign the Acknowledgment and agree to be bound, we will produce the entire file. Short of that, we intend to deposit the balance of the file with the clerk and seek the court's guidance as to how to proceed. That will of course require input from counsel for both Lange and Viking (Mr. Parker and Mr. Henriod).

Lastly, please refrain from any further baseless demands, threats and personal attacks in this matter. We prefer to proceed professionally so that we may all litigate this case on the merits.

Thanks,

PSC

Peter S. Christiansen, Esq. Christiansen Law Offices 810 S. Casino Center Boulevard Las Vegas, NV 89101 Phone (702) 240-7979 Fax (866) 412-6992

This email is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering the email to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

From: Patricia Lee < PLee@hutchlegal.com > Sent: Wednesday, May 27, 2020 8:52 AM

To: Kendelee Works

Cc: Peter S. Christiansen; Jonathan Crain

Subject: Re: Simon v. Edgeworth et al: underlying client file

Please confirm that you have mailed the Edgeworth's legal file.

Best regards,

Sent from my iPhone

On May 22, 2020, at 3:40 PM, Kendelee Works kworks@christiansenlaw.com> wrote:

The file is ready for pick-up by the Edgeworth's. Please sign and return the Acknowledgment sent this morning prior to having the file picked up so that we may release it without any concerns for our respective clients. The file can be picked up any time before 5:00 p.m. at 810 S. Casino Center Blvd, Las Vegas, Nevada 89101.

Please note that Simon Law has retained internal emails based on relevancy, work product privilege and proportionality. Additionally, at the request of Mr. Parker, the Lange Plumbing Tax Returns are not being produced. If you have additional concerns, you may reach me on my cell anytime: (702) 672-8756.

On May 22, 2020, at 10:28 AM, Patricia Lee < PLee@hutchlegal.com > wrote:

I'm not refusing anything. I'm asking you to please produce my clients' file to them as requested over a month ago. Also, as you know, Lisa is not yet counsel of record on this matter so I'm not sure why you need her signature.

So, to be clear, you will produce the entirety of my clients' legal file today, if I sign the protective order? Alternatively, I would expect that you could produce the non-"confidential" portions of their file without any issues, either way. Thanks!

Best regards,

From: Kendelee Works

[mailto:kworks@christiansenlaw.com]
Sent: Friday, May 22, 2020 10:15 AM
To: Patricia Lee <PLee@hutchlegal.com>

Cc: Peter S. Christiansen < pete@christiansenlaw.com>; Jonathan Crain < jcrain@christiansenlaw.com> Subject: Re: Simon v. Edgeworth et al: underlying client file

To be clear, are you refusing to sign off on the Acknowledgment and be bound by the protective order?

On May 22, 2020, at 9:51 AM, Patricia Lee <PLee@hutchlegal.com> wrote:

Kendelee: You may produce the protected portions of the Edgeworth's file (which, based on the definitions set forth in the Protective Order are likely limited) directly to them as they are under the protective order. We will expect full production of the Edgeworth's legal file today. Thank you.

Best regards,

From: Kendelee Works
[mailto:kworks@christiansenlaw.com]
Sent: Friday, May 22, 2020 9:40 AM
To: Patricia Lee
<<u>PLee@hutchlegal.com</u>>
Cc: Peter S. Christiansen
<<u>pete@christiansenlaw.com</u>>; Jonathan
Crain <<u>icrain@christiansenlaw.com</u>>
Subject: Re: Simon v. Edgeworth et al:

Patricia,

underlying client file

We understand that the Edgeworths are a party to the Protective Order and thus, bound by its terms. However, section 7.1 makes clear that a party in receipt of protected materials may only use

such documents for prosecuting, defending or attempting to settle the underlying litigation. Confidential protected material may only be disclosed to a party's counsel of record in the underlying litigation. See Section 7.2. Accordingly, despite that we have not not received any formal subpoena or document request, we nevertheless contacted the underlying defendants with notice of your request for the protected material. Mr. Parker for Lange Plumbing requested that we not disclose the non-construction documents in the production. Mr. Henriod is contacting his client for further direction prior to disclosure. We anticipate they will require at a minimum, that you and Ms. Carteen execute the Acknowledgment and Agreement to be Bound, which is attached hereto for your reference. Please promptly let us know whether you are willing to sign the Acknowledgment and if so, sign and return executed copies as soon as possible.

We would prefer to resolve this issue amicably and in compliance with the parties' respective obligations under the underlying protective order. However, if you insist upon motion practice, pursuant to NRS 7.055(3), we will deposit the file with the clerk so the Court may adjudicate the Edgeworth's rights to the file, a significant portion of which constitutes confidential, protected material. Please let us know how you wish to proceed.

Thank you, KLW Patricia Lee
Partner

HUTCHISON & STEFFEN, PLLC
(702) 385-2500

hutchlegal.com
Notice of Confidentiality: The information transmitted is intended only for the person or entity to whom it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking any action in reliance upon, this information by anyone other than the intended recipient is not authorized.

HUTCHISON & STEFFEN, PLLC (702) 385-2500

hutchlegal.com

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Patricia Lee
Partner

HUTCHISON & STEFFEN, PLLC

(702) 385-2500 hutchlegal.com

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Patricia Lee Partner

EXHIBIT 3

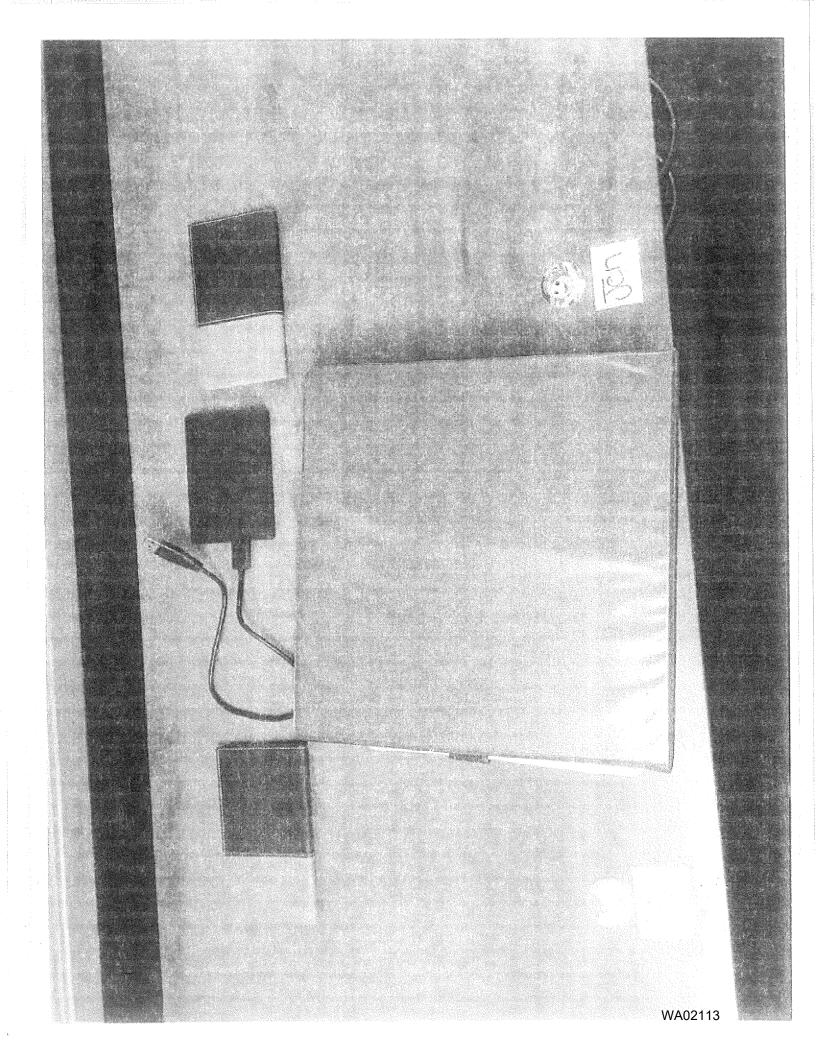


EXHIBIT 4



Dear Customer,

The following is the proof-of-delivery for tracking number: 393277379817

Delivery Information:					
Status:	Delivered	Delivered To:			
Signed for by:	M.BRIAN	Delivery Location:			
Service type:	FedEx Priority Overnight				
Special Handling: Deliver Weekday; No Signature Required		HENDERSON, NV,			
		Delivery date:	May 28, 2020 10:16		
Shipping Information:					
Tracking number: 393277379817	393277379817	Ship Date:	May 27, 2020		
	Weight:				
			and the second s		
Recipient:		Shipper:			
HENDERSON, NV, US,		LAS VEGAS, NV, US	LAS VEGAS, NV, US,		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.



TRACK ANOTHER SHIPMENT

393277379817

ADD NICKNAME



Delivered Thursday, May 28, 2020 at 10:16 am



DELIVERED

Signed for by: M.BRIAN

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

FROM

LAS VEGAS, NV US

TO

HENDERSON, NV US

Travel History

TIME ZONE Local Scan Time

Thursday, May 28, 2020

10:16 AM

HENDERSON, NV

Delivered

Shipment Facts

TRACKING NUMBER

SERVICE

SPECIAL HANDLING SECTION

393277379817

FedEx Priority Overnight

Deliver Weekday, No Signature Required

SHIP DATE

5/27/20 ①

ACTUAL DELIVERY

5/28/20 at 10:16 am

EXHIBIT 5

MORRIS LAW GROUP

ATTORNEYS AT LAW

801 S. RANCHO DR., STE. B4
LAS VEGAS, NV 89106
TELEPHONE: 702/474-9400
FACSIMILE: 702/474-9422
WEBSITE: WWW.MORRISLAWGROUP.COM

May 4, 2021

VIA EMAIL: jim@jchristensenlaw.com James R. Christensen 601 S. 6th Street Las Vegas, NV 89101

Re: Eighth Judicial District Court Case No. A-16-738444-C

Dear Jim:

As discussed in our call, please consider this formal demand, pursuant to NRS 7.055, that your client provide mine with the complete client file in the above-referenced case. I understand Mr. Simon (or someone on his behalf) previously provided portions of the file to Mr. Edgeworth, however, the file provided is incomplete.

Among the items missing are all attachments to emails included in the production, all correspondence, including email, with third-parties regarding the settlement of the Viking and Lange Plumbing claims, other drafts of the settlement agreements, communications regarding experts, including the expert reports themselves, all research conducted and/or research memos prepared on behalf of and paid by my clients.

NRS 7.055 is unambiguous that an attorney must, "upon demand and payment of the fee due from the client, deliver to the client all papers, documents, pleadings, and items of tangible personal property which belong to *or were prepared for that client*."

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely, -

Rosa Solis-Rainey

James R. Christensen Esq. 601 S. 6th Street Las Vegas, NV 89101

Ph: (702)272-0406 Fax: (702)272-0415 E-mail: jim@jchristensenlaw.com

May 7, 2021

Via E-Mail

Rosa Solis-Rainey Morris Law Group 801 S. Rancho Drive Suite B4 Las Vegas, NV 89106 rsr@morrislawgroup.com

Re: Edgeworth v. Viking and related matters

Dear Ms. Solis-Rainey:

Thank you for your letter of May 4, 2021, concerning the case file. At the outset, it is doubtful that NRS 7.055 applies because the full fee has not yet been paid, and recent motion practice may further delay payment of the fee. That said, as discussed last year, my client is willing to reasonably comply within the bounds of the law, which has been done.

There was a good deal of discussion last year regarding the impact of a non-disclosure agreement (NDA) on providing discovery information and expert reports which relied upon, cited to, and incorporated discovery subject to the NDA. I was not involved in the file production last year, but I have reviewed the correspondence. A fair reading seems to be that the NDA counterparties reaffirmed their position, the Edgeworths and their counsel declined to be bound by the NDA, and as a result it was agreed that items subject to an NDA would not be provided. If there has been a change in position on being bound by an NDA, or if you want to discuss the prior agreement, please let me know.

I need some clarification on the email attachment request. There are thousands of emails. Many emails repeat the same attachment in a forward or a reply. Further, it is believed that all the attachments have been provided, although multiple copies have not been provided each as a specific attachment to a particular email. For example, please review the first motion for reconsideration filed this year and the opposition. Your client argued that a stipulation and order attached to an email had been intentionally withheld. Of course, the argument was groundless. The stipulation and order had been signed by the court and was a matter of public record and is in the file produced. At some point, reasonableness and proportionality must be considered. Perhaps if you could provide some specificity.

I will confer with my client on the research and draft settlement agreements and get back to you.

Lastly, the file is quite large, I would be surprised if no gaps existed.

I will speak with my client and provide a further response per above next week. Please clarify your NDA position and provide some specificity to the attachment request.

I believe that covers all the areas raised. If not, please let me know.

Sincerely,

JAMES R. CHRISTENSEN, P.C.

ISI James R. Christensen

JAMES R. CHRISTENSEN

JRC/dmc cc: Client(s)

EXHIBIT 7

IN THE SUPREME COURT OF THE STATE OF NEVADA

* * * * *

EDGEWORTH FAMILY TRUST; AND AMERICAN GRATING, LLC,

Appellants/Cross Respondents.

VS.

DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, A PROFESSIONAL CORPORATION; DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive,

Respondents/Cross-Appellants.

EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC,

Appellants,

VS.

DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, A PROFESSIONAL CORPORATION; DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive,

Respondents.

Electronically Filed Aug 08 2019 11:42 a.m. Elizabeth A. Brown Clerk of Supreme Court

Supreme Court Case

No. 77678 consolidated with No. 78176

APPEAL FROM FINAL JUDGMENTS ENTERED FOLLOWING EVIDENTIARY HEARING

THE EIGHTH JUDICIAL DISTRICT COURT, CLARK COUNTY, NEVADA
THE HONORABLE TIERRA JONES, DISTRICT COURT JUDGE

APPELLANTS' OPENING BRIEF

ROBERT D. VANNAH, ESQ.
Nevada State Bar No. 2503
JOHN B. GREENE, ESQ.
Nevada Bar No. 004279
VANNAH & VANNAH
400 South Seventh Street, 4th Floor
Las Vegas, Nevada 89101
Attorneys for Appellants/Cross
Respondents
EDGEWORTH FAMILY TRUST;
AND, AMERICAN GRATING, LLC

The District Court further decided Simon was "entitled to a reasonable fee in the amount of \$200,000." AA, Vol. 2, 000370-000373. Appellants contest the District Court's constructive discharge determination and appeal the its determination of the \$200,000 amount. Why?

Neither the facts nor the law supports a finding of any sort of discharge of Simon by Appellants, constructive or otherwise. Appellants needed him to complete his work on their settlements, and he continued to work and to bill. AA, Vols. 1 & 2 000301:4-11; 000159-163, 000263-000265. Plus, the amount of the awarded fees doesn't have a nexus to reality or the facts. Could there be a better barometer of truth of the reasonable value of Simon's work in wrapping up the ministerial tasks of the Viking and Lange cases for those five weeks than the work he actually performed? No.

When it became clear to him that his Plan A of a contingency fee wasn't allowed per NRPC 1.5(c), Simon adopted Plan Zombie ("Z") by creating a "super bill" that he spent weeks preparing that contains every entry for every item of work that he allegedly performed from May 27, 2016 (plus do-overs; add-ons; mistakes; etc.), through January 8, 2018. AA, Vols 1 & 2 000053-000267. It also contains some doozies, like a 23-hour day billing marathon, etc. Id., Vols 1 & 2 000159-000163; 000263-000265 All of the itemized tasks billed by Simon and Ms. Ferrel (at \$550/\$275 per hour, respectively) for that slim slot of time total \$33,811.25. Id.

How is it less than an abuse of discretion to morph \$33,811.25 into \$200,000 for five weeks of nothing more than mop up work on these facts?

E. The District Court's Dismissal of Appellants' Amended Complaint

Settlements in favor of Appellants for substantial amounts of money were reached with the two flood defendants on November 30 and December 7, 2017. *AA, Vol 3 000518-3:22-25, 000518-4:1-6.* But Simon wrongfully continued to lay claim to nearly \$1,977,843 of Appellants' property, and he refused to release the full amount of the settlement proceeds to Appellants. *AA, Vols. 1 & 2 000006; 000300.* When Simon refused to release the full amount of the settlement proceeds to Appellants, litigation was filed and served. *AA, Vols. 1 & 2 000014; 000358:10-12.*

Appellants filed an Amended Complaint on March 15, 2018, asserting Breach of Contract, Declaratory Relief, Conversion, and for Breach of the Implied Covenant of Good Faith and Fair Dealing. AA, Vol. 2 000305. Eight months later, the District Court dismissed Appellants' Amended Complaint. Id., 000384:1-4. In doing so, the District Court ignored the standard of reviewing such motions by disbelieving Appellants and adopting the arguments of Simon. Therefore, Appellants appeal the District Court's decision to dismiss their Amended Complaint. AA, Vol. 2 000425-000426.

F. The District Court's Award of \$50,000 in Attorney's Fees and \$5,000 in Costs

After Simon filed a Motion for Attorney's Fees and Costs, the District Court awarded Simon \$50,000 in attorney's fees and \$5,000 in costs. AA, Vol. 2 000484:1-2. The District Court again ignored the standard of review, believed Simon over Appellants, and held that the conversion claims brought against Simon were maintained in bad faith. AA, Vol 2 000482:16-23. The District Court awarded these fees and costs without providing any justification or rationale as to the amounts awarded. Id., at 000484. Appellants appealed the District Court's decision to award \$50,000 attorney's fees and \$5,000 costs. AA, Vol 2 000485-000486.

G. The Amounts in Controversy

Appellants have no disagreement with the District Court's review of all of Simon's invoices from May 27, 2016, through January 8, 2018. Specifically, it reviewed Simon's bills and determined that the reasonable value of his services from May 27, 2016, through September 19, 2017, was \$367,606.25. AA, Vol 2000353-000374. Appellants paid this sum in full. Id., 000356. It also determined that the reasonable value of Simon's services from September 20, 2017, through November 29, 2017, was \$284,982.50. Id., 000366-000369. Appellants do not dispute this award, either. In reaching that conclusion and award, the District Court

reviewed all, and rejected many, of Simon's billing entries on his "super bill" for a variety of excellent reasons. *Id.*, 000366-000369; 000374.

Appellants do, however, dispute the award of a bonus in the guise of fees of \$200,000 to Simon from November 30, 2017, through January 8, 2018. In using the same fee analysis the District Court applied above, Simon would be entitled to an additional \$33,811.25, which reflects the work he actually admits he performed, for a difference of \$166,188.75. AA Vols. 1 & 2 000373-000374; 000159-163; 000263-000265. Appellants also dispute the \$50,000 in fees and \$5,000 in costs awarded to Simon when the District Court wrongfully dismissed Appellants' Amended Complaint, etc.

Finally, Appellants assert that once Simon's lien was adjudicated in the amount of \$484,982.50, with Simon still holding claim to \$1,492,861.30, he is wrongfully retaining an interest in \$1,007,878.80 of Appellants funds. AA, Vol. 2 000415-000424. That's an unconstitutional pre-judgment writ of attachment. Sniadach v. Family Finance Corp. of Bay View, 395 U.S. 337 (1969).

IV. <u>PROCEDURAL OVERVIEW</u>:

Simon filed a Motion to Adjudicate his \$1,977,843.80 lien on January 24, 2018. AA, Vols. 1 & 2 000025-000276. Appellants opposed that Motion. AA, Vol. 2 000277-000304. The District Court set an evidentiary hearing over five days on this lien adjudication issue. AA, Vol. 3 000488. Appellants argued there was no

basis in fact or law for Simon's fugitive attorney's liens, or his Motion to Adjudicate Attorney's Lien, and that the amount of Simon's lien was unjustified under NRS 18.015(2). AA, Vol. 2 000284: 21-27. Appellants further argued that there was in fact an oral contract for fees between Simon and Appellants consisting of \$550/hr for Simon's services that was proved through the testimony of Brian Edgeworth and through the course of consistent performance between the parties from the first billing entry to the last. Id., 000284-000292.

The District Court found that Simon asserted a valid charging lien under NRS 18.015. AA, Vol. 2 000358: 18-28. The District Court also determined that November 29, 2017, was the date Appellants constructively discharged Simon. Id. As a result, the District Court found that Simon was entitled to quantum meruit compensation from November 30, 2017, to January 8, 2018, in the amount of \$200,000. Id., 000373-000374.

A. Simon's Motion to Dismiss Amended Complaint Under NRS 12(B)(5)

Simon filed a Motion to Dismiss Appellants' Amended Complaint pursuant to NRCP 12(b)(5). Appellants opposed Simon's Motion and argued that the claims against Simon were soundly based in fact and law. AA, Vol. 2 000344-000351. Appellants also stressed that Nevada is a notice-pleading jurisdiction, which the Amended Complaint had clearly met the procedural requirement of asserting "a

short and plain statement of the claim showing that the pleader is entitled to relief...." NRCP 8(a)(1). AA, Vol. 2 000343.

However, the District Court chose to believe Simon and dismissed Appellants' Amended Complaint in its entirety. AA, Vol. 2 000384. The District Court noted that after the Evidentiary Hearing and in its Order Adjudicating Attorney's Lien, no express contract was formed, only an implied contract existed, and Appellants were not entitled to the full amount of their settlement proceeds. Id. Yet, whose responsibility was it to prepare and present the fee agreement to the clients—Appellants—for signature? Simon's. Whose fault—invited error—was it that it wasn't? Simon's, of course, as he's the lawyer in the relationship. NRPC 1.5(b). Regardless, the District Court dismissed Appellants' Amended Complaint. AA, Vol. 2 000384. It did so without allowing any discovery and barely eight months after it was filed. AA, Vol. 2 000381, 000384.

B. Simon's Motion for Attorney's Fees and Costs

Simon filed a Motion for Attorney's Fees and Costs on December 7, 2018. Appellants opposed Simon's Motion, arguing their claims against Simon were maintained in good faith. AA, Vol. 2 000437-000438. They further argued it would be an abuse of discretion for the District Court to award Simon attorney's fees when such fees were substantially incurred as a result of the evidentiary hearing to adjudicate Simon's own lien and conduct, namely his exorbitant \$1,977,843.80

attorney's lien. AA, Vol. 2 000432-000435. The District Court awarded Simon \$50,000 in fees under NRS 18.010 (2)(b), and \$5,000 in costs, but providing no explanation in its Order as to the amount of the award. Id.

V. STANDARD OF REVIEW:

A. Adjudicating Attorney's Liens - Abuse of Discretion:

A district court's decision on attorney's lien adjudications is reviewed for abuse of discretion standard. Frank Settelmeyer & Sons, Inc. v. Smith & Harmer, Ltd., 124 Nev. 1206, 1215 (2008). An abuse of discretion occurs when the court bases its decision on a clearly erroneous factual determination or it disregards controlling law. NOLM, LLC v. Cty. of Clark, 120 Nev. 736, 739, 100 P.3d 658, 660–61 (2004) (holding that relying on factual findings that are "clearly erroneous or not supported by substantial evidence" can be an abuse of discretion (internal quotations omitted)). MB Am., Inc. v. Alaska Pac. Leasing, 367 P.3d 1286, 1292 (2016).

B. Motions to Dismiss – de novo Review

An order on a motion to dismiss is reviewed de novo. *Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev. 224, 227-28, 181 P.3d 670, 672 (2008). De novo review requires a matter be considered anew, as if it had not been heard before and as if no decision had been rendered previously. *United States v. Silverman*, 861 F.2d 571, 576 (9th Cir.1988).

C. Motions for Attorney's Fees and Costs – Abuse of Discretion

A district court's decision on an award of fees and costs is reviewed for an abuse of discretion. *Gunderson v. D.R. Norton, Inc.*, 130 Nev. 67, 319 P.3d 606, 615 (2014); *LVMPD v. Yeghiazarian*, 129 Nev 760, 766, 312 P.3d 503, 508 (2013). An abuse of discretion occurs when the district court bases its decision on a clearly erroneous factual determination or it disregards controlling law. *NOLM, LLC v. Cty. of Clark*, 120 Nev. 736, 739, 100 P.3d 658, 660–61 (2004) (holding that relying on factual findings that are "clearly erroneous or not supported by substantial evidence" can be an abuse of discretion (internal quotations omitted)). *MB Am., Inc. v. Alaska Pac. Leasing*, 367 P.3d 1286, 1292 (2016).

VI. SUMMARY OF ARGUMENTS:

There was no basis in fact or law for the content of Simon's fugitive lien, as its amount was never agreed upon by the attorney and the client under NRS 18.015(2). *Id.* In fact, there was a clear fee agreement between Appellants and Simon whereby Simon was to represent Appellants in the flood lawsuit in exchange for an hourly fee of \$550. *Id.* Upon settlement of the underlying case, when Simon refused to hand over Appellants' settlement funds post lienadjudication, effectively retaining \$1,492,861.30 of Appellants' undisputed funds, a conversion of Appellants' settlement funds had taken place. And still does today.

Reviewing the District Court's Order Dismissing Appellants' Amended Complaint *de novo*, it is clear the District Court committed reversible legal error when it: 1.) Used the wrong legal standard when analyzing the Amended Complaint; 2.) Failed to accept all of Appellants factual allegations in the complaint as true; and, 3.) Failed to draw all inferences in favor of Appellants. *Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev. 224, 227-28, 181 P.3d 670, 672 (2008). Rather than follow the law, the District Court did just the opposite here by ignoring the law, believing Simon's story, and drawing all inference in favor of Simon. That can't be allowed to stand.

To make the abuse of discretionary matters worse, when Simon moved for attorney's fees and costs on December 7, 2018, the District Court wrongfully awarded Simon another \$50,000 pursuant to NRS 18.010(2)(b), and \$5,000 in costs. AA, Vol. 2 000484:1-2. The \$50,000 award was a manifest abuse of discretion, as it was predicated on the District Court's: 1.) Abuse of discretion by dismissing Appellants' Amended Complaint in the first place by applying the exact opposite standard of ignoring Appellants' allegations and inferences and believing Simon; 2.) Inaccurately finding that Appellants' conversion claim was maintained in bad faith; and, 3.) Failure to consider the Brunzell factors. Hornwood v. Smith's Food King No. 1, 807 P2d 209 (1991) And in its Order awarding \$50,000 in fees

VIII. CONCLUSION/ RELIEF SOUGHT:

The District Court committed clear and reversible error when it applied the wrong standard in considering Simon's Motion to Dismiss. When it should have considered all of Appellants' allegations and inferences as true, the District Court did just the opposite and believed Simon.

The District Court also committed clear and reversible error and abused its discretion in awarding Simon an additional \$50,000 in fees and \$5,000 in costs while dismissing Appellants' Amended Complaint, a pleading that never should have been dismissed to begin with. Even so, these fees were awarded without the requisite analysis that Nevada law requires.

The District Court also committed clear and reversible error and abused its discretion in awarding Simon an additional \$200,000 in fees under the guise of the equitable remedy of quantum meruit and its plus one, an attorney's "charging" lien. The facts are clear that Simon was never discharged and never acted as such, at least through the conclusion of the flood litigation. Instead, he continued to work the case through January 8, 2018, continued to represent Appellants, completed the ministerial work to close out the flood case, and billed for all his efforts.

Plus, quantum meruit is an equitable remedy and equity requires clean hands. In re De Laurentis Entertainment Group, 983 F.3d 1269, 1272 (1992);

by a reference to the page of the reporter's transcript or appendix, where the matter relied on is to be found. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

DATED this 8th day of August, 2019.

VANNAH & VANNAH

ROBERT D. VANNAH, ESQ.

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CERTIFICATE OF SERVICE

Pursuant to the provisions of NRAP, I certify that on the 8th day of August, 2019, I served **APPELLANTS' OPENING BRIEF** on all parties to this action, electronically, as follows:

James R. Christensen, Esq.

JAMES R. CHRISTENSEN, P.C.

601 S. 6th Street

Las Vegas, NV 89101

An Employee of VANNAH & VANNAH

EXHIBIT 8

ORD 1 2 3 DISTRICT COURT 4 CLARK COUNTY, NEVADA 5 6 EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC, 7 Plaintiffs, 8 CASE NO.: A-18-767242-C DEPT NO.: XXVI VS. 9 LANGE PLUMBING, LLC; THE VIKING 10 CORPORATION, a Michigan Corporation; Consolidated with 11 SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and 12 DOES 1 through 5; and, ROE entities 6 through CASE NO.: A-16-738444-C 10: DEPT NO.: X 13 Defendants. 14 EDGEWORTH FAMILY TRUST; and 15 AMERICAN GRATING, LLC, 16 Plaintiffs, DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN 17 VS. 18 DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, a Professional Corporation 19 d/b/a SIMON LAW; DOES 1 through 10; and, 20 ROE entities 1 through 10; 21 Defendants. 22 DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN 23 24 This case came on for an evidentiary hearing August 27-30, 2018 and concluded on

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

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person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS**:

FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more that happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been doen earlier snce who would have thought this case would meet the hurdle of punitives at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. <u>Id</u>. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. <u>Id</u>. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

^{\$265,677.50} in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at a mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.
 - The parties agree that an express written contract was never formed. 22.
- 23. On December 7, 2017, the Edgeworths signed a Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.

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CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The

Court

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-738444-C under NRS 18.015.

NRS 18.015(1)(a) states:

- 1. An attorney at law shall have a lien:
- (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
- Nev. Rev. Stat. 18.015.

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The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited, thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah. PLLC v. TJ Allen LLC, 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co.. v. Jolley, Urga, Wirth, Woodbury & Standish. 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon, regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

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"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier snce who would have thought this case would meet the hurdle of punitives at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

- Refusal to communicate with an attorney creates constructive discharge. Rosenberg v. Calderon Automation, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).
- Refusal to pay an attorney creates constructive discharge. See e.g., Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).

- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). See also <u>Maples v. Thomas</u>, 565 U.S. 266 (2012); *Harris v. State*, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact litigation that Simon was representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

<u>Id</u>.

This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put

into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly identified as the firm that solely advised the clients about the settlement. The actual language in the settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

Id.

Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon

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and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.
 - 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
 - (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
 - (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
 - 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
 - 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
 - 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

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Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees

had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law Office retained the payments, indicating an implied contract was formed between the parties. The Court find that the Law Office of Daniel Simon should be paid under the implied contract until the date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing

indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees; however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This amount has already been paid by the Edgeworths on December 16, 2016.

 $^{^2\}mbox{There}$ are no billing amounts from December 2 to December 4, 2016.

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.³

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.⁶

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq.

³ There are no billings from July 28 to July 30, 2017.

There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

There is no billing from September 19, 2017 to November 5, 2017.

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or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities. Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co.. v. Jolley. Urga. Wirth. Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The <u>Brunzell</u> factors are: (1) the qualities of the advocate; (2) the character of the work to be done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

1. Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's work product and results are exceptional.

2. The Character of the Work to be Done

The character of the work done in this case is complex. There were multiple parties,

multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the gamut from product liability to negligence. The many issues involved manufacturing, engineering, fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp testified that the quality and quantity of the work was exceptional for a products liability case against a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a substantial factor in achieving the exceptional results.

3. The Work Actually Performed

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that caused possible other floods. While the Court finds that Mr. Edgeworth was extensively involved and helpful in this aspect of the case, the Court disagrees that it was his work alone that led to the other activations being uncovered and the result that was achieved in this case. Since Mr. Edgeworth is not a lawyer, it is impossible that it was his work alone that led to the filing of motions and the litigation that allowed this case to develop into a \$6 million settlement. All of the work by the Law Office of Daniel Simon led to the ultimate result in this case.

4. The Result Obtained

The result was impressive. This began as a \$500,000 insurance claim and ended up settling for over \$6,000,000. Mr. Simon was also able to recover an additional \$100,000 from Lange Plumbing LLC. Mr. Vannah indicated to Simon that the Edgeworths were ready so sign and settle the Lange Claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This ultimately led to a larger settlement for the Edgeworths. Recognition is due to Mr. Simon for placing the Edgeworths in a great position to recover a greater amount from Lange. Mr. Kemp testified that this was the most important factor and that the result was incredible. Mr. Kemp also testified that he has never heard of a \$6 million settlement with a \$500,000 damage case. Further, in the Consent to Settle, on the Lange claims, the Edgeworth's acknowledge that they

were made more than whole with the settlement with the Viking entities.

In determining the amount of attorney's fees owed to the Law Firm of Daniel Simon, the Court also considers the factors set forth in Nevada Rules of Professional Conduct – Rule 1.5(a) which states:

(a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:

(1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;

(2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;

(3) The fee customarily charged in the locality for similar legal services;

(4) The amount involved and the results obtained;

- (5) The time limitations imposed by the client or by the circumstances;
- (6) The nature and length of the professional relationship with the client;
- (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and
 - (8) Whether the fee is fixed or contingent.

NRCP 1.5. However, the Court must also consider the remainder of Rule 1.5 which goes on to state:

- (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
- (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in writing, signed by the client, and shall state, in boldface type that is at least as large as the largest type used in the contingent fee agreement:
- (1) The method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal;
- (2) Whether litigation and other expenses are to be deducted from the recovery, and whether such expenses are to be deducted before or after the contingent fee is calculated;

(3) Whether the client is liable for expenses regardless of outcome;

(4) That, in the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law; and

(5) That a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

NRCP 1.5.

The Court finds that under the <u>Brunzell</u> factors, Mr. Simon was an exceptional advocate for the Edgeworths, the character of the work was complex, the work actually performed was extremely significant, and the work yielded a phenomenal result for the Edgeworths. All of the <u>Brunzell</u> factors justify a reasonable fee under NRPC 1.5. However, the Court must also consider the fact that the evidence suggests that the basis or rate of the fee and expenses for which the client will be responsible were never communicated to the client, within a reasonable time after commencing the representation. Further, this is not a contingent fee case, and the Court is not awarding a contingency fee. Instead, the Court must determine the amount of a reasonable fee. The Court has considered the services of the Law Office of Daniel Simon, under the <u>Brunzell</u> factors, and the Court finds that the Law Office of Daniel Simon is entitled to a reasonable fee in the amount of \$200,000, from November 30, 2017 to the conclusion of this case.

<u>CONCLUSION</u>

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court must adjudicate the lien. The Court further finds that there was an implied agreement for a fee of \$550 per hour between Mr. Simon and the Edgeworths once Simon started billing Edgeworth for this amount, and the bills were paid. The Court further finds that on November 29, 2017, the Edgeworth's constructively discharged Mr. Simon as their attorney, when they ceased following his advice and refused to communicate with

him about their litigation. The Court further finds that Mr. Simon was compensated at the implied agreement rate of \$550 per hour for his services, and \$275 per hour for his associates; up and until the last billing of September 19, 2017. For the period from September 19, 2017 to November 29, 2017, the Court finds that Mr. Simon is entitled to his implied agreement fee of \$550 an hour, and \$275 an hour for his associates, for a total amount of \$284,982.50. For the period after November 29, 2017, the Court finds that the Law Office of Daniel Simon properly perfected their lien and is entitled to a reasonable fee for the services the office rendered for the Edgeworths, after being constructively discharged, under quantum meruit, in an amount of \$200,000.

ORDER

It is hereby ordered, adjudged, and decreed, that the Motion to Adjudicate the Attorneys Lien of the Law Office of Daniel S. Simon is hereby granted and that the reasonable fee due to the Law Office of Daniel Simon is \$484,982.50.

IT IS SO ORDERED this ______ day of November, 2018.

DISTRICT COURT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on or about the date e-filed, this document was copied through e-mail, placed in the attorney's folder in the Regional Justice Center or mailed to the proper person as follows:

Electronically served on all parties as noted in the Court's Master Service List and/or mailed to any party in proper person.

Tess Driver

Judicial Executive Assistant

Department 10



EXHIBIT 9

1	RTRAN	
2	DISTRICT COURT	
3	CLARK COUNTY, NEVADA	
4		}
5	EDGEWORTH FAMILY TRUST,	CASE NO. A-16-738444-C
6	Plaintiff,	DEPT. X
7	VS.	
8	LANGE PLUMBING, LLC,	
9	Defendant.	
10	BEFORE THE HONORABLE TIERRA JONES, DISTRICT COURT JUDGE	
11	TUESDAY, FEBRUARY 20, 2018	
12		TRANSCRIPT OF HEARING
13	STATUS CHECK: SETTLEMENT DOCUMENTS DEFENDANT DANIEL S. SIMON D/B/A SIMON LAW'S MOTION TO ADJUDICATE ATTORNEY LIEN OF THE LAW OFFICE DANIEL	
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15	SIMON PC; ORDER	R SHORTENING TIME
16	APPEARANCES:	
17	For the Plaintiff:	ROBERT D. VANNAH, ESQ.
18		JOHN B. GREENE, ESQ.
19	For the Defendant:	THEODORE PARKER, ESQ.
21	For Daniel Simon:	JAMES R. CHRISTENSEN, ESQ.
22		PETER S. CHRISTIANSEN, ESQ.
23	For the Viking Entities:	JANET C. PANCOAST, ESQ.
24	Also Present:	DANIEL SIMON, ESQ.
25	RECORDED BY: VICTORIA BOYD, COURT RECORDER	
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THE COURT: Okay.

MR. SIMON: I have two issues. The Edgeworth's have signed the releases.

THE COURT: Okay.

MR. SIMON: Mr. Vannah and Mr. Greene did not, even though -- there wasn't -- their name wasn't as to the form of content.

THE COURT: Okay.

MR. SIMON: But I didn't sign it because I didn't go over the release with them, so I think they need to sign as to form of content. That's what they did, I think with the Viking release. So if they want to sign in that spot, I think that release will be complete. Mr. Parker's client still has not signed the release, it's a mutual release. So, depending on whether you guys have any issues waiting on that, on Mr. Parker's word --

THE COURT: Mr. Vannah?

MR. SIMON: -- that they'll sign that.

MR. VANNAH: Why do we have to have anything on form and content? That is not required, it's for the lawyers to sign.

MR. SIMON: Then if --

MR. VANNAH: -- I'm asking that question.

MR. SIMON: -- he's ok with that, then I'm fine with that.

MR. VANNAH: If you take out the form and content, I don't know anything about the case, and I want -- I don't know anything about the case -- I mean, we're not involved in a case. You understand that, Teddy?

 MR. PARKER: I do.

MR. VANNAH: We -- we're not involved a case in any way, shape, or form.

MR. PARKER: This is my concern, Bob, the -- when we sent over the settlement agreement that we prepared -- our office prepared the -- prepared it, we worked back and forth trying to get everything right and getting the numbers right. Once we did that, I learned that Mr. Vannah's office was involved in the advising and counseling the Plaintiffs.

THE COURT: Right.

MR. PARKER: So then, I was informed by Mr. Simon that Mr. Vannah was going to talk to the Plaintiff directly, and then once that's done, we'd eventually get the release back, if everything was fine. I got notice that it was signed, but I did not see approved as the form of content, and so Mr. Simon explained to me that because the discussion went between the Plaintiffs and Mr. Vannah, that he thought it was appropriate for Mr. Vannah to sign as form and content. Which I don't disagree since he would have counseled the client on the appropriateness of the documents.

THE COURT: Well I don't necessarily disagree with that either because based on everything that's happened up to this point, it's my understanding that, basically anything that's being resolved between Mr. Simon and the Edgeworths is running through Mr. Vannah.

MR. PARKER: Exactly. And --

THE COURT: And that was my understanding from the last

1	MR. PARKER: Thank you, Your Honor.	
2	MR. VANNAH: Thank you.	
3	THE COURT: Thank you.	
4	[Hearing concluded at 9:47 a.m.]	
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21	ATTEST: I do hereby certify that I have truly and correctly transcribed the audio/video proceedings in the above-entitled case to the best of my	
22	ability.	
23	D itt Mana	
24	Brittany Mangelson	
25	Independent Transcriber	

EXHIBIT 10

DECLARATION OF WILL KEMP, ESQ.

I have been asked to clarify my earlier opinion as to the amount and period of time that quantum meruit should apply. I have reviewed the Supreme Court orders dated December 30, 2020. I further understand the relief sought by each party leading to the orders. Edgeworth challenged the amount of quantum meruit in the sum of \$200,000 after the date of discharge on November 29, 2017. Simon sought relief that the period of time that quantum meruit applies is for the period of time that outstanding fees are due and owing at the time of discharge.

It seems clear that the Supreme Court is asking the District Court to analyze the value of quantum meruit for the period of time that outstanding fees for services were due when Mr. Simon was discharged forward. The Supreme Court adopted the same basic analysis I used and made clear that the period of time that work was performed and paid by Edgeworth prior to discharge should not be considered in the quantum meruit analysis. (See Order in Docket No. 77678, P. 5). The Supreme Court affirmed the finding of the District Court that Mr. Simon was discharged on November 29, 2017. At the time Mr. Simon was discharged, the last bill paid by Edgeworth was for work performed through September 19, 2017. Therefore, the period of time that outstanding fees were due and owing was from September 19, 2017 thru the end of the case. Simon and his office was working on the case into February, 2018. In my opinion, the quantum meruit value of the services from September 19, 2017 thru the end of the case equals \$2,072,393.75. The last bill paid by Edgeworth covered the period of time thru September 19, 2017. Edgeworth paid the total sum of 367,606.25 for the work performed prior to September 19, 2017 and pursuant to the Supreme Court orders, these payments cover the period of time prior September 19, 2017. The work performed during this time is not factored into my present quantum meruit analysis. My opinion only considers the time after September 19, 2017.

In my previous Declaration I opined the total value of quantum meruit was the sum of \$2.44M. The basis for my opinion was analyzing all of the Brunzell factors. When analyzing the Brunzell factors, it is clear that the most significant and substantive work leading to the amazing outcome was performed during the period after September 19, 2017 thru the end of the case. The analysis is as follows:

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At paragraph 19 of my previous declaration I discussed the 4th Brunzell factor: Result Achieved- no one involved in the case can dispute it is an amazing result. This case involved a single house under construction. Nobody was living there and repairs were completed very quickly. This case did not involve personal injury or death. It concerned property damage to a house nobody was living in and repairs made quickly. I would not have taken this case unless it was a friends and family situation and they would need to be very special friends. The Edgeworth's were lucky that Mr. Simon was willing to get involved. This was a very hard products case and the damages are between 500k to 750k and the result of \$6.1 million is phenomenal.

Edgeworth is sophisticated and understood that it would take a trial and an appeal to g, et "Edgeworth's expected result." Instead of taking years of litigation, Simon got an extraordinary result 3 months after the 8/22/17 contingency email sent by Mr. Edgeworth, and Simon's firm secured \$6.1M for this complex product liability case where "hard damages" were only 500-750k. Getting millions of dollars in punitive damages in this case is remarkable and therefore, this factor favors a large fee. The bulk of this work was primarily done from September, 2017 thru December, 2017. For example, serious settlement negotiations did not start until after September, 2017: 1) the first mediation was on October 10, 2017; the first significant offer was \$1.5 million on October 26, 2017, (3) there was a second mediation on November 10, 2017; and 4) the \$6 million was offered on November 15, 2017. This is also supported by the register of actions and the multiple hearings and filings. Mr. Simon was discharged November 29, 2017 and continued to negotiate very valuable terms favoring the Edgeworth's, including the preservation of the valuable Lange Plumbing claim and omitting a confidentiality and nondisparagement clauses. The serious threat of punitive damages did not occur until September 29, 2017, when the motion to strike Vikings Answer was filed by the Simon firm. This serious threat also led to the amazing outcome.

At paragraphs 20-23 of my testimony, I addressed the 2nd & 3rd Brunzell factors: Quality & Quantity of Work- The quality and quantity of the work was exceptional for a Products case against a worldwide manufacturer with highly experienced local and out of state counsel. Simon retained multiple experts, creatively advocated for unique damages, brought a fraud claim and filed a lot of motions other lawyers would not have filed. Simon filed a motion to strike Defendants answer seeking case terminating sanctions and exclusion of key defense experts. Simon's aggressive representation was a substantial factor in achieving the exceptional results. The amount of work Simon's office performed was impressive given the size of his firm. Simon's office does not typically represent clients on an hourly basis and the fee customarily charged in Vegas for similar legal services is substantial when also considering the work actually performed. Simon's office lost opportunities to work on other cases to get this amazing result. There were a lot of emails, which I went through and substantial pleadings and multiple expert reports for a property damage case. The house stigma damage claim was extremely creative and Mr. Simon secured all evidence to support this claim. The mediator also recommended the 6M settlement based on the expected attorney's fees of 2.4M. In an email to Simon in November, 2017 Mr. Edgeworth suggested 5M as the appropriate value for the proposal by the mediator, yet Simon advocated for 6M and go \$6.1 Million (including Lange Plumbing). Negotiating a large claim in a complex case also takes great skill and experience that Mr. Simon exhibited to achieve the great result, as well as the very favorable terms for the benefit of the Edgeworth's.

I also analyzed the novelty and difficulty of the questions presented in the case; the adversarial nature of this case, the skill necessary to perform the legal service, the lost opportunities to work on other cases, the quality, quantity and the advocacy involved, as well as the exceptional result achieved given the total amount of the settlement compared to the "hard" damages involved. The reasonable value of the services performed in the Edgeworth matter by the Simon firm, in my opinion, would be in the sum of \$2,072,393.75 for the period of after September 19, 2017. This evaluation is reasonable under the Brunzell factors. I also considered the Lodestar factors, as well as the NRCP 1.5(a) factors for a reasonable fee. Absent a contract, Simon is entitled to a reasonable fee customarily charged in the community based on services performed. NRS 18.015. The extraordinary and impressive work occurred primarily during the period of September 19, 2017 thru the end of the case. Mr. Simon actually performed the work and achieved a great result.

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The value of quantum meruit is easily supported in the amount of \$2,072,393.75 for the period of outstanding services due and owing at the time of discharge.

I make this declaration under the penalty of perjury.

Dated this 12 day of April, 2021.

Will Kemp, Esq.

Electronically Filed 5/16/2021 10:21 AM Steven D. Grierson CLERK OF THE COURT

James R. Christensen Esq. Nevada Bar No. 3861 JAMES R. CHRISTENSEN PC 601 S. 6th Street Las Vegas NV 89101 (702) 272-0406 (702) 272-0415 fax jim@jchristensenlaw.com Attorney for SIMON

Eighth Judicial District Court
District of Nevada

EDGEWORTH FAMILY TRUST, and AMERICAN GRATING, LLC

Plaintiffs,

VS.

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LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan corporation; SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and DOES 1 through 5 and ROE entities 6 through 10;

Defendants.

EDGEWORTH FAMILY TRUST; AMERICAN GRATING, LLC

Plaintiffs,

VS.

DANIEL S. SIMON d/b/a SIMON LAW; DOES 1 through 10; and, ROE entities 1 through 10;

Defendants.

Case No.: A-16-738444-C

Dept. No.: 10

NOTICE OF ENTRY OF ORDERS

Date of Hearing: N/A Time of Hearing: N/A

Case No.: A-18-767242-C

Dept. No.: 26

Date of Hearing: N/A Time of Hearing: N/A

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PLEASE TAKE NOTICE, the following Orders were entered on the docket:

- March 16, 2021 Amended Decision and Order Granting in
 Part and Denying in Part, Simon's Motion for Attorney's Fees and Costs;
- 2. March 16, 2021 Second Amended Decision and Order on Motion to Adjudicate Lien;
- 3. April 19, 2021 Third Amended Decision and Order on Motion to Adjudicate Lien; and,
- 4. April 28, 2021 Third Amended Decision and Order on Motion to Adjudicate Lien.

A true and correct copy of each file-stamped order is attached hereto.

DATED this __16th day of May 2021.

1s/ James R. Christensen

James R. Christensen Esq. Nevada Bar No. 3861 JAMES R. CHRISTENSEN PC 601 S. 6th Street Las Vegas NV 89101 (702) 272-0406 (702) 272-0415 fax jim@jchristensenlaw.com Attorney for SIMON

CERTIFICATE OF SERVICE

I CERTIFY SERVICE of the foregoing NOTICE OF ENTRY OF ORDERS was made by electronic service (via Odyssey) this 16th day of May 2021, to all parties currently shown on the Court's E-Service List.

Is / Dawn Christensen

an employee of JAMES R. CHRISTENSEN, ESQ

EXHIBIT 1

ELECTRONICALLY SERVED 3/16/2021 2:54 PM

Electronically Filed 03/16/2021 2:52 PM CLERK OF THE COURT

ORD

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DISTRICT COURT CLARK COUNTY, NEVADA

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EDGEWORTH FAMILY TRUST; and 5 AMERICAN GRATING, LLC,

VS.

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CASE NO.:

A-18-767242-C

X

DEPT NO.:

Consolidated with

CASE NO.: A-16-738444-C

DEPT NO.: X

EDGEWORTH FAMILY TRUST; and

Plaintiffs,

Defendants.

Plaintiffs,

VS.

AMERICAN GRATING, LLC,

DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, a Professional Corporation d/b/a SIMON LAW; DOES 1 through 10; and, ROE entities 1 through 10;

LANGE PLUMBING, LLC; THE VIKING

CORPORATION, a Michigan Corporation;

SUPPLY NETWORK, INC., dba VIKING

SUPPLYNET, a Michigan Corporation; and DOES 1 through 5; and, ROE entities 6 through

Defendants.

AMENDED DECISION AND ORDER GRANTING IN PART AND DENYING IN PART, SIMON'S MOTION FOR ATTORNEY'S FEES AND COSTS

AMENDED DECISION AND ORDER ON ATTORNEY'S FEES

This case came on for a hearing on January 15, 2019, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela

Hon, Tierra Jones DISTRICT COURT JUDGE DEPARTMENT TEN LAS VEGAS, NEVADA 89155

Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS after review**:

The Motion for Attorney's Fees is GRANTED in part, DENIED in part.

- 1. The Court finds that the claim for conversion was not maintained on reasonable grounds, as the Court previously found that when the complaint was filed on January 4, 2018, Mr. Simon was not in possession of the settlement proceeds as the checks were not endorsed or deposited in the trust account. (Amended Decision and Order on Motion to Dismiss NRCP 12(b)(5)). As such, Mr. Simon could not have converted the Edgeworth's property. As such, the Motion for Attorney's Fees is GRANTED under 18.010(2)(b) as to the Conversion claim as it was not maintained upon reasonable grounds, since it was an impossibility for Mr. Simon to have converted the Edgeworth's property, at the time the lawsuit was filed.
- 2. Further, The Court finds that the purpose of the evidentiary hearing was primarily on the Motion to Adjudicate Lien. The Motion for Attorney's Fees is DENIED as it relates to other claims. In considering the amount of attorney's fees and costs, the Court finds that the services of Mr. James Christensen, Esq. and Mr. Peter Christiansen, Esq. were obtained after the filing of the lawsuit against Mr. Simon, on January 4, 2018. However, they were also the attorneys in the evidentiary hearing on the Motion to Adjudicate Lien, which this Court has found was primarily for the purpose of adjudicating the lien by Mr. Simon. The Court further finds that the costs of Mr. Will Kemp, Esq. were solely for the purpose of the Motion to Adjudicate Lien filed by Mr. Simon, but the costs of Mr. David Clark, Esq. were solely for the purposes of defending the lawsuit filed against Mr. Simon by the Edgeworths.
- 3. The court has considered all of the *Brunzell* factors pertinent to attorney's fees and attorney's fees are GRANTED. In determining the reasonable value of services provided for the defense of the conversion claim, the COURT FINDS that 64 hours was reasonably spent by Mr. Christensen in preparation and defense of the conversion claim, for a total amount of \$25,600.00. The COURT FURTHER FINDS that 30.5 hours was reasonably spent by Mr. Christiansen in preparation of the

1	defense of the conversion claim, for a total of \$24,400.00. As such, the award of attorney's fee	
2	defense of the conversion claim, for a total of \$24,400.00. As such, the award of attorney's fee Dated this 16th day of March, 2021 GRANTED in the amount of \$50,000.00 and costs are GRANTED in the amount of \$5,000.00.	
3	IT IS SO ORDERED this 16 th day of March, 2021.	
4	11 15 50 ORDERED this to day of whaten, 2021.	
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6	DISTRICT COURT JUDGE	
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	4DA 7C0 B8B6 9D67 Tierra Jones	
8	District Court Judge	
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DISTRICT COURT CLARK COUNTY, NEVADA

Edgeworth Family Trust,

CASE NO: A-16-738444-C

Plaintiff(s)

DEPT. NO. Department 10

vs.

Lange Plumbing, L.L.C., Defendant(s)

AUTOMATED CERTIFICATE OF SERVICE

lawyers@simonlawlv.com

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

Service Date: 3/16/2021

Daniel Simon.

Rhonda Onorato . ronorato@rlattorneys.com

Mariella Dumbrique mdumbrique@blacklobello.law

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James Christensen jim@jchristensenlaw.com

Daniel Simon dan@danielsimonlaw.com

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1 2	Michael Nunez	mnunez@murchisonlaw.com	
3	Gary Call	gcall@rlattorneys.com	
4	J. Graf	Rgraf@blacklobello.law	
5	Robert Vannah	rvannah@vannahlaw.com	
6	Christopher Page	chrispage@vannahlaw.com	
7	Jessie Church	jchurch@vannahlaw.com	
8			
9	If indicated below, a copy of the above mentioned filings were also served by mail via United States Postal Service, postage prepaid, to the parties listed below at their last		
10	known addresses on 3/17/2021		
11	Theodore Parker	2460 Professional CT STE 200 Las Vegas, NV, 89128	
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EXHIBIT 2

ELECTRONICALLY SERVED 3/16/2021 2:56 PM

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DISTRICT COURT CLARK COUNTY, NEVADA

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EDGEWORTH FAMILY TRUST; and

LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan Corporation;

SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and

EDGEWORTH FAMILY TRUST; and

AMERICAN GRATING, LLC,

ROE entities 1 through 10;

DOES 1 through 5; and, ROE entities 6 through

DANIEL S. SIMON; THE LAW OFFICE OF

DANIEL S. SIMON, a Professional Corporation d/b/a SIMON LAW; DOES 1 through 10; and,

Plaintiffs,

Defendants.

Plaintiffs,

Defendants.

AMERICAN GRATING, LLC,

VS.

vs.

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CASE NO.: A-18-767242-C

DEPT NO.: X

Consolidated with

CASE NO.: A-16-738444-C

DEPT NO.: X

SECOND AMENDED DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN

SECOND AMENDED DECISION AND ORDER ON MOTION TO

ADJUDICATE LIEN

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

Hon. Tierra Jones DISTRICT COURT JUDGE DEPARTMENT TEN LAS VEGAS NEVADA 89155

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person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS**:

FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I

I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. Id. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. <u>Id</u>. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

^{\$265,677.50} in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2.887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.
 - 22. The parties agree that an express written contract was never formed.
- 23. On December 7, 2017, the Edgeworths signed Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.

CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The

Court

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-738444-C under NRS 18.015.

NRS 18.015(1)(a) states:

- 1. An attorney at law shall have a lien:
- (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.

Nev. Rev. Stat. 18.015.

The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited, thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah, PLLC v. TJ Allen LLC, 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury & Standish, 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon, regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

• Refusal to communicate with an attorney creates constructive discharge. <u>Rosenberg v. Calderon Automation</u>, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).

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- Refusal to pay an attorney creates constructive discharge. See e.g., Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).
- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). *See also Maples v. Thomas*, 565 U.S. 266 (2012); *Harris v. State*, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact fitigation that Simon was representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

<u>Id</u>.

This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the

<u>Id</u>.

week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly identified as the firm that solely advised the clients about the settlement. The actual language in the settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law

Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.
 - 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
 - (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
 - (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
 - 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
 - 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
 - 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

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Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been

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date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees

had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of

the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the

sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must

look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the

parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law

Office retained the payments, indicating an implied contract was formed between the parties. The

Court find that the Law Office of Daniel Simon should be paid under the implied contract until the

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice

billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees; however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This

amount has already been paid by the Edgeworths on December 16, 2016.²

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work

²There are no billing amounts from December 2 to December 4, 2016.

³ There are no billings from July 28 to July 30, 2017.

⁴ There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.6

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq. or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award

 $^{^{6}}$ There is no billing from September 19, 2017 to November 5, 2017.

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is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities, Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The <u>Brunzell</u> factors are: (1) the qualities of the advocate; (2) the character of the work to be done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's

work product and results are exceptional.

The Character of the Work to be Done

The character of the work done in this case is complex. There were multiple parties, multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the gamut from product liability to negligence. The many issues involved manufacturing, engineering, fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp testified that the quality and quantity of the work was exceptional for a products liability case against a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a substantial factor in achieving the exceptional results.

The Work Actually Performed

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that caused possible other floods. While the Court finds that Mr. Edgeworth was extensively involved and helpful in this aspect of the case, the Court disagrees that it was his work alone that led to the other activations being uncovered and the result that was achieved in this case. Since Mr. Edgeworth is not a lawyer, it is impossible that it was his work alone that led to the filing of motions and the litigation that allowed this case to develop into a \$6 million settlement. All of the work by the Law Office of Daniel Simon led to the ultimate result in this case.

The Result Obtained

The result was impressive. This began as a \$500,000 insurance claim and ended up settling for over \$6,000,000. Mr. Simon was also able to recover an additional \$100,000 from Lange Plumbing LLC. Mr. Vannah indicated to Simon that the Edgeworths were ready so sign and settle the Lange Claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This ultimately led to a larger settlement for the Edgeworths. Recognition is due to Mr. Simon for placing the Edgeworths in a great position to recover a greater amount from

Lange. Mr. Kemp testified that this was the most important factor and that the result was incredible. Mr. Kemp also testified that he has never heard of a \$6 million settlement with a \$500,000 damage case. Further, in the Consent to Settle, on the Lange claims, the Edgeworth's acknowledge that they were made more than whole with the settlement with the Viking entities.

In determining the amount of attorney's fees owed to the Law Firm of Daniel Simon, the Court also considers the factors set forth in Nevada Rules of Professional Conduct – Rule 1.5(a) which states:

- (a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:
- (1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) The fee customarily charged in the locality for similar legal services;
 - (4) The amount involved and the results obtained;
- (5) The time limitations imposed by the client or by the circumstances;
- (6) The nature and length of the professional relationship with the client;
- (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and
 - (8) Whether the fee is fixed or contingent.
- NRCP 1.5. However, the Court must also consider the remainder of Rule 1.5 which goes on to state:
 - (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
 - (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in writing, signed by the client, and shall state, in boldface type that is at least as large as the largest type used in the contingent fee agreement:

- (1) The method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal;
- (2) Whether litigation and other expenses are to be deducted from the recovery, and whether such expenses are to be deducted before or after the contingent fee is calculated;
 - (3) Whether the client is liable for expenses regardless of outcome;
- (4) That, in the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law; and
- (5) That a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

NRCP 1.5.

The Court finds that under the <u>Brunzell</u> factors, Mr. Simon was an exceptional advocate for the Edgeworths, the character of the work was complex, the work actually performed was extremely significant, and the work yielded a phenomenal result for the Edgeworths. All of the <u>Brunzell</u> factors justify a reasonable fee under NRPC 1.5.

However, the Court must also consider the fact that the evidence suggests that the basis or rate of the fee and expenses for which the client will be responsible were never communicated to the client, within a reasonable time after commencing the representation. Further, this is not a contingent fee case, and the Court is not awarding a contingency fee.

Instead, the Court must determine the amount of a reasonable fee. In determining this amount of a reasonable fee, the Court must consider the work that the Law Office continued to provide on the Edgeworth's case, even after the constructive discharge. The record is clear that the Edgeworths were ready to sign and settle the Lange claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This resulted in the Edgeworth's recovering an additional \$75,000 from Lange plumbing. Further, the Law Office of Daniel Simon continued to work on the Viking settlement until it was finalized in December of 2017, and the

The record is clear that the efforts exerted by the Law Office of Daniel Simon and Mr. Simon himself were continuing, even after the constructive discharge. In considering the reasonable value of these services, under quantum meruit, the Court is considering the previous \$550 per hour fee from the implied fee agreement, the Brunzell factors, and additional work performed after the constructive discharge. As such, the COURT FINDS that the Law Office of Daniel Simon is entitled to a reasonable fee in the amount of \$200,000, from November 30, 2017 to the conclusion of this case.

checks were issued on December 18, 2017. Mr. Simon continued to personally work with Mr.

Vannah to attempt to get the checks endorsed by the Edgeworths, and this lasted into the 2018 year.

CONCLUSION

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court must adjudicate the lien. The Court further finds that there was an implied agreement for a fee of \$550 per hour between Mr. Simon and the Edgeworths once Simon started billing Edgeworth for this amount, and the bills were paid. The Court further finds that on November 29, 2017, the Edgeworth's constructively discharged Mr. Simon as their attorney, when they ceased following his advice and refused to communicate with him about their litigation. The Court further finds that Mr. Simon was compensated at the implied agreement rate of \$550 per hour for his services, and \$275 per hour for his associates; up and until the last billing of September 19, 2017. For the period from September 19, 2017 to November 29, 2017, the Court finds that Mr. Simon is entitled to his implied agreement fee of \$550 an hour, and \$275 an hour for his associates, for a total amount of \$284,982.50. For the period after November 29, 2017, the Court finds that the Law Office of Daniel Simon properly perfected their lien and is entitled to a reasonable fee for the services the office rendered for the Edgeworths, after being constructively discharged, under quantum meruit, in an amount of \$200,000. The Court further finds that the Law Office of Daniel Simon is entitled to costs in the amount of \$71,594.93.

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5	ORDER		
6	It is hereby ordered, adjudged, and decreed, that the Motion to Adjudicate the Attorneys Lien		
7	of the Law Office of Daniel S. Simon is hereby granted and that the reasonable fee due to the Law Dated this 16th day of March, 2021		
8	Office of Daniel Simon is \$556,577.43, which includes outstanding costs.		
9	IT IS SO ORDERED this 16 th day of March, 2021.		
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11	DISTRICT COURT JUDGE		
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13	B7B 840 B8A7 FF62 Tierra Jones		
14 15	District Court Judge		
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6	Christopher Page	chrispage@vannahlaw.com		
7	Jessie Church	jchurch@vannahlaw.com		
8				
9	If indicated below, a copy of the above mentioned filings were also served by mail via United States Postal Service, postage prepaid, to the parties listed below at their last			
10				
11	Theodore Parker	2460 Professional CT STE 200		
12		Las Vegas, NV, 89128		
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EXHIBIT 3

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ORD 1 2 3 **DISTRICT COURT** 4 **CLARK COUNTY, NEVADA** 5 6 EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC, Plaintiffs. 8 CASE NO.: A-18-767242-C DEPT NO.: X VS. 9 LANGE PLUMBING, LLC; THE VIKING 10 CORPORATION, a Michigan Corporation; Consolidated with 11 SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and 12 DOES 1 through 5; and, ROE entities 6 through CASE NO.: A-16-738444-C DEPT NO.: X 10; 13 Defendants. 14 EDGEWORTH FAMILY TRUST; and 15 AMERICAN GRATING, LLC, 16 THIRD AMENDED DECISION AND Plaintiffs, ORDER ON MOTION TO ADJUDICATE 17 LIEN VS. 18 DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, a Professional Corporation 19 d/b/a SIMON LAW; DOES 1 through 10; and, 20 ROE entities 1 through 10;

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THIRD AMENDED DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN

September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable

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Hon. Tierra Jones DISTRICT COURT JUDGE DEPARTMENT TEN

Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon

d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

Defendants.

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on

Case Number: A-18-767242-C

WA02206

person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS**:

FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I

I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. <u>Id</u>. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. <u>Id</u>. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

¹ \$265,677.50 in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.
 - 22. The parties agree that an express written contract was never formed.
- 23. On December 7, 2017, the Edgeworths signed Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.
- 26. On November 19, 2018, the Court entered a Decision and Order on Motion to Adjudicate Lien.
 - 27. On December 7, 2018, the Edgeworths filed a Notice of Appeal.
- 28. On February 8, 2019, the Court entered a Decision and Order Granting in Part and Denying in Part, Simon's Motion for Attorney's Fees and Costs.
- 29. On February 15, 2019, the Edgeworths filed a second Notice of Appeal and Simon filed a cross appeal, and Simon filed a writ petition on October 17, 2019.
- 30. On December 30, 2020, the Supreme Court issued an order affirming this Court's findings in most respects.
 - 31. On January 15, 2021, the Edgeworths filed a Petition for Rehearing.
- 32. On March 16, 2021, this Court issued a Second Amended Decision and Order on Motion to Adjudicate Lien.

33. On March 18, 2021, the Nevada Supreme Court denied the Motion for Rehearing.

CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The Court

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-738444-C under NRS 18.015.

NRS 18.015(1)(a) states:

1. An attorney at law shall have a lien:

(a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.

Nev. Rev. Stat. 18.015.

The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited, thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah, PLLC v. TJ Allen LLC, 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury & Standish, 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon, regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

- Refusal to communicate with an attorney creates constructive discharge. Rosenberg v. Calderon Automation, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).
- Refusal to pay an attorney creates constructive discharge. *See e.g.*, Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).
- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). *See also Maples v. Thomas*, 565 U.S. 266 (2012); *Harris v. State*, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact litigation that Simon was

Id.

representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly

identified as the firm that solely advised the clients about the settlement. The actual language in the

settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

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Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an

email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.

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- 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
- (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
- (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
- 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
- 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
- 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was

created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law Office retained the payments, indicating an implied contract was formed between the parties. The Court find that the Law Office of Daniel Simon should be paid under the implied contract until the date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence

that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees;

however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This amount has already been paid by the Edgeworths on December 16, 2016.

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller

²There are no billing amounts from December 2 to December 4, 2016.

 $^{^{3}}$ There are no billings from July 28 to July 30, 2017.

Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.⁶

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq. or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later

⁴ There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

⁶ There is no billing from September 19, 2017 to November 5, 2017.

changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities, Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The Brunzell factors are: (1) the qualities of the advocate; (2) the character of the work to be

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done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's work product and results are exceptional.

The Character of the Work to be Done

The character of the work done in this case is complex. There were multiple parties, multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the gamut from product liability to negligence. The many issues involved manufacturing, engineering, fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp testified that the quality and quantity of the work was exceptional for a products liability case against a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a substantial factor in achieving the exceptional results.

The Work Actually Performed

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that

caused possible other floods. While the Court finds that Mr. Edgeworth was extensively involved and helpful in this aspect of the case, the Court disagrees that it was his work alone that led to the other activations being uncovered and the result that was achieved in this case. Since Mr. Edgeworth is not a lawyer, it is impossible that it was his work alone that led to the filing of motions and the litigation that allowed this case to develop into a \$6 million settlement. All of the work by the Law Office of Daniel Simon led to the ultimate result in this case.

The Result Obtained

The result was impressive. This began as a \$500,000 insurance claim and ended up settling for over \$6,000,000. Mr. Simon was also able to recover an additional \$100,000 from Lange Plumbing LLC. Mr. Vannah indicated to Simon that the Edgeworths were ready so sign and settle the Lange Claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This ultimately led to a larger settlement for the Edgeworths. Recognition is due to Mr. Simon for placing the Edgeworths in a great position to recover a greater amount from Lange. Mr. Kemp testified that this was the most important factor and that the result was incredible. Mr. Kemp also testified that he has never heard of a \$6 million settlement with a \$500,000 damage case. Further, in the Consent to Settle, on the Lange claims, the Edgeworth's acknowledge that they were made more than whole with the settlement with the Viking entities.

In determining the amount of attorney's fees owed to the Law Firm of Daniel Simon, the Court also considers the factors set forth in Nevada Rules of Professional Conduct – Rule 1.5(a) which states:

- (a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:
- (1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) The fee customarily charged in the locality for similar legal services;
 - (4) The amount involved and the results obtained;

- (5) The time limitations imposed by the client or by the circumstances;
- (6) The nature and length of the professional relationship with the client;
- (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and
 - (8) Whether the fee is fixed or contingent.

NRCP 1.5. However, the Court must also consider the remainder of Rule 1.5 which goes on to state:

- (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
- (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in writing, signed by the client, and shall state, in boldface type that is at least as large as the largest type used in the contingent fee agreement:
- (1) The method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal;
- (2) Whether litigation and other expenses are to be deducted from the recovery, and whether such expenses are to be deducted before or after the contingent fee is calculated;
 - (3) Whether the client is liable for expenses regardless of outcome;
- (4) That, in the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law; and
- (5) That a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

NRCP 1.5.

The Court finds that under the <u>Brunzell</u> factors, Mr. Simon was an exceptional advocate for the Edgeworths, the character of the work was complex, the work actually performed was extremely

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significant, and the work yielded a phenomenal result for the Edgeworths. All of the <u>Brunzell</u> factors justify a reasonable fee under NRPC 1.5.

However, the Court must also consider the fact that the evidence suggests that the basis or rate of the fee and expenses for which the client will be responsible were never communicated to the client, within a reasonable time after commencing the representation. Further, this is not a contingent fee case, and the Court is not awarding a contingency fee.

Instead, the Court must determine the amount of a reasonable fee. In determining this amount of a reasonable fee, the Court must consider the work that the Law Office continued to provide on the Edgeworth's case, even after the constructive discharge. The record is clear that the Edgeworths were ready to sign and settle the Lange claim for \$25,000 but Simon kept working on the case and making changes to the settlement agreement. This resulted in the Edgeworth's recovering an additional \$75,000 from Lange plumbing. Further, the Law Office of Daniel Simon continued to work on the Viking settlement until it was finalized in December of 2017, and the checks were issued on December 18, 2017. Mr. Simon continued to personally work with Mr. Vannah to attempt to get the checks endorsed by the Edgeworths, and this lasted into the 2018 year. The record is clear that the efforts exerted by the Law Office of Daniel Simon and Mr. Simon himself were continuing, even after the constructive discharge. In considering the reasonable value of these services, under quantum meruit, the Court is considering the previous \$550 per hour fee from the implied fee agreement, the Brunzell factors, and additional work performed after the constructive discharge. As such, the COURT FINDS that the Law Office of Daniel Simon is entitled to a reasonable fee in the amount of \$200,000, from November 30, 2017 to the conclusion of this case.

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CONCLUSION

The Court finds that the Law Office of Daniel Simon properly filed and perfected the charging lien pursuant to NRS 18.015(3) and the Court must adjudicate the lien. The Court further finds that there was an implied agreement for a fee of \$550 per hour between Mr. Simon and the Edgeworths once Simon started billing Edgeworth for this amount, and the bills were paid. The Court further finds that on November 29, 2017, the Edgeworth's constructively discharged Mr. Simon as their attorney, when they ceased following his advice and refused to communicate with him about their litigation. The Court further finds that Mr. Simon was compensated at the implied agreement rate of \$550 per hour for his services, and \$275 per hour for his associates; up and until the last billing of September 19, 2017. For the period from September 19, 2017 to November 29, 2017, the Court finds that Mr. Simon is entitled to his implied agreement fee of \$550 an hour, and \$275 an hour for his associates, for a total amount of \$284,982.50. For the period after November 29, 2017, the Court finds that the Law Office of Daniel Simon properly perfected their lien and is entitled to a reasonable fee for the services the office rendered for the Edgeworths, after being constructively discharged, under quantum meruit, in an amount of \$200,000. The Court further finds that the Law Office of Daniel Simon is entitled to costs in the amount of \$71,594.93.

<u>ORDER</u>

It is hereby ordered, adjudged, and decreed, that the Motion to Adjudicate the Attorneys Lien of the Law Office of Daniel S. Simon is hereby granted and that the reasonable fee due to the Law Office of Daniel Simon is \$556,577.43, which includes outstanding costs.

IT IS SO ORDERED.

DISTRICT COURT JUDGE

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DEB 12B 0D66 116F Tierra Jones District Court Judge 1 | CSERV 2 | 3 | 4 | 5 | Edge Plair 7 | vs. 8 | Dan 9 |

DISTRICT COURT CLARK COUNTY, NEVADA

Edgeworth Family Trust,

CASE NO: A-18-767242-C

Plaintiff(s)

DEPT. NO. Department 10

Daniel Simon, Defendant(s)

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AUTOMATED CERTIFICATE OF SERVICE

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

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EXHIBIT 4

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Mon. Tierra Jones
DISTRICT COURT JUDGE

DEPARTMENT TEN
LAS VEGAS, NEVADA 89155

DISTRICT COURT CLARK COUNTY, NEVADA

Plaintiffs,

AMERICAN GRATING, LLC,

EDGEWORTH FAMILY TRUST; and

LANGE PLUMBING, LLC; THE VIKING CORPORATION, a Michigan Corporation; SUPPLY NETWORK, INC., dba VIKING SUPPLYNET, a Michigan Corporation; and DOES 1 through 5; and, ROE entities 6 through 10;

Defendants.

EDGEWORTH FAMILY TRUST; and AMERICAN GRATING, LLC,

Plaintiffs,

VS.

VS.

DANIEL S. SIMON; THE LAW OFFICE OF DANIEL S. SIMON, a Professional Corporation d/b/a SIMON LAW; DOES 1 through 10; and, ROE entities 1 through 10;

Defendants.

CASE NO.: A-18-767242-C

DEPT NO.: X

Consolidated with

CASE NO.: A-16-738444-C

DEPT NO.: X

THIRD AMENDED DECISION AND ORDER ON MOTION TO ADJUDICATE LIEN

THIRD AMENDED DECISION AND ORDER ON MOTION TO

ADJUDICATE LIEN

This case came on for an evidentiary hearing August 27-30, 2018 and concluded on September 18, 2018, in the Eighth Judicial District Court, Clark County, Nevada, the Honorable Tierra Jones presiding. Defendants and movant, Daniel Simon and Law Office of Daniel S. Simon d/b/a Simon Law ("Defendants" or "Law Office" or "Simon" or "Mr. Simon") having appeared in

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person and by and through their attorneys of record, Peter S. Christiansen, Esq. and James Christensen, Esq. and Plaintiff Edgeworth Family Trust and American Grating, ("Plaintiff" or "Edgeworths") having appeared through Brian and Angela Edgeworth, and by and through their attorneys of record, the law firm of Vannah and Vannah, Chtd. Robert Vannah, Esq. and John Greene, Esq. The Court having considered the evidence, arguments of counsel and being fully advised of the matters herein, the **COURT FINDS**:

FINDINGS OF FACT

- 1. The Court finds that the Law Office of Daniel S. Simon represented the Plaintiffs, Edgeworth Family Trust and American Grating in the case entitled Edgeworth Family Trust and American Grating v. Viking, et al., case number A-16-738444-C. The representation commenced on May 27, 2016 when Brian Edgeworth and Daniel Simon Esq. met at Starbucks. This representation originally began as a favor between friends and there was no discussion of fees, at this point. Mr. Simon and his wife were close family friends with Brian and Angela Edgeworth.
 - 2. The case involved a complex products liability issue.
- 3. On April 10, 2016, a house the Edgeworths were building as a speculation home suffered a flood. The house was still under construction and the flood caused a delay. The Edgeworths did not carry loss insurance if a flood occurred and the plumbing company and manufacturer refused to pay for the property damage. A fire sprinkler installed by the plumber, and within the plumber's scope of work, caused the flood; however, the plumber asserted the fire sprinkler was defective and refused to repair or to pay for repairs. The manufacturer of the sprinkler, Viking, et al., also denied any wrongdoing.
- 4. In May of 2016, Mr. Simon agreed to help his friend with the flood claim and to send a few letters. The parties initially hoped that Simon drafting a few letters to the responsible parties could resolve the matter. Simon wrote the letters to the responsible parties, but the matter did not resolve. Since the matter was not resolved, a lawsuit had to be filed.
 - 5. On June 14, 2016, a complaint was filed in the case of Edgeworth Family Trust; and

American Grating LLC vs. Lange Plumbing, LLC; the Viking Corporation; Supply Network Inc., dba Viking Supplynet, in case number A-18-738444-C. The cost of repairs was approximately \$500,000. One of the elements of the Edgeworth's damages against Lange Plumbing LLC ("Lange") in the litigation was for reimbursement of the fees and costs that were paid by the Edgeworths.

6. On August 9, 2017, Mr. Simon and Brian Edgeworth traveled to San Diego to meet with an expert. As they were in the airport waiting for a return flight, they discussed the case, and had some discussion about payments and financials. No express fee agreement was reached during the meeting. On August 22, 2017, Brian Edgeworth sent an email to Simon entitled "Contingency." It reads as follows:

We never really had a structured discussion about how this might be done.

I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc.

Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start.

I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I

I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?

(Def. Exhibit 27).

- 7. During the litigation, Simon sent four (4) invoices to the Edgeworths. The first invoice was sent on December 2, 2016, seven (7) months after the original meeting at Starbucks. This invoice indicated that it was for attorney's fees and costs through November 11, 2016. (Def. Exhibit 8). The total of this invoice was \$42,564.95 and was billed at a "reduced" rate of \$550 per hour. Id. The invoice was paid by the Edgeworths on December 16, 2016.
- 8. On April 7, 2017 a second invoice was sent to the Edgeworths for attorney's fees and costs through April 4, 2017 for a total of \$46,620.69, and was billed at a "reduced" rate of \$550 per

hour. (Def. Exhibit 9). This invoice was paid by the Edgeworths on May 3, 2017. There was no indication on the first two invoices if the services were those of Mr. Simon or his associates; but the bills indicated an hourly rate of \$550.00 per hour.

- 9. A third invoice was sent to the Edgeworths on July 28, 2017 for attorney's fees and costs through July 28, 2017 totaling of \$142,080.20. (Def. Exhibit 10). This bill identified services of Daniel Simon Esq. for a "reduced" rate of \$550 per hour totaling \$104,021.20; and services of Ashley Ferrel Esq. for a "reduced" rate of \$275 per hour totaling \$37,959.00. <u>Id</u>. This invoice was paid by the Edgeworths on August 16, 2017.
- 10. The fourth invoice was sent to the Edgeworths on September 19, 2017 in an amount of \$255,186.25 for attorney's fees and costs; with \$191,317.50 being calculated at a "reduced" rate of \$550 per hour for Daniel Simon Esq., \$60,981.25 being calculated at a "reduced" rate of \$275 per hour for Ashley Ferrel Esq., and \$2,887.50 being calculated at a "reduced" rate of \$275 per hour for Benjamin Miller Esq. (Def. Exhibit 11). This invoice was paid by the Edgeworths on September 25, 2017.
- 11. The amount of attorney's fees in the four (4) invoices was \$367,606.25, and \$118,846.84 in costs; for a total of \$486,453.09. These monies were paid to Daniel Simon Esq. and never returned to the Edgeworths. The Edgeworths secured very high interest loans to pay fees and costs to Simon. They made Simon aware of this fact.
- 12. Between June 2016 and December 2017, there was a tremendous amount of work done in the litigation of this case. There were several motions and oppositions filed, several depositions taken, and several hearings held in the case.
- 13. On the evening of November 15, 2017, the Edgeworth's received the first settlement offer for their claims against the Viking Corporation ("Viking"). However, the claims were not settled until on or about December 1, 2017.
 - 14. Also on November 15, 2017, Brian Edgeworth sent an email to Simon asking for the

¹ \$265,677.50 in attorney's fees for the services of Daniel Simon; \$99,041.25 for the services of Ashley Ferrel; and \$2,887.50 for the services of Benjamin Miller.

open invoice. The email stated: "I know I have an open invoice that you were going to give me at mediation a couple weeks ago and then did not leave with me. Could someone in your office send Peter (copied here) any invoices that are unpaid please?" (Def. Exhibit 38).

- 15. On November 17, 2017, Simon scheduled an appointment for the Edgeworths to come to his office to discuss the litigation.
- 16. On November 27, 2017, Simon sent a letter with an attached retainer agreement, stating that the fee for legal services would be \$1,500,000 for services rendered to date. (Plaintiff's Exhibit 4).
- 17. On November 29, 2017, the Edgeworths met with the Law Office of Vannah & Vannah and signed a retainer agreement. (Def. Exhibit 90). On this date, they ceased all communications with Mr. Simon.
- 18. On the morning of November 30, 2017, Simon received a letter advising him that the Edgeworths had retained the Vannah Law Firm to assist in the litigation with the Viking entities, et.al. The letter read as follows:

"Please let this letter serve to advise you that I've retained Robert D. Vannah, Esq. and John B. Greene, Esq., of Vannah & Vannah to assist in the litigation with the Viking entities, et.al. I'm instructing you to cooperate with them in every regard concerning the litigation and any settlement. I'm also instructing you to give them complete access to the file and allow them to review whatever documents they request to review. Finally, I direct you to allow them to participate without limitation in any proceeding concerning our case, whether it be at depositions, court hearings, discussions, etc."

(Def. Exhibit 43).

- 19. On the same morning, Simon received, through the Vannah Law Firm, the Edgeworth's consent to settle their claims against Lange Plumbing LLC for \$25,000.
- 20. Also on this date, the Law Office of Danny Simon filed an attorney's lien for the reasonable value of its services pursuant to NRS 18.015. (Def. Exhibit 3). On January 2, 2018, the Law Office filed an amended attorney's lien for the sum of \$2,345,450, less payments made in the sum of \$367,606.25, for a net lien in the sum of \$1,977,843.80. This lien includes court costs and

out-of-pocket costs advanced by the Law Office of Daniel S. Simon in the sum of \$76,535.93.

- 21. Mr. Edgeworth alleges that the fee agreement with Simon was only for an hourly express agreement of \$550 an hour; and that the agreement for \$550 an hour was made at the outset of the case. Mr. Simon alleges that he worked on the case always believing he would receive the reasonable value of his services when the case concluded. There is a dispute over the reasonable fee due to the Law Office of Danny Simon.
 - 22. The parties agree that an express written contract was never formed.
- 23. On December 7, 2017, the Edgeworths signed Consent to Settle their claims against Lange Plumbing LLC for \$100,000.
- 24. On January 4, 2018, the Edgeworth Family Trust filed a lawsuit against Simon in Edgeworth Family Trust; American Grating LLC vs. Daniel S. Simon, the Law Office of Daniel S. Simon, a Professional Corporation, case number A-18-767242-C.
- 25. On January 24, 2018, the Law Office of Danny Simon filed a Motion to Adjudicate Lien with an attached invoice for legal services rendered. The amount of the invoice was \$692,120.00. The Court set an evidentiary hearing to adjudicate the lien.
- 26. On November 19, 2018, the Court entered a Decision and Order on Motion to Adjudicate Lien.
 - 27. On December 7, 2018, the Edgeworths filed a Notice of Appeal.
- 28. On February 8, 2019, the Court entered a Decision and Order Granting in Part and Denying in Part, Simon's Motion for Attorney's Fees and Costs.
- 29. On February 15, 2019, the Edgeworths filed a second Notice of Appeal and Simon filed a cross appeal, and Simon filed a writ petition on October 17, 2019.
- 30. On December 30, 2020, the Supreme Court issued an order affirming this Court's findings in most respects.
 - 31. On January 15, 2021, the Edgeworths filed a Petition for Rehearing.
- 32. On March 16, 2021, this Court issued a Second Amended Decision and Order on Motion to Adjudicate Lien.

CONCLUSION OF LAW

The Law Office Appropriately Asserted A Charging Lien Which Must Be Adjudicated By The Court

An attorney may obtain payment for work on a case by use of an attorney lien. Here, the Law Office of Daniel Simon may use a charging lien to obtain payment for work on case A-16-738444-C under NRS 18.015.

NRS 18.015(1)(a) states:

- 1. An attorney at law shall have a lien:
- (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.

Nev. Rev. Stat. 18.015.

The Court finds that the lien filed by the Law Office of Daniel Simon, in case A-16-738444-C, complies with NRS 18.015(1)(a). The Law Office perfected the charging lien pursuant to NRS 18.015(3), by serving the Edgeworths as set forth in the statute. The Law Office charging lien was perfected before settlement funds generated from A-16-738444-C of \$6,100,000.00 were deposited, thus the charging lien attached to the settlement funds. Nev. Rev. Stat. 18.015(4)(a); Golightly & Vannah, PLLC v. TJ Allen LLC, 373 P.3d 103, at 105 (Nev. 2016). The Law Office's charging lien is enforceable in form.

The Court has personal jurisdiction over the Law Office and the Plaintiffs in A-16-738444-C. Argentina Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury & Standish, 216 P.3d 779 at 782-83 (Nev. 2009). The Court has subject matter jurisdiction over adjudication of the Law Office's charging lien. Argentina, 216 P.3d at 783. The Law Office filed a motion requesting adjudication under NRS 18.015, thus the Court must adjudicate the lien.

Fee Agreement

It is undisputed that no express written fee agreement was formed. The Court finds that there was no express oral fee agreement formed between the parties. An express oral agreement is formed when all important terms are agreed upon. See, Loma Linda University v. Eckenweiler, 469 P.2d 54 (Nev. 1970) (no oral contract was formed, despite negotiation, when important terms were not agreed upon and when the parties contemplated a written agreement). The Court finds that the payment terms are essential to the formation of an express oral contract to provide legal services on an hourly basis.

Here, the testimony from the evidentiary hearing does not indicate, with any degree of certainty, that there was an express oral fee agreement formed on or about June of 2016. Despite Brian Edgeworth's affidavits and testimony; the emails between himself and Danny Simon, regarding punitive damages and a possible contingency fee, indicate that no express oral fee agreement was formed at the meeting on June 10, 2016. Specifically in Brian Edgeworth's August 22, 2017 email, titled "Contingency," he writes:

"We never really had a structured discussion about how this might be done. I am more than happy to keep paying hourly but if we are going for punitive we should probably explore a hybrid of hourly on the claim and then some other structure that incents both of us to win an go after the appeal that these scumbags will file etc. Obviously that could not have been done earlier since who would have thought this case would meet the hurdle of punitive at the start. I could also swing hourly for the whole case (unless I am off what this is going to cost). I would likely borrow another \$450K from Margaret in 250 and 200 increments and then either I could use one of the house sales for cash or if things get really bad, I still have a couple million in bitcoin I could sell. I doubt we will get Kinsale to settle for enough to really finance this since I would have to pay the first \$750,000 or so back to Colin and Margaret and why would Kinsale settle for \$1MM when their exposure is only \$1MM?"

(Def. Exhibit 27).

It is undisputed that when the flood issue arose, all parties were under the impression that Simon would be helping out the Edgeworths, as a favor.

The Court finds that an implied fee agreement was formed between the parties on December 2, 2016, when Simon sent the first invoice to the Edgeworths, billing his services at \$550 per hour, and the Edgeworths paid the invoice. On July 28, 2017 an addition to the implied contract was created with a fee of \$275 per hour for Simon's associates. Simon testified that he never told the Edgeworths not to pay the bills, though he testified that from the outset he only wanted to "trigger coverage". When Simon repeatedly billed the Edgeworths at \$550 per hour for his services, and \$275 an hour for the services of his associates; and the Edgeworths paid those invoices, an implied fee agreement was formed between the parties. The implied fee agreement was for \$550 per hour for the services of Daniel Simon Esq. and \$275 per hour for the services of his associates.

Constructive Discharge

Constructive discharge of an attorney may occur under several circumstances, such as:

- Refusal to communicate with an attorney creates constructive discharge. Rosenberg v. Calderon Automation, 1986 Ohio App. LEXIS 5460 (Jan. 31, 1986).
- Refusal to pay an attorney creates constructive discharge. *See e.g.*, Christian v. All Persons Claiming Any Right, 962 F. Supp. 676 (U.S. Dist. V.I. 1997).
- Suing an attorney creates constructive discharge. See <u>Tao v. Probate Court for the Northeast Dist.</u> #26, 2015 Conn. Super. LEXIS 3146, *13-14, (Dec. 14, 2015). *See also Maples v. Thomas*, 565 U.S. 266 (2012); *Harris v. State*, 2017 Nev. LEXIS 111; and <u>Guerrero v. State</u>, 2017 Nev. Unpubl. LEXIS 472.
- Taking actions that preventing effective representation creates constructive discharge. McNair v. Commonwealth, 37 Va. App. 687, 697-98 (Va. 2002).

Here, the Court finds that the Edgeworths constructively discharged Simon as their lawyer on November 29, 2017. The Edgeworths assert that because Simon has not been expressly terminated, has not withdrawn, and is still technically their attorney of record; there cannot be a termination. The Court disagrees.

On November 29, 2017, the Edgeworths met with the Law Firm of Vannah and Vannah and signed a retainer agreement. The retainer agreement was for representation on the Viking settlement agreement and the Lange claims. (Def. Exhibit 90). This is the exact litigation that Simon was

representing the Edgeworths on. This fee agreement also allowed Vannah and Vannah to do all things without a compromise. <u>Id</u>. The retainer agreement specifically states:

Client retains Attorneys to represent him as his Attorneys regarding Edgeworth Family Trust and AMERICAN GRATING V. ALL VIKING ENTITIES and all damages including, but not limited to, all claims in this matter and empowers them to do all things to effect a compromise in said matter, or to institute such legal action as may be advisable in their judgment, and agrees to pay them for their services, on the following conditions:

- a) ...
- b) ...
- c) Client agrees that his attorneys will work to consummate a settlement of \$6,000,000 from the Viking entities and any settlement amount agreed to be paid by the Lange entity. Client also agrees that attorneys will work to reach an agreement amongst the parties to resolve all claims in the Lange and Viking litigation.

Id.

This agreement was in place at the time of the settlement of the Viking and Lange claims. Mr. Simon had already begun negotiating the terms of the settlement agreement with Viking during the week of November 27, 2017 prior to Mr. Vannah's involvement. These negotiated terms were put into a final release signed by the Edgeworths and Mr. Vannah's office on December 1, 2017. (Def. Exhibit 5). Mr. Simon's name is not contained in the release; Mr. Vannah's firm is expressly identified as the firm that solely advised the clients about the settlement. The actual language in the settlement agreement, for the Viking claims, states:

PLAINTIFFS represent that their independent counsel, Robert Vannah, Esq. and John Greene, Esq., of the law firm Vannah & Vannah has explained the effect of this AGREEMENT and their release of any and all claims, known or unknown and, based upon that explanation and their independent judgment by the reading of this Agreement, PLAINTIFFS understand and acknowledge the legal significance and the consequences of the claims being released by this Agreement. PLAINTIFFS further represent that they understand and acknowledge the legal significance and consequences of a release of unknown claims against the SETTLING PARTIES set forth in, or arising from, the INCIDENT and hereby assume full responsibility for any injuries, damages, losses or liabilities that hereafter may occur with respect to the matters released by this Agreement.

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Also, Simon was not present for the signing of these settlement documents and never explained any of the terms to the Edgeworths. He sent the settlement documents to the Law Office of Vannah and Vannah and received them back with the signatures of the Edgeworths.

Further, the Edgeworths did not personally speak with Simon after November 25, 2017. Though there were email communications between the Edgeworths and Simon, they did not verbally speak to him and were not seeking legal advice from him. In an email dated December 5, 2017, Simon is requesting Brian Edgeworth return a call to him about the case, and Brian Edgeworth responds to the email saying, "please give John Greene at Vannah and Vannah a call if you need anything done on the case. I am sure they can handle it." (Def. Exhibit 80). At this time, the claim against Lange Plumbing had not been settled. The evidence indicates that Simon was actively working on this claim, but he had no communication with the Edgeworths and was not advising them on the claim against Lange Plumbing. Specifically, Brian Edgeworth testified that Robert Vannah Esq. told them what Simon said about the Lange claims and it was established that the Law Firm of Vannah and Vannah provided advice to the Edgeworths regarding the Lange claim. Simon and the Law Firm of Vannah and Vannah gave different advice on the Lange claim, and the Edgeworths followed the advice of the Law Firm of Vannah and Vannah to settle the Lange claim. The Law Firm of Vannah and Vannah drafted the consent to settle for the claims against Lange Plumbing (Def. Exhibit 47). This consent to settle was inconsistent with the advice of Simon. Mr. Simon never signed off on any of the releases for the Lange settlement.

Further demonstrating a constructive discharge of Simon is the email from Robert Vannah Esq. to James Christensen Esq. dated December 26, 2017, which states: "They have lost all faith and trust in Mr. Simon. Therefore, they will not sign the checks to be deposited into his trust account. Quite frankly, they are fearful that he will steal the money." (Def. Exhibit 48). Then on January 4, 2018, the Edgeworth's filed a lawsuit against Simon in Edgeworth Family Trust; American Grating, LLC vs. Daniel S. Simon; the Law Office of Daniel S. Simon, a Professional Corporation d/b/a Simon Law, case number A-18-767242-C. Then, on January 9, 2018, Robert Vannah Esq. sent an

email to James Christensen Esq. stating, "I guess he could move to withdraw. However, that doesn't seem in his best interests." (Def. Exhibit 53).

The Court recognizes that Simon still has not withdrawn as counsel of record on A-16-738444-C, the Law Firm of Vannah and Vannah has never substituted in as counsel of record, the Edgeworths have never explicitly told Simon that he was fired, Simon sent the November 27, 2018 letter indicating that the Edgeworth's could consult with other attorneys on the fee agreement (that was attached to the letter), and that Simon continued to work on the case after the November 29, 2017 date. The court further recognizes that it is always a client's decision of whether or not to accept a settlement offer. However the issue is constructive discharge and nothing about the fact that Mr. Simon has never officially withdrawn from the case indicates that he was not constructively discharged. His November 27, 2017 letter invited the Edgeworth's to consult with other attorneys on the fee agreement, not the claims against Viking or Lange. His clients were not communicating with him, making it impossible to advise them on pending legal issues, such as the settlements with Lange and Viking. It is clear that there was a breakdown in attorney-client relationship preventing

Simon from effectively representing the clients. The Court finds that Danny Simon was constructively discharged by the Edgeworths on November 29, 2017.

Adjudication of the Lien and Determination of the Law Office Fee

NRS 18.015 states:

- 1. An attorney at law shall have a lien:
 - (a) Upon any claim, demand or cause of action, including any claim for unliquidated damages, which has been placed in the attorney's hands by a client for suit or collection, or upon which a suit or other action has been instituted.
 - (b) In any civil action, upon any file or other property properly left in the possession of the attorney by a client.
 - 2. A lien pursuant to subsection 1 is for the amount of any fee which has been agreed upon by the attorney and client. In the absence of an agreement, the lien is for a reasonable fee for the services which the attorney has rendered for the client.

- 3. An attorney perfects a lien described in subsection 1 by serving notice in writing, in person or by certified mail, return receipt requested, upon his or her client and, if applicable, upon the party against whom the client has a cause of action, claiming the lien and stating the amount of the lien.
 - 4. A lien pursuant to:
- (a) Paragraph (a) of subsection 1 attaches to any verdict, judgment or decree entered and to any money or property which is recovered on account of the suit or other action; and
- (b) Paragraph (b) of subsection 1 attaches to any file or other property properly left in the possession of the attorney by his or her client, including, without limitation, copies of the attorney's file if the original documents received from the client have been returned to the client, and authorizes the attorney to retain any such file or property until such time as an adjudication is made pursuant to subsection 6, from the time of service of the notices required by this section.
- 5. A lien pursuant to paragraph (b) of subsection 1 must not be construed as inconsistent with the attorney's professional responsibilities to the client.
- 6. On motion filed by an attorney having a lien under this section, the attorney's client or any party who has been served with notice of the lien, the court shall, after 5 days' notice to all interested parties, adjudicate the rights of the attorney, client or other parties and enforce the lien.
- 7. Collection of attorney's fees by a lien under this section may be utilized with, after or independently of any other method of collection.

Nev. Rev. Stat. 18.015.

NRS 18.015(2) matches Nevada contract law. If there is an express contract, then the contract terms are applied. Here, there was no express contract for the fee amount, however there was an implied contract when Simon began to bill the Edgeworths for fees in the amount of \$550 per hour for his services, and \$275 per hour for the services of his associates. This contract was in effect until November 29, 2017, when he was constructively discharged from representing the Edgeworths. After he was constructively discharged, under NRS 18.015(2) and Nevada contract law, Simon is due a reasonable fee- that is, quantum meruit.

Implied Contract

On December 2, 2016, an implied contract for fees was created. The implied fee was \$550 an hour for the services of Mr. Simon. On July 28, 2017 an addition to the implied contract was

created with a fee of \$275 per hour for the services of Simon's associates. This implied contract was created when invoices were sent to the Edgeworths, and they paid the invoices.

The invoices that were sent to the Edgeworths indicate that they were for costs and attorney's fees, and these invoices were paid by the Edgeworths. Though the invoice says that the fees were reduced, there is no evidence that establishes that there was any discussion with the Edgeworths as to how much of a reduction was being taken, and that the invoices did not need to be paid. There is no indication that the Edgeworths knew about the amount of the reduction and acknowledged that the full amount would be due at a later date. Simon testified that Brian Edgeworth chose to pay the bills to give credibility to his actual damages, above his property damage loss. However, as the lawyer/counselor, Simon did not prevent Brian Edgeworth from paying the bill or in any way refund the money, or memorialize this or any understanding in writing.

Simon produced evidence of the claims for damages for his fees and costs pursuant to NRCP 16.1 disclosures and computation of damages; and these amounts include the four invoices that were paid in full and there was never any indication given that anything less than all the fees had been produced. During the deposition of Brian Edgeworth it was suggested, by Simon, that all of the fees had been disclosed. Further, Simon argues that the delay in the billing coincides with the timing of the NRCP 16.1 disclosures, however the billing does not distinguish or in any way indicate that the sole purpose was for the Lange Plumbing LLC claim. Since there is no contract, the Court must look to the actions of the parties to demonstrate the parties' understanding. Here, the actions of the parties are that Simon sent invoices to the Edgeworths, they paid the invoices, and Simon Law Office retained the payments, indicating an implied contract was formed between the parties. The Court find that the Law Office of Daniel Simon should be paid under the implied contract until the date they were constructively discharged, November 29, 2017.

Amount of Fees Owed Under Implied Contract

The Edgeworths were billed, and paid for services through September 19, 2017. There is some testimony that an invoice was requested for services after that date, but there is no evidence

that any invoice was paid by the Edgeworths. Since the Court has found that an implied contract for fees was formed, the Court must now determine what amount of fees and costs are owed from September 19, 2017 to the constructive discharge date of November 29, 2017. In doing so, the Court must consider the testimony from the witnesses at the evidentiary hearing, the submitted billings, the attached lien, and all other evidence provided regarding the services provided during this time.

At the evidentiary hearing, Ashley Ferrel Esq. testified that some of the items in the billing that was prepared with the lien "super bill," are not necessarily accurate as the Law Office went back and attempted to create a bill for work that had been done over a year before. She testified that they added in .3 hours for each Wiznet filing that was reviewed and emailed and .15 hours for every email that was read and responded to. She testified that the dates were not exact, they just used the dates for which the documents were filed, and not necessarily the dates in which the work was performed. Further, there are billed items included in the "super bill" that was not previously billed to the Edgeworths, though the items are alleged to have occurred prior to or during the invoice billing period previously submitted to the Edgeworths. The testimony at the evidentiary hearing indicated that there were no phone calls included in the billings that were submitted to the Edgeworths.

This attempt to recreate billing and supplement/increase previously billed work makes it unclear to the Court as to the accuracy of this "recreated" billing, since so much time had elapsed between the actual work and the billing. The court reviewed the billings of the "super bill" in comparison to the previous bills and determined that it was necessary to discount the items that had not been previously billed for; such as text messages, reviews with the court reporter, and reviewing, downloading, and saving documents because the Court is uncertain of the accuracy of the "super bill."

Simon argues that he has no billing software in his office and that he has never billed a client on an hourly basis, but his actions in this case are contrary. Also, Simon argues that the Edgeworths, in this case, were billed hourly because the Lange contract had a provision for attorney's fees;

however, as the Court previously found, when the Edgeworths paid the invoices it was not made clear to them that the billings were only for the Lange contract and that they did not need to be paid. Also, there was no indication on the invoices that the work was only for the Lange claims, and not the Viking claims. Ms. Ferrel testified that the billings were only for substantial items, without emails or calls, understanding that those items may be billed separately; but again the evidence does not demonstrate that this information was relayed to the Edgeworths as the bills were being paid. This argument does not persuade the court of the accuracy of the "super bill".

The amount of attorney's fees and costs for the period beginning in June of 2016 to December 2, 2016 is \$42,564.95. This amount is based upon the invoice from December 2, 2016 which appears to indicate that it began with the initial meeting with the client, leading the court to determine that this is the beginning of the relationship. This invoice also states it is for attorney's fees and costs through November 11, 2016, but the last hourly charge is December 2, 2016. This amount has already been paid by the Edgeworths on December 16, 2016.

The amount of the attorney's fees and costs for the period beginning on December 5, 2016 to April 4, 2017 is \$46,620.69. This amount is based upon the invoice from April 7, 2017. This amount has already been paid by the Edgeworths on May 3, 2017.

The amount of attorney's fees for the period of April 5, 2017 to July 28, 2017, for the services of Daniel Simon Esq. is \$72,077.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$38,060.00. The amount of costs outstanding for this period is \$31,943.70. This amount totals \$142,081.20 and is based upon the invoice from July 28, 2017. This amount has been paid by the Edgeworths on August 16, 2017.³

The amount of attorney's fees for the period of July 31, 2017 to September 19, 2017, for the services of Daniel Simon Esq. is \$119,762.50. The amount of attorney's fees for this period for Ashley Ferrel Esq. is \$60,981.25. The amount of attorney's fees for this period for Benjamin Miller

²There are no billing amounts from December 2 to December 4, 2016.

³ There are no billings from July 28 to July 30, 2017.

Esq. is \$2,887.50. The amount of costs outstanding for this period is \$71,555.00. This amount totals \$255,186.25 and is based upon the invoice from September 19, 2017. This amount has been paid by the Edgeworths on September 25, 2017.

From September 19, 2017 to November 29, 2017, the Court must determine the amount of attorney fees owed to the Law Office of Daniel Simon.⁴ For the services of Daniel Simon Esq., the total amount of hours billed are 340.05. At a rate of \$550 per hour, the total attorney's fees owed to the Law Office for the work of Daniel Simon Esq. is \$187,027.50. For the services of Ashley Ferrel Esq., the total amount of hours billed are 337.15. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Ashley Ferrel Esq. from September 19, 2017 to November 29, 2017 is \$92,716.25.⁵ For the services of Benjamin Miller Esq., the total amount of hours billed are 19.05. At a rate of \$275 per hour, the total attorney's fees owed to the Law Office for the work of Benjamin Miller Esq. from September 19, 2017 to November 29, 2017 is \$5,238.75.⁶

The Court notes that though there was never a fee agreement made with Ashley Ferrel Esq. or Benjamin Miller Esq., however, their fees were included on the last two invoices that were paid by the Edgeworths, so the implied fee agreement applies to their work as well.

The Court finds that the total amount owed to the Law Office of Daniel Simon for the period of September 19, 2018 to November 29, 2017 is \$284,982.50.

Costs Owed

The Court finds that the Law Office of Daniel Simon is not owed any monies for outstanding costs of the litigation in Edgeworth Family Trust; and American Grating, LLC vs. Lange Plumbing, LLC; The Viking Corporation; Supply Network, Inc. dba Viking Supplynet in case number A-16-738444-C. The attorney lien asserted by Simon, in January of 2018, originally sought reimbursement for advances costs of \$71,594.93. The amount sought for advanced cots was later

⁴ There are no billings for October 8th, October 28-29, and November 5th.

⁵ There is no billing for the October 7-8, October 22, October 28-29, November 4, November 11-12, November 18-19, November 21, and November 23-26.

⁶ There is no billing from September 19, 2017 to November 5, 2017.

changed to \$68,844.93. In March of 2018, the Edgeworths paid the outstanding advanced costs, so the Court finds that there no outstanding costs remaining owed to the Law Office of Daniel Simon.

Quantum Meruit

When a lawyer is discharged by the client, the lawyer is no longer compensated under the discharged/breached/repudiated contract, but is paid based on quantum meruit. See e.g. Golightly v. Gassner, 281 P.3d 1176 (Nev. 2009) (unreported) (discharged contingency attorney paid by quantum meruit rather than by contingency fee pursuant to agreement with client); citing, Gordon v. Stewart, 324 P.3d 234 (1958) (attorney paid in quantum meruit after client breach of agreement); and, Cooke v. Gove, 114 P.2d 87 (Nev. 1941) (fees awarded in quantum meruit when there was no contingency agreement). Here, Simon was constructively discharged by the Edgeworths on November 29, 2017. The constructive discharge terminated the implied contract for fees. William Kemp Esq. testified as an expert witness and stated that if there is no contract, then the proper award is quantum meruit. The Court finds that the Law Office of Daniel Simon is owed attorney's fees under quantum meruit from November 29, 2017, after the constructive discharge, to the conclusion of the Law Office's work on this case.

In determining the amount of fees to be awarded under quantum meruit, the Court has wide discretion on the method of calculation of attorney fee, to be "tempered only by reason and fairness". Albios v. Horizon Communities, Inc., 132 P.3d 1022 (Nev. 2006). The law only requires that the court calculate a reasonable fee. Shuette v. Beazer Homes Holding Corp., 124 P.3d 530 (Nev. 2005). Whatever method of calculation is used by the Court, the amount of the attorney fee must be reasonable under the Brunzell factors. Id. The Court should enter written findings of the reasonableness of the fee under the Brunzell factors. Argentena Consolidated Mining Co., v. Jolley, Urga, Wirth, Woodbury Standish, 216 P.3d 779, at fn2 (Nev. 2009). Brunzell provides that "[w]hile hourly time schedules are helpful in establishing the value of counsel services, other factors may be equally significant. Brunzell v. Golden Gate National Bank, 455 P.2d 31 (Nev. 1969).

The Brunzell factors are: (1) the qualities of the advocate; (2) the character of the work to be

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done; (3) the work actually performed; and (4) the result obtained. <u>Id</u>. However, in this case the Court notes that the majority of the work in this case was complete before the date of the constructive discharge, and the Court is applying the <u>Brunzell</u> factors for the period commencing after the constructive discharge.

In considering the <u>Brunzell</u> factors, the Court looks at all of the evidence presented in the case, the testimony at the evidentiary hearing, and the litigation involved in the case.

Quality of the Advocate

Brunzell expands on the "qualities of the advocate" factor and mentions such items as training, skill and education of the advocate. Mr. Simon has been an active Nevada trial attorney for over two decades. He has several 7-figure trial verdicts and settlements to his credit. Craig Drummond Esq. testified that he considers Mr. Simon a top 1% trial lawyer and he associates Mr. Simon in on cases that are complex and of significant value. Michael Nunez Esq. testified that Mr. Simon's work on this case was extremely impressive. William Kemp Esq. testified that Mr. Simon's work product and results are exceptional.

The Character of the Work to be Done

The character of the work done in this case is complex. There were multiple parties, multiple claims, and many interrelated issues. Affirmative claims by the Edgeworths covered the gamut from product liability to negligence. The many issues involved manufacturing, engineering, fraud, and a full understanding of how to work up and present the liability and damages. Mr. Kemp testified that the quality and quantity of the work was exceptional for a products liability case against a world-wide manufacturer that is experienced in litigating case. Mr. Kemp further testified that the Law Office of Danny Simon retained multiple experts to secure the necessary opinions to prove the case. The continued aggressive representation, of Mr. Simon, in prosecuting the case that was a substantial factor in achieving the exceptional results.

The Work Actually Performed

Mr. Simon was aggressive in litigating this case. In addition to filing several motions, numerous court appearances, and deposition; his office uncovered several other activations, that