# In the Supreme Court of Nevada

PHILIP MORRIS USA INC., a foreign corporation,

Petitioner,

US.

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; and the HONORABLE VERONICA M. BARISICH,

Respondents,

and

Dolly Rowan, as an Individual, as Special Administrator of the Estate of Noreen Thompson; Navona Collison, as an Individual; Russell Thompson, as an Individual; R.J. Reynolds Tobacco Company, a Foreign Corporation; Liggett Group LLC, a Foreign Corporation; Quick Stop Market, LLC, a Domestic Limited Liability Company; Joe's Bar, Inc., a Domestic Corporation; The Poker Palace, a Domestic Corporation; Silver Nugget Gaming, LLC D/B/A Silver Nugget Casino, a Domestic Limited Liability Company; and Jerry's Nugget, a Domestic Corporation,

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Case No. Clerk of Supreme Court

District Court Case No. A-19-807653-C

Real Parties in Interest

# PHILIP MORRIS USA INC.'S PETITION FOR WRIT OF MANDAMUS OR, ALTERNATIVELY, PROHIBITION – APPENDIX VOL. 11

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# DISTRICT COURT CLARK COUNTY, NEVADA

DOLLY ROWAN, as Special Administrator of the Estate of NOREEN THOMPSON,

Plaintiff,

VS.

PHILIP MORRIS USA INC., a foreign corporation; R.J. REYNOLDS TOBACCO COMPANY, foreign a corporation, individually, and as successor-by-merger to LORILLARD TOBACCO COMPANY and as successor-in-interest to the United States of tobacco business **BROWN** WILLIAMSON TOBACCO CORPORATION, which is the successor-by-merger to THE **AMERICAN** TOBACCO COMPANY; LIGGETT GROUP. LLC.. foreign corporation; QUICK STOP MARKET, LLC, a domestic limited liability company; JOE'S BAR, INC., a domestic corporation; THE POKER PALACE, a domestic corporation; SILVER NUGGET GAMING, LLC

Case No.: A-20-811091-C Dept. No.: V

DEFENDANT PHILIP MORRIS USA INC.'S OPPOSITION TO PLAINTIFF'S MOTION TO RECONSIDER ORDER GRANTING DEFENDANT PHILIP MORRIS USA INC.'S MOTION TO DISMISS PLAINTIFF'S AMENDED COMPLAINT UNDER NRCP 12(b)(5)

Hearing Date: October 27, 2021 Hearing Time: In Chambers

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Case Number: A-20-811091-C

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SILVER NUGGET CASINO, a domestic limited liability company, JERRY'S NUGGET, a domestic corporation; and DOES I-X; and ROE BUSINESS ENTITIES XI–XX, inclusive,

### Defendants.

Plaintiff's Motion to Reconsider fails to identify any legally sufficient reason why this Court should revisit its ruling to dismiss Plaintiff's product liability claims against Philip Morris USA Inc. ("PM USA"), which Plaintiff concedes never designed, manufactured, or sold any of the cigarettes allegedly smoked by Decedent Noreen Thompson. See generally Pl.'s Am. Compl. Plaintiff does not argue that any newly discovered facts for this case or intervening changes in controlling law should compel a different result. This Court should not entertain Plaintiff's ill-fated attempt for a second bite at the apple, especially because Plaintiff cannot demonstrate any clear error in the Court's prior ruling.

In regard to Plaintiff's NDTPA claims, it cannot be said that the Court committed "clear error" by concluding that Plaintiff is unable to bring a NDTPA claim against a product manufacturer whose products her Decedent never used or purchased. No Nevada appellate court has ever allowed such a claim to go forward; in fact, the Supreme Court of Nevada rejected a similar claim in Fairway Chevrolet Company v. Kelley, 134 Nev. 935, 429 P.3d 663, 2018 WL 5906906 (Nov. 9, 2018) (unpublished). The Legislature also limited private civil actions under the NDTPA to "victim[s]" of consumer fraud, NRS 41.600(1), which in the product liability context includes only those who were directly harmed by the product. Simply put, Plaintiff has not plead facts to establish Decedent was a victim of PM USA's alleged fraud or that Decedent had a legal relationship with PM USA on which Plaintiff can now premise civil liability.

As for Plaintiff's civil conspiracy claims, this Court likewise properly found that (1) those claims are derivative in nature and (2) because Plaintiff's NDTPA claims fail as to PM USA, so too do her civil conspiracy claims asserted against PM USA.

For all of these reasons, the Court should deny Plaintiff's Motion to Reconsider.

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# **BACKGROUND**

Plaintiff filed this product liability case alleging that Decedent developed lung cancer and died after decades of smoking cigarettes manufactured by R.J. Reynolds Tobacco Company ("Reynolds") and Liggett Group LLC ("Liggett"). Specifically, Plaintiff asserts that Decedent's lung cancer and death were caused by smoking Pall Mall brand cigarettes (manufactured by Reynolds), Camel brand cigarettes (manufactured by Reynolds), Viceroy brand cigarettes (manufactured by Reynolds), and Pyramid brand cigarettes (manufactured by Liggett) from approximately 1954 until 2019. See Am. Compl. ¶¶ 19-23. Plaintiff's Amended Complaint does not allege that Decedent ever purchased or used a product manufactured by PM USA. See generally id.<sup>2</sup> Despite this fact, Plaintiff named PM USA as a defendant under the theory that PM USA (1) violated the NDTPA through its advertisements and other statements about its cigarettes and (2) engaged in a civil conspiracy with other named tobacco manufacturers. See generally id.

PM USA moved to dismiss these claims and, in doing so, raised three related arguments. First, PM USA averred that Plaintiff's claims, although labeled as NDTPA and civil conspiracy claims, were in fact product liability claims that cannot survive without an allegation of product use. See Def. PM USA's Mot. to Dismiss Pl.'s Am. Compl. at 5-7. Second, PM USA argued that Plaintiff's claims for violation for the NDTPA fail because, in light of the fact that Decedent never used or purchased a product manufactured by PM USA (1) PM USA owed no duty to Decedent and (2) Decedent was not a "victim" directly harmed by PM USA's alleged NDTPA allegations, as required by NRS 41.000. Id. at 7-10. Third, PM USA reasoned that, due to their

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This case was originally filed as a personal injury action. Following Ms. Thompson's death on June 19, 2020, the Court entered an order granting in part and denying in part Plaintiff's Motion for Leave to File Wrongful Death Complaint and Plaintiff's Motion to Substitute Parties on March 11, 2021. Plaintiff filed an Amended Complaint (asserting claims for wrongful death, among other causes of action) on March 15, 2021.

PM USA acknowledges that Decedent's interrogatory responses (served May 29, 2020) state that she "occasionally" smoked Marlboro brand cigarettes, which are manufactured by PM USA. However, as this Court noted in its September 8, 2021 Order, "As a general rule, the court may not consider matters outside the pleading being attacked." Breliant v. Preferred Equities Corp., 109 Nev. 842, 847, 858 P.2d 1258, 1261 (1993).

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derivative nature, Plaintiff's claims for civil conspiracy also fail because her underlying NDTPA claims fail. Id. at 10-11. In response, Plaintiff argued, among other things, that (1) product use is not a requirement for a NDTPA claim, (2) Defendants, including PM USA, engaged in deceptive trade practices through mass-marketing campaigns, and (3) Plaintiff's civil conspiracy claims survive with her underlying NDTPA claims. See generally Pl.'s Opp. to Def. PM USA's Mot. to Dismiss (filed Apr. 12, 2021).

After hearing argument on May 13, 2021, the Court dismissed Plaintiff's NDTPA and civil conspiracy claims with prejudice as to PM USA on September 8, 2021. In doing so, the Court ruled as follows:

There is no dispute that Plaintiff [sic] did not use cigarettes that were manufactured, marketed, or sold by Defendant Philip Morris. Since she did not purchase or use Philip Morris' cigarettes, Plaintiff cannot make a showing of alleged duty by Philip Morris. Thus, due to lack of showing of duty, all claims against Philip Morris fail, except as to civil conspiracy claim. However, the civil conspiracy claim against Philip Morris must also fail since this is a derivative claim. Although Plaintiff alleges that Philip Morris violated the Deceptive Trade Practices Act, which constitutes the underlying unlawful objective, since that claim is dismissed, the civil conspiracy claim must also necessarily be dismissed.

Order Granting Def. PM USA's Mot. to Dismiss Pl.'s Am. Compl. at 3 (Sept. 8, 2021) ("Sept. 8, 2021 Order").

### **ARGUMENT**

### I. **LEGAL STANDARD**

"Only in very rare instances in which new issues of fact or law are raised supporting a ruling contrary to the ruling already reached should a motion for rehearing be granted." *Moore* v. City of Las Vegas, 92 Nev. 402, 405, 551 P.2d 244, 246 (1976). Reconsideration is "an extraordinary remedy, to be used sparingly in the interests of finality and conservation of judicial resources." Kona Enters., Inc. v. Estate of Bishop, 229 F.3d 877, 890 (9th Cir. 2000) (quoting Moore's Fed. Prac. § 59.30[4] (3d ed. 2000)). "[A] motion for reconsideration should not be

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<sup>3</sup> Federal cases interpreting rules of civil procedure are persuasive authority in Nevada courts. *Exec.* Mgmt. Ltd. v. Ticor Title Ins. Co., 118 Nev. 46, 53, 38 P.3d 872, 876 (2002) (citing Las Vegas Novelty v. Fernandez, 106 Nev. 113, 119, 787 P.2d 772, 776 (1990)).

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granted, absent highly unusual circumstances, unless the district court is presented with newly discovered evidence, committed clear error, or if there is an intervening change in the controlling law." Id. (citation omitted); see also Masonry & Tile Contractors Ass'n of S. Nev. v. Jolly, Urga & Wirth, Ltd., 113 Nev. 737, 741, 941 P.2d 486, 489 (1997) ("A district court may reconsider a previously decided issue if substantially different evidence is subsequently introduced or the decision is clearly erroneous.").

"Points or contentions not raised in the original hearing cannot be maintained or considered on rehearing." Achrem v. Expressway Plaza Ltd. P'ship, 112 Nev. 737, 742, 917 P.2d 447, 450 (1996); accord Kona Enters., 229 F.3d at 890 ("A Rule 59(e) motion may not be used to raise arguments or present evidence for the first time when they could reasonably have been raised earlier in the litigation." (emphasis in original)).

> [T]he purpose of a motion for reconsideration is to allow the parties to present new evidence and/or arguments that could not have been presented during the earlier adjudicated motion. Reconsideration is not a device to relitigate old matters or to raise arguments or evidence that could and should have been brought during the earlier proceeding.

Kamaka v. Goodsill Anderson Quinn & Stifel, 176 P.3d 91, 103 (Haw. 2008) (citation omitted) (internal quotation marks omitted).

### II. THE COURT DID NOT ERR IN DISMISSING PLAINTIFF'S NDTPA CLAIMS **AGAINST PM USA**

Even if Plaintiff could meet the high threshold to merit reconsideration in the first instance, which she cannot, that does not entitle her to a de novo review of previously addressed legal arguments. The question here is whether this Court clearly committed an error of law, and, as addressed herein, it did not.

### Α. Plaintiff Cannot Make a Showing of Alleged Duty by PM USA Because Decedent Never Smoked Cigarettes Manufactured by PM USA

The Court correctly ruled that because Decedent "did not purchase or use Philip Morris" cigarettes, Plaintiff cannot make a showing of alleged duty by Philip Morris. Thus, due to lack of showing of duty, all claims against Philip Morris fail, except as to [the] civil conspiracy claim."

Sept. 8, 2021 Order at 3.

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Nevada law requires the existence of a duty—i.e., some form of a relationship between plaintiff and defendant—to succeed on a fraud-based claim. See Dow Chem. Co. v. Mahlum, 114 Nev. 1468, 1485–87, 970 P.2d 98, 110–11 (1998), abrogated on other grounds by GES, Inc. v. Corbitt, 117 Nev. 265, 21 P.3d 11 (2001). Where a product manufacturer is "not directly involved in the transaction from which [the] lawsuit arose" and did not manufacture the product that caused the alleged injury, courts have held that there is no legal relationship between the See, e.g., id. at 111 (reversing judgment against defendant on fraudulent parties. misrepresentation claim "because it was not directly involved in the transaction from which [the] lawsuit arose, or any other transaction with the Mahlums"); Moretti v. Wyeth, Inc., No. 2:08-cv-00396-JCM-(GWF), 2009 WL 749532, at \*3 (D. Nev. Mar. 20, 2009). (dismissing plaintiff's four fraud-based claims in part because "[p]laintiff did not purchase or ingest a Wyeth or Schwarz product and, therefore, she did not have a relationship with either defendant"); Baymiller v. Ranbaxy Pharms., Inc., 894 F. Supp. 2d 1302, 1309-11 (D. Nev. 2012) (granting summary judgment in defendant's favor on plaintiff's fraud and negligent misrepresentation claims because plaintiff "did not purchase or ingest a Glaxo product" and therefore "did not have a relationship with Glaxo [who] did not owe [plaintiff] any duty to warn").

In this case, Plaintiff's deceptive trade practices claims fail for lack of a legal relationship and causation. Decedent did not purchase, smoke, or suffer any harm caused by cigarettes manufactured by PM USA—only allegedly Pall Mall, Camel, and Viceroy brand cigarettes, manufactured by Reynolds, and Pyramid brand cigarettes, manufactured by Liggett. generally Am. Compl. Like the plaintiffs in Moretti and Baymiller, there was no legal relationship between Decedent and PM USA, much less one sufficient to trigger a duty to disclose any material information regarding the health effects of smoking cigarettes. The Court reached the proper decision on this point, and nothing in Plaintiff's Motion changes this fact.

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# B. Plaintiff Does Not Have Standing to Sue Because Decedent Was Not a "Victim" of Consumer Fraud Under NRS 41.600

Plaintiff nevertheless argues that a non-user of PM USA's products can be a "victim" under NRS 41.600. *See generally* Pl.'s Mot. While the NDTPA provides wide reach for *government* action against deceptive trade practices, the Legislature expressly limited *private* actions for NDTPA violations to "victim[s]" of consumer fraud. NRS 41.600(1). Although the Supreme Court of Nevada has yet to define the term "victim" in a published decision, federal courts have consistently held that a plaintiff must show she was "directly harmed" by deceptive trade practices to have standing as a "victim" under NRS 41.600(1). *See, e.g., Del. Webb Communities, Inc. v. Partington,* 652 F.3d 1145, 1153 (9th Cir. 2011) (quoting *S. Serv. Corp. v. Excel Bldg. Servs., Inc.,* 617 F. Supp. 2d 1097, 1100 (D. Nev. 2007)). More specifically, a plaintiff must plead and ultimately prove "that (1) an act of consumer fraud by the defendant (2) caused (3) damage to the [the decedent]." *Picus v. Wal-Mart Stores, Inc.,* 256 F.R.D. 651, 658 (D. Nev. 2009); *Sattari v. Wash. Mut.,* 475 F. App'x 648, 648 (9th Cir. 2011) (same).

In this case, Plaintiff has not alleged that Decedent was a "victim" of consumer fraud by PM USA. She likewise has not pled "direct harm" from PM USA's actions because Decedent never used or purchased a PM USA product. Whatever statements PM USA supposedly made did not convince Decedent to purchase a PM USA product, much less directly cause the harm for which Plaintiff seeks recovery in this lawsuit—Decedent's lung cancer and death. To the contrary, Plaintiff claims that Decedent's "lung cancer and her death therefrom were caused by smoking Pall Mall brand cigarettes, Camel brand cigarettes, Viceroy brand cigarettes, and Pyramid brand cigarettes." Am. Compl. ¶ 19. Because these products were not manufactured or sold by PM USA (and have never been), this Court correctly found that Plaintiff has not pled facts to establish Decedent had a legal relationship with PM USA on which Plaintiff can now premise civil liability.

The Supreme Court of Nevada's recent decision in *Fairway* is instructive on this point. In *Fairway*, the plaintiff saw a television commercial in which a car dealership falsely guaranteed financing. *Fairway Chevrolet*, Br. of Respondent at 1-3, 134 Nev. 935, (No. 80160),

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2020 WL 4196115. Although he never actually purchased a car from the dealership, the plaintiff nonetheless brought a civil action under the NDTPA. Id. The Court reversed the denial of the defendants' summary judgment motion, holding that the plaintiff did not qualify as a "victim" under NRS 41.600. Fairway, 2018 WL 5906906, at \*1. The Court further explained that "the definition of 'victim' connotes some sort of harm being inflicted on the 'victim." Id. (quoting Black's Law Dictionary (10th ed. 2014) (defining "victim" as "[a] person harmed by a crime, tort, or other wrong"); Merriam-Webster's Collegiate Dictionary 1394 (11th ed. 2007) (defining "victim" as "one that is injured, destroyed, or sacrificed under any of various conditions" and "one that is tricked or duped")). Put another way, "any sensible definition" of the term requires a showing that the claimant "suffer[ed] harm at the hands of [the defendant]." Id. And given that the plaintiff never purchased a car from the dealership, the Court concluded that he did not "suffer any harm at the hands" of the dealership and thus was "not a 'victim' authorized to bring a consumer fraud action under NRS 41.600." *Id.* 

So too here. At best, Plaintiff alleges that PM USA made fraudulent statements, but like the plaintiff in Fairway—those statements never led Decedent to buy a PM USA product and she thus did not suffer "direct harm" from those statements. Even if Decedent saw a PM USA advertisement, she would not be a "victim" of PM USA's alleged fraud because it did not persuade her to buy PM USA's products, and thus PM USA could not have "direct[ly]" caused Decedent's lung cancer and death, which Plaintiff blames on other manufacturers' cigarettes.

To conclude otherwise would allow virtually any private citizen to sue a product manufacturer for money damages over any perceived "deceptive trade practice" regardless of whether the person purchased the product or the product injured her in any way. Plaintiff points to nothing to support such an anomalous and atextual reading of the term "victim" in NRS 41.600. In fact, Plaintiff's proposed reading would undo the Legislature's carefully crafted balance between public and private enforcement of consumer fraud. The NDTPA itself grants only the government enforcement authority—including criminal prosecutions, NRS 598.0963, and civil penalties up to \$5,000 for each violation. NRS 598.0999. Two years after enacting the NDTPA, the Legislature passed NRS 41.600 to create a limited private right of action for a

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subset of individuals: those who were "victim[s]" of consumer fraud with respect to a subset of deceptive trade practices listed in NRS 598.091 through 598.092. NRS 41.600(2)(e). As the Supreme Court recognized in Fairway (and as federal courts have held when applying Nevada law), the Legislature's use of the term "victim" expresses a clear intent to limit private lawsuits to only those who suffer "harm at the hands" of the defendant, 2018 WL 5906906, at \*1.

In sum, private lawsuits against manufacturers that did not design, manufacture, or sell the product that allegedly harmed the claimant would undermine the Legislature's carefully crafted statutory scheme and flout well-settled principles of product liability law.

### C. Plaintiff's Arguments to the Contrary Lack Merit

Plaintiff argues that "the NDTPA's plain language permits victims of deceptive trade practices to commence action as long as the defendant offered or attempted to sell a product." Pl.'s Mot. at 15; see also Pl.'s Opp. to Def. PM USA's Mot. to Dismiss at 11-12 (filed Apr. 12, 2021) (making a similar argument). Because "sales," as defined in the NDTPA, includes attempted sales, Plaintiff argues she can bring a private lawsuit against PM USA even though Decedent never used PM USA's products. Pl.'s Mot. at 15.

However, this "attempted sale" argument misses the mark—and was not accepted by the Court at the motion to dismiss phase—because it provides no answer to the threshold question of standing under NRS 41.600(1). Plaintiff offers no explanation as to how a person can qualify as a "victim[] of deceptive trade practices" if the defendant "offered or attempted to sell a product" to her, but ultimately did not so. See generally id. This argument also ignores the fact that Plaintiff is suing under NRS 41.600 because, as a private citizen, she has no cause of action under the NDTPA directly. As explained above, the Legislature created a private right of action only for actual victims—not "attempted victims." The Supreme Court's decision in Fairway is again instructive. The plaintiff in that case had seen the defendant's fraudulent advertisement in other words, there was an "attempted sale" under Plaintiff's approach. See Fairway, 2018 WL 5906906, at \*1. In fact, the Fairway plaintiff made the same "attempted sale" argument that Plaintiff makes here. Br. of Respondent at 30, Fairway Chevrolet, 134 Nev. 935 (No. 80160), 2020 WL 4196115. But that argument failed because it overlooks the distinction between the

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broad, regulatory proscriptions of the NDTPA and the limited scope of the private right of action that the Legislature created in NRS 41.600(1). Plaintiff's "attempted sale" argument simply confirms Plaintiff's inability to show direct harm from PM USA's alleged deceptive statements when Decedent never used or purchased a PM USA product and Plaintiff alleges that Decedent's injury was instead caused by other manufacturers' products.

Plaintiff also suggests that individuals other than purchasers may be considered "victims" under NRS 41.600. See generally Pl.'s Mot. at 15-19. However, the Supreme Court of Nevada has never held that non-consumers qualify as victims in the context of the NDTPA. Every case cited by Plaintiff is a federal case interpreting Nevada law without guidance from Nevada courts. See generally id. But even assuming NRS 41.600 could permit victims other than consumers to sue, that does not change the fact that any private plaintiff still must qualify as a "victim." Put another way, even assuming the Legislature intended to allow private suits by individuals or companies victimized by deceptive trade practices in ways other than being induced to buy or use the defendant's deceptively advertised goods or services, the plaintiff must still show that she was "directly harmed," Guerra v. Dematic Corp., No. 3:18-CV-0376-LRH-CLB, 2020 WL 8831583, at \*3 (D. Nev. Sept. 9, 2020), "at the hands" of the defendant. See also Fairway, 2018 WL 5906906, at \*1. Plaintiff cannot show "direct harm" from anything PM USA did when Decedent never touched a PM USA product.

Finally, Plaintiff's assertion that "[c]ausation is clearly alleged" against PM USA is empty rhetoric. See Pl.'s Mot. at 17-18. The cited portions of Plaintiff's Amended Complaint (pages 99-106) (1) include conduct that occurred before the NDTPA was enacted in 1973 and (2) lumps PM USA in with the tobacco manufacturer defendants whose products allegedly injured Decedent. Such claims are "too attenuated" and "remote" to demonstrate the direct harm at the hands of PM USA that NRS 41.600 requires. See Prescott v. Slide Fire Sols., LP, 410 F. Supp. 3d 1123, 1145-46 (D. Nev. 2019); Fields v. Twitter, Inc., 881 F.3d 739, 745 (9th Cir. 2018); see also, e.g., Katz v. Pershing, LLC, 672 F.3d 64, 76 (1st Cir. 2012) (dismissing the plaintiff's claims that misleading advertisements by a third party caused plaintiff injury because they likely affected her decision to pay another party's artificially inflated fees).

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The cases upon which Plaintiff relies in making these arguments merely underscore why her NDTPA claims must fail. For example, in Del Webb Communities, Inc. v. Partington, 652 F.3d 1145, 1153 (9th Cir. 2011), Pl.'s Mot. at 15, a contractor used deceptive and fraudulent means to solicit subdivision homeowners, offering to inspect their homes and then seeking payment by encouraging the homeowners to bring false claims against Del Webb, the developer. In that case, the court permitted Del Webb to sue the contractor because Del Webb was able to clearly (1) describe the contractor's misconduct and (2) set forth in detail how the contractor's actions caused Del Webb concrete, economic, and direct harm. Id. at 1153. Plaintiff offers nothing of the sort here. Simply put, Plaintiff's NDTPA claims lie against the manufacturers of the products that allegedly injured Decedent and caused her death, not against PM USA.

### III. THE COURT PROPERLY FOUND THAT PLAINTIFF'S DERIVATIVE CIVIL CONSPIRACY CLAIMS FALL WITH PLAINTIFF'S NDTPA CLAIMS

Plaintiff has also failed to meet the high threshold to merit reconsideration as it relates to her civil conspiracy claims and, in any event, cannot demonstrate that the Court committed clear error in dismissing those claims with prejudice as to PM USA.

Plaintiff has made clear that her civil conspiracy claims against PM USA are entirely dependent on her NDTPA claims against PM USA. See Pl.'s Mot. at 20 ("This Court correctly recognized that the NDTPA claim suffices as a predicate for the civil conspiracy claim.").

Consistent with that position, this Court correctly ruled that civil conspiracy "is a derivative claim." Sept. 8, 2021 Order at 3. And because Plaintiff's predicate NDTPA claims fail against PM USA, so too do her derivative civil conspiracy claims. See Jordan v. State ex rel. Dep't of Motor Vehicles & Pub. Safety, 121 Nev. 44, 74-75, 110 P.3d 30, 51 (2005) (per curiam) (underlying cause of action for fraud is a necessary predicate to a cause of action for conspiracy to defraud), overruled on other grounds, Buzz Stew, LLC v. City of N. Las Vegas, 124 Nev. 224, 181 P.3d 670 (2008); see also Sommers v. Cuddy, No. 2:08-cv-78-RCJ-RJJ, 2012 WL 359339, at \*5 (D. Nev. Feb. 2, 2012) (applying Nevada law and recognizing that a cause of action for civil conspiracy to defraud requires a viable underlying cause of action for fraud); Goodwin v. Exec. Tr. Servs., LLC, 680 F. Supp. 2d 1244, 1253-54 (D. Nev. 2010) (same).

# **CONCLUSION**

For these reasons, the Court should deny Plaintiff's Motion for Reconsideration.

Dated this 7th day of October, 2021.

WEINBERG, WHEELER, HUDGINS, GUNN & DIAL, LLC

# Howard J. Russell

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I hereby certify that on the 7th day of October, 2021, a true and correct copy of the
foregoing DEFENDANT PHILIP MORRIS USA INC.'S OPPOSITION TO PLAINTIFF'S
MOTION TO RECONSIDER ORDER GRANTING DEFENDANT PHILIP MORRIS
USA INC.'S MOTION TO DISMISS PLAINTIFF'S AMENDED COMPLAINT UNDER
NRCP 12(b)(5) was electronically filed and served on counsel through the Court's electronic
service system pursuant to Administrative Order 14-2 and N.E.F.C.R. 9, via the electronic mail
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10/20/2021 11:43 AM Steven D. Grierson CLERK OF THE COUR **RPLY** Sean K. Claggett, Esq. Nevada Bar No. 008407 Matthew S. Granda, Esq. Nevada Bar No. 012753 Micah S. Echols, Esq. Nevada Bar No. 008437 CLAGGETT & SYKES LAW FIRM 4101 Meadows Lane, Ste. 100 Las Vegas, Nevada 89107 (702) 655-2346 – Telephone (702) 655-3763 - Facsimile sclaggett@claggettlaw.com wsvkes@claggettlaw.com mgranda@claggettlaw.com Kimberly L. Wald, Esq. Nevada Bar. No. 15830 10 Michael A. Hersh, Esq. Nevada Bar No. 15746 11 Fan Li, Esq. Nevada Bar No. 15771 12 KELLEY | UUSTAL 500 North Federal Highway, Suite 200 13 Fort Lauderdale, FL 33301 Attorneys for Plaintiff 14 DISTRICT COURT 15 CLARK COUNTY, NEVADA 16 DOLLY ROWAN, as Special Administrator 17 of the Estate of NOREEN THOMPSON. DEPT NO.: XVI 18 Plaintiff,

CASE NO.: A-20-811091-C

PLAINTIFF'S REPLY TO **DEFENDANT PHILIP MORRIS USA INC.'S OPPOSITION TO** MOTION TO RECONSIDER ORDER GRANTING MOTION TO **DISMISS PLAINTIFF'S AMENDED** COMPLAINT UNDER NRCP 12(b)(5)

**Electronically Filed** 

**Date of Hearing: 10/27/2021** Time of Hearing: In Chambers

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v.

PHILIP MORRIS USA, INC., a foreign

COMPANY, a foreign corporation,

tobacco business of BROWN &

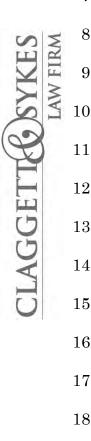
WILLIAMSON TOBACCO

corporation; R.J. REYNOLDS TOBACCO

individually, and as successor-by-merger to

LORILLARD TOBACCO COMPANY and as

successor-in-interest to the United States



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CORPORATION, which is the successor-bymerger to THE AMERICAN TOBACCO COMPANY; LIGGETT GROUP, LLC., a foreign corporation; and ASM NATIONWIDE CORPORATION d/b/a SILVERADO SMOKES & CIGARS, a domestic corporation; and ROE BUSINESS ENTITIES XI-XX, inclusive,

Defendants.

### **INTRODUCTION** I.

A victim can be directly harmed by a wrongdoer without having bought the wrongdoer's product. NRS 41.600 contemplates that scenario in its plain language, caselaw has interpreted it as such, and this case exemplifies it. Philip Morris produced and spread false information that caused Noreen Thompson to believe cigarettes are safer than they are. This fraudulent representation caused her to begin and continue smoking until she developed lung cancer and passed away. Therefore, Ms. Thompson was directly harmed by Philip Morris—not through its products—but through its practices. Ms. Thompson's statutory standing to sue as a victim arises from the harm Philip Morris caused her through its deceptive statements, misinformation campaigns, and prominent participation in the tobacco industry's conspiracy to convince the public that cigarettes do not cause cancer.

The crux of Philip Morris' argument is that an NDTPA claim requires a plaintiff to have purchased or used the defendant's product. Opp. at 2 & 10. Since civil conspiracy is a derivative claim, the upshot is that when several corporations conspire to defraud the public as a united front with false information about a *common* product,

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consumers can never hold the conspirators accountable under the NDTPA, only the manufacturer. This twisted position flouts the very purpose of the NDTPA and NRS 41.600 by eviscerating the function of these remedial statutes.

Philip Morris' reasoning (1) confuses a statutory claim under the NDTPA for a common law fraud claim and disregards the Supreme Court's admonition in *Betsinger v. D.R. Horton, Inc.*, 126 Nev. 162, 232 P.3d 433 (2010); (2) betrays the legislative intent to create a private cause of consumer action that does not rely on privity; and (3) blatantly mischaracterizes the Nevada Supreme Court's decision in *Fairway Chevrolet Co. v. Kelley*, 134 Nev. 935, 429 P.3d 663, 2018 WL 5906906 (2018) (unpublished).

Therefore, Plaintiff respectfully request that this Court grant reconsideration.

# II. <u>LEGAL ARGUMENT</u>

A. PHILIP MORRIS MISTAKENLY CONFLATES A STATUTORY CONSUMER FRAUD CLAIM WITH A COMMON LAW FRAUD CLAIM.

The NDTPA does not require Plaintiff to allege a duty based on use or purchase of Defendant's product, because it intentionally differs from common law fraud or misrepresentation. The plain language of the statute reads: "4. Any action brought pursuant to this section is not an action upon any contract underlying the original transaction." NRS 41.600(4) (1975). And that provision remained unchanged through ten legislative amendments. *See* NRS 41.600(4) (2021).

Philip Morris' attempt to mislead this Court is evidenced by the fact that all three cases it cites for its flagship argument address only common law fraud claims. *See* 

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Defendant Philip Morris USA Opposition to Plaintiff's Motion to Reconsider, 5-6. Dow Chem. Co. v. Mahlum, 114 Nev. 1468 (1998), abrogated by GES, Inc. v. Corbitt, 117 Nev. 265 (2001), Moretti v. Wyeth, Inc., 2009 U.S. Dist. LEXIS 29550, 2009 WL 749532 (D. Nev. Mar. 20, 2009) and Baymiller v. Ranbaxy Pharmaceuticals, Inc., 894 F. Supp.2d 1302 (D. Nev. 2012) are all product liability cases where the plaintiff sought relief via the common law claims of fraudulent concealment or fraud and misrepresentation. These common law claims require the plaintiff to prove that the defendant owed him a duty of care. Moretti, 2009 WL 749532, at \*3. This duty, "at a minimum, required some form of relationship between the parties." Baymiller, 894 F. Supp.2d at 1309. In a negligent misrepresentation claim, for example, this duty must arise from a business transaction. Id. Indeed, the federal district court's decision in these cases turned on whether the plaintiff and defendant are connected by privity:

"In *Kite*, this Court found that **negligent misrepresentation was only available** if a plaintiff suffered pecuniary losses in the context of a business **transaction**. *Id*. As such, this Court's previous reasoning is in line with *Moretti* and Foster. Thus, this Court finds that Glaxo does not have a duty to warn or otherwise disseminate information about the risks associated with their generic competitors' drugs because Mary Baymiller did not purchase or ingest a Glaxo product. As such, Mary Baymiller did not have a relationship with Glaxo and Glaxo did not owe Mary Baymiller any duty to warn. Accordingly, the Court grants Glaxo's motion for summary judgment on claim 6 for fraud and negligent misrepresentation."

Baymiller, 894 F. Supp. 2d at 1311.

However, the NDTPA takes the opposite stance. The NDTPA was enacted to "provide consumers with a cause of action that was easier to establish than common

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law fraud." Betsinger v. D.R. Horton, Inc., 126 Nev. 162, 232 P.3d 433, 435 (2010). Specifically, NRS 41.600 was enacted because the Legislature wished to give consumer victims the right to sue without having to establish privity. See Assembly History, A.B. 319, 58th Session (1975) ("A.B. 319 (chapter 629) establishes consumer fraud as a separate cause of action apart from breach of contract or other causes of action in commercial dealings."). This is why the plain language of the statute clearly steers this Court away from "any contract underlying the original transaction." NRS 41.600(4) (2021).

Thus, the common law fraud cases Philip Morris cites have no bearing on Plaintiff's statutory consumer fraud claims. To the contrary, this Court must "look to the language of the statute itself to determine a party's [standing]." Fergason v. Las Vegas Metro. Police Dep't, 131 Nev. 939, 952, 364 P.3d 592, 600 (2015). Since NRS 41.600 does not limit standing to purchasers or users of a defendant's product, this Court must afford the statute "liberal construction to accomplish its beneficial intent." Poole v. Nevada Auto Dealership Investments, LLC, 135 Nev. 280, 449 P.3d 479, 485 (Ct. App. 2019) (citing Welfare Div. of State Dept. of Health, Welfare & Rehab. v. Washoe County Welfare Dept., 88 Nev. 635, 637, 503 P.2d 457, 458 (1972)). This Court must not impose a greater constitutional requirement for standing beyond the language of the statute. See Fergason, 131 Nev. at 952, 364 P.3d 592 at 600. Therefore, the Court should reject Philip Morris' attempts to extinguish Plaintiff's NDTPA claims.

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### В. COURT TO **BETRAY** PURPOSE OF THE NDTPA AND NRS 41.600.

By asking this Court to impose the requirements of common law fraud onto a NDTPA claim, Philip Morris seeks to nullify the NDTPA's remedial purpose. The Court of Appeals in *Poole* faced a similar request and rejected it with persuasive reasoning. The respondent in *Poole* asked the court to construe the word "knowingly" in the NDTPA as to require specific intent to defraud, which is the common law standard. Id. at 483. The Court of Appeals, however, chose to define "knowingly" as to require only general intent because to do otherwise would "render NDTPA and common law fraud claims redundant" and "disserve the NDTPA's remedial purpose, and discourage claims by forcing parties to clear a significantly higher bar." *Id.* at 485. Analyzing other jurisdictions' treatment of the same issue, the Court of Appeals recognized that several states favored the respondent's reading. Id. at 484-485. But, the Court of Appeals held steadfast: "We conclude, however, that our interpretation better serves the NDTPA's remedial purpose. Because the NDTPA is a remedial statutory scheme, Sellinger v. Freeway Mobile Home Sales, Inc., 110 Ariz. 573, 521 P.2d 1119, 1122 (1974) (recognizing that remedial statutes are those that 'are designed to redress existing grievances and introduce regulations conducive to the public good'), we 'afford[] [it] liberal construction to accomplish its beneficial intent." *Id.* at 485.

Philip Morris' proposed reading would deny standing to the very victim that the NDTPA was enacted to protect. If a defendant corporation harmed a consumer through fraud, it is liable under the NDTPA, regardless of its liability under common law. Ms.

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LAW FIRM

Thompson's cancer was caused by smoking, which was caused by the misinformation campaign that spanned most of her life. The depth of the deception was possible because Philip Morris, like the other tobacco companies, conspired to present a united front. That causal link between Philip Morris' deceptive practices and Ms. Thompson's injury exists without her having used Philip Morris' product.

This lawsuit is unique in the scale, complexity, and length of deception perpetrated by Philip Morris and its conspirators. As Judge Gladys Kessler wrote in her 1,683-page opinion finding Philip Morris and other cigarette makers in violation of civil racketeering laws:

It is about an industry, and in particular these Defendants, that survives, and profits, from selling a highly addictive product which causes diseases that lead to a staggering number of deaths per year, an immeasurable amount of human suffering and economic loss, and a profound burden on our national health care system. Defendants have known many of these facts for at least 50 years or more. Despite that knowledge, they have consistently, repeatedly, and with enormous skill and sophistication, denied these facts to the public, to the Government, and to the public health community.

United States v. Philip Morris USA, Inc., 449 F. Supp. 2d 1, 28, 2006 U.S. Dist. LEXIS 61412, 18–19 (D.D.C. Aug. 17, 2006). Common law fraud claims may be unequipped to address this type of fraudulent sophistication. But the NDTPA closed that loophole, and that is the remedial purpose this Court should protect and enforce. Therefore, the Court should rule consistently with *Poole* and the various aligned cases that confirm the remedial purpose of these statutes.

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### C. PHILIP MORRIS' RELIANCE ON FAIRWAY IS A STRAW MAN ARGUMENT.

Fairway's plaintiff did not suffer any harm from the defendant's conduct and admitted so. Fairway Opening Brief ("FOB") at 10–12, which is attached as **Exhibit** 1. He was a consumer protection vigilante, who was never deceived by the defendant, but sued the defendant for a 30-second TV commercial that he believed was unlawful. Id. at 1–2. In contrast, Ms. Thompson was influenced and misled by decades of misinformation created and disseminated by Philip Morris and its conspirators. See Plaintiff's Amended Complaint, at 6, ¶ 23–58, ¶ 24. As a direct result of these false marketing and public relations efforts, Ms. Thompson believed cigarettes to be safer than they were and became addicted to smoking, which caused her cancer. See Plaintiff's Amended Complaint, at 57. To argue that these two plaintiffs are analogous is a flagrant misstatement.

The Supreme Court's unpublished opinion in Fairway simply holds that when a plaintiff did not suffer any harm, NRS 41.600 provides no standing. *Id.* at \*1. The Court did not require the plaintiff to have bought or used the defendant's product. *Id.* Nor did the Court impose any definition of "victim" that is narrower than the ordinary usage. Id.

In fact, Fairway's reasoning supports Plaintiff's position. The successful appellant in Fairway relied heavily on three federal cases that addressed the same issue of standing at bar in this proceeding: Picus v. Wal-Mart Stores, Inc., 256 F.R.D. 651 (D. Nev. 2009); S. Serv. Corp. v. Excel Bldg. Servs., Inc., 617 F. Supp. 2d 1097 (D.

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Nev. 2007); and Del Webb Communities, Inc. v. Partington, 652 F.3d 1145 (9th Cir. 2011). **Exhibit 1**, at 15. All three cases interpreted NRS 41.600 to merely require the defendant to have caused harm to the plaintiff, but none of these cases support Philip Morris' argument that the harm must arise from the purchase or use of a defendant's product. Quite the opposite, S. Serv. Corp and Del Webb Communities staunchly guarded a broad and ordinary definition of "victim" against any narrow judicial construction. S. Serv. Corp, 617 F. Supp. 2d at 1100; Del Webb Communities, 652 F.3d at 1152–1153. Having contemplated these cases, *Fairway* did not reject or modify these federal courts' reading of NRS 41.600. Instead, the Court ruled consistently with the federal courts by citing BLACK'S LAW DICTIONARY and MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY for the broad and ordinary definition of "victim": "The undisputed facts of this case demonstrate that respondent was not a 'victim' of consumer fraud under any sensible definition of that term, as the definition of "victim" connotes some sort of harm being inflicted on the "victim." See, e.g., BLACK'S LAW DICTIONARY, 1798 (10th ed. 2014) (defining "victim" as "[a] person harmed by a crime, tort, or other wrong"); MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY, 1394 (11th ed. 2007) (defining "victim" as "one that is injured, destroyed, or sacrificed under any of various conditions" and "one that is tricked or duped"). Fairway, 2018 WL 5906906, at \*1 (emphases added).

If these are the meter-stick definitions of "victim," then the Supreme Court could not have intended to deprive a victim of her standing to sue when she was tricked into

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using a harmful product, simply because the trickster did not make the product. Philip Morris' misconduct at issue here is not a false claim in its advertising about its own product, but a decades-long false narrative it perpetuated with its conspirators about a common product from which they all profited.

Plaintiff's Amended Complaint detailed how Philip Morris was involved in the conspiracy to deceive American consumers, like Ms. Thompson, from the very beginning. See Plaintiff's Amended Complaint, 11-25 (The Frank Statement was signed in 1954 by Philip Morris' president). Plaintiff not only pointed to Philip Morris' misconduct through the Tobacco Industry Research Committee and the Tobacco Institute, See Plaintiff's Amended Complaint, at 13, ¶ 49; 21, ¶ 84, but also provided specific false statements from Philip Morris, such as:

- In 1971, Joseph Cullman, Chairman of Philip Morris, stated on Face the Nation, "we do not believe that cigarettes are hazardous; we don't accept that."
- In 1972 Philip Morris vice president James Bowling repeated the company's promise to consumers two decades earlier that "if our product is harmful, we'll stop making it."
- Bowling repeated the company's position on smoking and health in a 1976 interview when he noted: "from our standpoint, if anyone ever identified any ingredient in tobacco smoke as being hazardous to human health or being
- A 1978 Philip Morris publication entitled "Facts About the Smoking "scientists Controversy" stated: have not determined what causes cancer...cigarettes have never been proven unsafe."

See Plaintiff's Amended Complaint, 84-85, ¶ 315. Plaintiff even included a photograph containing Philip Morris' CEO, William Campbell (second from the right), from a 1994

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Congressional hearing, where he denied that cigarettes are addictive or disease-causing. See Plaintiff's Amended Complaint, at 22, ¶ 88. The totality of such false representations over decades is what led Ms. Thompson to use, and become addicted to, cigarettes, which caused her cancer.

Contrary to Philip Morris' claim, the directness of this causal link was clearly alleged by the Plaintiff's Amended Complaint:

- If NOREEN THOMPSON had known the true health hazards and addictive nature of cigarettes, she would not have started smoking, nor smoked light, low tar, and/or filtered cigarettes. nor continued to smoke for many years.
- As a direct and proximate result of these aforementioned statements, Decedent, NOREEN THOMPSON, relied upon the assurances from the tobacco industry, including statements and sworn congressional testimony from Defendants' CEOs and also statements from the Defendants' spokesmen and women hired by Defendants and their co-conspirators, and as a direct and proximate result of that reliance, continued to smoke cigarettes.

See Plaintiff's Amended Complaint, 57, ¶ 224-5 (incorporated in the NDTPA claims). The desperation in Philip Morris' "attenuation" argument is easily exposed by a cursory review of its string citations. See Defendant Philip Morris USA Opposition to Plaintiff's Motion to Reconsider, 10. Prescott v. Slide Fire Sols., LP, 410 F. Supp. 3d 1123 (D. Nev. 2019) is a favorable case Plaintiff analyzed in detail in her Motion to Reconsider to illustrate why her Amended Complaint sufficiently pled a direct harm. Mot. at 18. Fields v. Twitter, Inc., 881 F.3d 739 (9th Cir. 2018) is a federal case addressing the causation requirement under the Anti-Terrorism Act, not the NDTPA. And the only case Philip Morris even bothered to explicate, *Katz v. Pershing*, *LLC*, 672 F.3d 64, 77

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(1st Cir. 2012), is a federal case commenting on Massachusetts' consumer fraud statute. Id. Worse yet, Katz does not even stand for the proposition Philip Morris alleged. The court in *Katz* disagreed with the plaintiff's causation theory (the one Philip Morris cites) not because it was too attenuated but because it was not plausible. *Id* ("This is not a plausible allegation that the false advertisements caused her to pay the supposedly inflated prices for NPC's services.").

Juxtaposed against the Fairway plaintiff's mere indignation, Ms. Thompson's harm in this case is actual, substantial, and directly caused by Philip Morris' deception. She is, in every "sensible" definition of the word, a "victim." Therefore, Plaintiff has standing to sue Philip Morris under NRS 41.600.

### III. **CONCLUSION**

For the above reasons, this Court should grant reconsideration and reinstate Plaintiff's NDTPA claim. Since Philip Morris concedes that Plaintiff's civil conspiracy claims should be reinstated if the NDTPA claims are viable, See Defendant Philip Morris USA Opposition to Plaintiff's Motion to Reconsider at 11, this Court should also reinstate the civil conspiracy claim.

DATED 20th day of October 2021.

CLAGGETT & SYKES LAW FIRM

/s/ Micah S. Echols Micah S. Echols, Esq. Nevada Bar No. 8437 Attorneys for Plaintiff

- 12 -PA832

# CLAGGETT& SYKES

# CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 20<sup>th</sup> day of October 2021 I caused to be served a true and correct copy of the PLAINTIFF'S REPLY TO DEFENDANT PHILIP MORRIS USA INC.'S OPPOSITION TO MOTION TO RECONSIDER ORDER GRANTING MOTION TO DISMISS PLAINTIFF'S AMENDED COMPLAINT UNDER NRCP 12(b)(5) on the following person(s) by the following method(s) pursuant to NRCP 5(b) and NEFCR 9:

arsuant to INICE 5(b) and NEFCI 9.	
VIA E-SERVICE ONLY:	VIA E-SERVICE ONLY:
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An Employee of CLAGGETT & SYKES
LAW FIRM

- 13 -

PA833

11/8/2021 10:33 AM Steven D. Grierson CLERK OF THE COURT 1 **MOT** Sean K. Claggett, Esq. Nevada Bar No. 008407 Matthew S. Granda, Esq. Nevada Bar No. 012753 Micah S. Echols, Esq. Nevada Bar No. 008437 CLAGGETT & SYKES LAW FIRM 4101 Meadows Lane, Suite 100 Las Vegas, Nevada 89107 6 (702) 655-2346 – Telephone (702) 655-3763 – Facsimile sclaggett@claggettlaw.com mgranda@claggettlaw.com micah@claggettlaw.com 9 Kimberly L. Wald, Esq. Nevada Bar. No. 15830 10 Michael A. Hersh, Esq. Nevada Bar No. 15746 11 Fan Li, Esq. Nevada Bar No. 15771 12 KELLEY | UUSTAL 500 North Federal Highway, Suite 200 13 Fort Lauderdale, FL 33301 DISTRICT COURT 14 CLARK COUNTY, NEVADA 15 16 DOLLY ROWAN, as Special Administrator of the Estate of NOREEN 17 THOMPSON, CASE NO. A-20-811091-C 18 Plaintiff, DEPT. NO. V 19 PLAINTIFF'S SUPPLEMENT TO v. MOTION TO RECONSIDER ORDER 20 PHILIP MORRIS USA, INC., a foreign GRANTING DEFENDANT PHILIP corporation; R.J. REYNOLDS TOBACCO MORRIS USA INC.'S MOTION TO 21 COMPANY, a foreign corporation, **DISMISS PLAINTIFF'S AMENDED** individually, and as successor-by-merger COMPLAINT UNDER NRCP 12(b)(5) 22 to LORILLARD TOBACCO COMPANY and as successor-in-interest to the United 23 States tobacco business of BROWN & WILLIAMSON TOBACCO

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CORPORATION, which is the successor-by-merger to THE AMERICAN TOBACCO COMPANY; LIGGETT GROUP, LLC., a foreign corporation; QUICK STOP MARKET, LLC, a domestic limited liability company; JOE'S BAR, INC., a domestic corporation; THE POKER PALACE, a domestic corporation; SILVER NUGGET GAMING, LLC d/b/a SILVER NUGGET CASINO, a domestic limited liability company, JERRY'S NUGGET, a domestic corporation; and DOES I-X; and ROE BUSINESS ENTITIES XI-XX, inclusive

# Defendants.

Plaintiff, DOLLY ROWAN, as Special Administrator of the Estate of NOREEN THOMPSON, by and through their counsel of record, SEAN K. CLAGGETT, ESQ., of CLAGGETT & SYKES LAW FIRM, hereby supplements her Motion to Reconsider Order Granting Defendant Philip Morris USA Inc.'s Motion to Dismiss Plaintiff's Amended Complaint Under NRCP 12(b)(5) filed on September 23, 2021.

Plaintiff is supplementing Judge Nadia Krall's Order in Sandra Camacho v. Philip Morris USA Inc., et al., Case No: A-19-807650-C, that was referenced in her Motion and entered on November 4, 2021.

The Order is attached hereto.

DATED this 8th day of November 2021.

# CLAGGETT & SYKES LAW FIRM

/s/ Sean K. Claggett
Sean K. Claggett, Esq.
Nevada Bar No. 008407
Attorneys for Plaintiff

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# CLAGGETT& SYKES

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# CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 8<sup>th</sup> day of November 2021 I caused to be served a true and correct copy of the <u>PLAINTIFF'S SUPPLEMENT TO MOTION TO RECONSIDER ORDER GRANTING DEFENDANT PHILIP MORRIS USA INC.'S MOTION TO DISMISS PLAINTIFF'S AMENDED COMPLAINT UNDER NRCP</u>

12(b)(5) on the following person(s) by the following method(s) pursuant to NRCP 5(b) and NEFCR 9:

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# VIA E-SERVICE ONLY:

Katherine Heinz, Esq. SHOOK, HARDY AND BACON, LLP 2555 Grand Boulevard Kansas City, MO 64108 Attorneys for Philip Morris USA, Inc.

/s/: Moises Garcia

An Employee of CLAGGETT & SYKES LAW FIRM

702-655-2346 • Fax 702-655-3763

**Electronically Filed** 11/4/2021 8:51 AM Steven D. Grierson CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

CASE NO.: A-19-807650-C

DEPT. NO.: IV

# NOTICE OF ENTRY OF ORDER

Page 1 of 3

# CLAGGETT & SYKES LAW FIRM

PLEASE TAKE NOTICE that an Order in the above-entitled action was entered and filed on November 3, 2021.

A copy of which is attached hereto.

DATED this 4th day of November, 2021.

# CLAGGETT & SYKES LAW FIRM

/s/ Sean K. Claggett Sean K. Claggett, Esq. Nevada Bar No. 008407 Attorney for Plaintiffs

# CLAGGETT & SYKES LAW FIRM 4101 Meadows Lane, Ste 100 Las Vegas, Nevada 89107 702-655-2346 • Fax 702-655-3763

# **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 4th day of November 2021, I caused to be served a true and correct copy of the foregoing **NOTICE OF ENTRY OF ORDER** on the following person(s) by the following method(s) pursuant to NRCP 5(b) and NEFCR 9:

VIA E-SERVICE ONLY:	VIA E-SERVICE ONLY:
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Attorneys for R.J. Reynolds Tobacco	Attorneys for Philip Morris USA, Inc. and
Company	ASM Nationwide Corporation
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# /s/ Lindsay S. Cortez

An Employee of Claggett & Sykes Law Firm

# ELECTRONICALLY SERVED 11/3/2021 10:07 AM

11/03/2021 10:06 AM CLERK OF THE COURT **ORDR** Sean K. Claggett, Esq. 2 Nevada Bar No. 008407 Matthew S. Granda, Esq. 3 Nevada Bar No. 012753 Micah S. Echols, Esq. 4 Nevada Bar No. 008437 5 **CLAGGETT & SYKES LAW FIRM** 4101 Meadows Lane, Suite 100 6 Las Vegas, Nevada 89107 (702) 655-2346 – Telephone 7 (702) 655-3763 – Facsimile sclaggett@claggettlaw.com 8 mgranda@claggettlaw.com 9 micah@claggettlaw.com 10 Kimberly L. Wald, Esq. Nevada Bar. No. 15830 11 Michael A. Hersh, Esq. 702-655-2346 • Fax 702-655-3763 Nevada Bar No. 15746 12 Fan Li, Esq. 13 Nevada Bar No. 15771 KELLEY | UUSTAL 14 500 North Federal Highway, Suite 200 Fort Lauderdale, FL 33301 15 Attorneys for Plaintiffs 16 DISTRICT COURT 17 CLARK COUNTY, NEVADA 18 SANDRA CAMACHO, individually, and ANTHONY CAMACHO, individually, 19 Plaintiffs. CASE NO. A-19-807650-C 20 DEPT. NO. IV VS. 21 PHILIP MORRIS USA, INC., a foreign 22 corporation; R.J. REYNOLDS TOBACCO COMPANY, a foreign corporation, individually, ORDER GRANTING PLAINTIFFS' 23 and as successor-by-merger to LORILLARD MOTION TO RECONSIDER ORDER TOBACCO COMPANY and as successor-in-GRANTING DEFENDANT R.J. 24 interest to the United States tobacco business of REYNOLDS TOBACCO COMPANY'S **BROWN & WILLIAMSON TOBACCO** MOTION TO DISMISS PLAINTIFFS' 25 CORPORATION, which is the successor-by-AMENDED COMPLAINT UNDER merger to THE AMERICAN TOBACCO NRCP 12(b)(5)26 COMPANY; LIGGETT GROUP, LLC., a foreign limited liability company; and ASM 27 NATIONWIDE CORPORATION d/b/a SILVERADO SMOKES & CIGARS, a domestic 28 corporation; and LV SINGHS INC. d/b/a

**CLAGGETT & SYKES LAW FIRM** 

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Las Vegas, Nevada 89107

Page 1 of 4

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SMOKES & VAPORS, a domestic corporation; DOES 1-X; and ROE BUSINESS ENTITIES XI-XX, inclusive,

# Defendants.

Date of Hearing: September 23, 2021

Time of Hearing: 9:00 a.m.

The Court, having reviewed (1) Plaintiffs' Motion to Reconsider Order Granting R.J. Reynolds Tobacco Company's Motion to Dismiss Plaintiffs' Amended Complaint Under NRCP 12(b)(5) (filed on May 25, 2021); (2) Defendant R.J. Reynolds Tobacco Company's ("R.J. Reynolds") Opposition (filed on June 22, 2021); and (3) Plaintiffs' Reply (filed on August 3, 2021), and having heard the argument of counsel at the time of the hearing on September 23, 2021, hereby ORDERS as follows:

- 1. Plaintiffs' Motion to Reconsider is hereby GRANTED.
- 2. The effect of this Order is that Plaintiffs' claims for (1) violation of the Nevada Deceptive Trade Practices Act ("NDTPA") and (2) civil conspiracy against R.J. Reynolds are hereby reinstated.
- 3. The Court first notes that according to NRCP 54(b), it has the right to reconsider the prior Order Granting Defendant R.J. Reynolds Tobacco Company's Motion to Dismiss Plaintiffs' Amended Complaint Under NRCP 12(b)(5) (filed on August 27, 2020). See, e.g., In re Manhattan W. Mechanic's Lien Litig., 131 Nev. 702, 707 n.3, 359 P.3d 125, 128 n.3 (2015) ("[The petitioner] argues that the district court erred in reconsidering the motion. [The petitioner's] argument is without merit because NRCP 54(b) permits the district court to revise a judgment that adjudicates the rights of less than all the parties until it enters judgment adjudicating the rights of all the parties.").
- 4. The prior August 27, 2020, Order Granting Defendant R.J. Reynolds Tobacco Company's Motion to Dismiss is clearly erroneous for several reasons:
  - Plaintiffs' claim for violation of the NDTPA is based upon the plain language a. of the several statutory provisions. Yet, the prior August 27, 2020, Order erroneously adds language to the statutory requirements of the NDTPA by requiring Plaintiffs to "purchase or use" an R.J. Reynolds' product. Ord. at 2. The prior August 27, 2020, Order also erroneously required Plaintiffs to have a "legal relationship" with R.J. Reynolds. These requirements

improperly exceed the statutory requirements of NRS 41.600 and NRS Chapter 598. *See*, *e.g.*, NRS 598.0915; NRS 598.094. *See S. Nev. Homebuilders Ass'n v. Clark Cty.*, 121 Nev. 446, 451, 117 P.3d 171, 174 (2005) ("[I]t is not the business of this court to fill in alleged legislative omissions based on conjecture as to what the legislature would or should have done."). Thus, the Court grants reconsideration and concludes that Plaintiffs have properly alleged a claim for violation of the NDTPA against R.J. Reynolds to survive a challenge under NRCP 12(b)(5).

- b. The Court's construction of NRS 41.600 and NRS Chapter 598 in granting reconsideration is consistent with the Supreme Court's clarification in *Betsinger v. D.R. Horton, Inc.*, 126 Nev. 162, 232 P.3d 433 (2010) that an NDTPA claim is easier to establish than common law fraud. The Court of Appeals also more recently confirmed, "Because the NDTPA is a remedial statutory scheme," this Court should "afford [it] liberal construction to accomplish its beneficial intent." *Poole v. Nevada Auto Dealership Investments, LLC*, 135 Nev. 280, 286–287, 449 P.3d 479, 485 (Ct. App. 2019) (citing *Welfare Div. of State Dep't of Health, Welfare & Rehab. v. Washoe Cty. Welfare Dep't*, 88 Nev. 635, 637 (1972)). Thus, the Court concludes that Plaintiffs have standing and have sufficiently alleged a claim for violation of the NDTPA against R.J. Reynolds to survive a challenge under NRCP 12(b)(5).
- c. Since the Court has reinstated Plaintiffs' claim for violation of the NDTPA against R.J. Reynolds, this claim provides the necessary predicate for the Court to also reinstate Plaintiffs' conspiracy claim against R.J. Reynolds. In Nevada, "an underlying cause of action for fraud is a necessary predicate to a cause of action for conspiracy to defraud." *Jordan v. State ex rel. Dept. of Motor Vehicles & Pub. Safety*, 121 Nev. 44, 75, 110 P.3d 30, 51 (2005), *abrogated on other grounds by Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev. 224, 228 n.6, 181 P.3d 670, 672 n.6 (2008).
- 5. On the issue of discovery, the Court notes that there is an upcoming jury trial date of August 1, 2022. Despite R.J. Reynolds' offer at the hearing that it could participate in discovery as a non-party (viewing itself as dismissed under the prior August 27, 2020, Order), the Court does not have the authority to compel a non-party to participate in discovery. Thus, as a practical matter, if

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the Court were to leave R.J. Reynolds dismissed under the erroneous August 27, 2020, Order, the discovery in this case would have to be duplicated upon the reinstatement of Plaintiffs' claims against R.J. Reynolds. Thus, the Court's decision to grant Plaintiffs' motion to reconsider and reinstate Plaintiffs' claims against R.J. Reynolds more fully supports judicial economy than R.J. Reynolds' offer to voluntarily participate in discovery, while remaining dismissed from the case. Now that Plaintiffs' claims against R.J. Reynolds are reinstated, R.J. Reynolds can participate in discovery as a party to this litigation.

IT IS SO ORDERED.

Dated this 3rd day of November, 2021

3F8 F16 93CB E87D Nadia Krall **District Court Judge** 

Respectfully Submitted by: Dated this 2<sup>nd</sup> day of November 2021.

# CLAGGETT & SYKES LAW FIRM

/s/ Sean K. Claggett

Sean K. Claggett, Esq.

Nevada Bar No. 008407 4101 Meadows Lane, Suite 100

Las Vegas, Nevada 89107

Attorneys for Plaintiffs

20 Reviewed as to Form and Content:

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

# **BAILEY KENNEDY**

23 Submitting Competing Order

24

Dennis L. Kennedy

Nevada Bar No. 1462 25

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26 Las Vegas, Nevada 89148

Attorneys for Defendant R.J. Reynolds Tobacco Company

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 Sandra Camacho, Plaintiff(s) CASE NO: A-19-807650-C 6 DEPT. NO. Department 4 VS. 7 8 Philip Morris USA Inc, Defendant(s) 9 10 **AUTOMATED CERTIFICATE OF SERVICE** 11 This automated certificate of service was generated by the Eighth Judicial District 12 Court. The foregoing Order was served via the court's electronic eFile system to all 13 recipients registered for e-Service on the above entitled case as listed below: 14 Service Date: 11/3/2021 15 Jackie Abrego jabrego@claggettlaw.com 16 Maria Alvarez malvarez@claggettlaw.com 17 Reception E-File reception@claggettlaw.com 18 Audra Bonney abonney@wwhgd.com 19 D. Lee Roberts 20 lroberts@wwhgd.com 21 Howard Russell hrussell@wwhgd.com 22 Kelly Pierce kpierce@wwhgd.com 23 Joseph Liebman iliebman@baileykennedy.com 24 Dennis Kennedy dkennedy@baileykennedy.com 25 Bailey Kennedy, LLP bkfederaldownloads@baileykennedy.com 26 Matthew Granda mgranda@claggettlaw.com 27

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