REC'D & FILED JASON D. WOODBURY Nevada Bar No. 6870 2014 APR 30 PM \$55 KAEMPFER CROWELL 2 510 West Fourth Street ALAN GLOVER Carson City, Nevada 89703 3 Telephone: (775) 884-8300 J. HARKLEROAD Facsimile: (775) 882-0257 4 JWoodbury@kcnvlaw.com 5 Attorneys for Reza Zandian IN THE FIRST JUDICIAL DISTRICT COURT 6 OF THE STATE OF NEVADA IN AND FOR **CARSON CITY** 7 8 JED MARGOLIN, an individual, 9 Plaintiff, 10 vs. OPTIMA TECHNOLOGY CORPORATION. Case No. 09OC00579 1B 11 a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada 12 Dept. No. I corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka 13 GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka 14 GHONOREZA ZANDIAN JAZI, an 15 individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30, 16 17 Defendants. 18 19 DEFENDANTS' MOTION TO RETAX AND SETTLE COSTS COMES NOW, Defendant REZA ZANDIAN ("ZANDIAN"), by and through his 20 21 attorneys, Kaempfer Crowell, and hereby files his Motion to Retax and Settle Costs relative to 22 Plaintiff's Motion For Order Allowing Costs And Necessary Disbursements And Memorandum 23 Of Points And Authorities In Support Thereof. 24

Page 1 of 8

This *Motion* is made pursuant to the attached memorandum of points and authorities, all papers and pleadings on file in this matter and any evidence received and arguments entertained by the Court at any hearing.

DATED this _____ day of April, 2014.

KAEMPFER CROWELL

Jason D. Woodbury

Nevada Bar No. 6870 510 West Fourth Street

Carson City, Nevada 89703

Telephone: (775) 884-8300 Facsimile: (775) 882-0257

JWoodbury@kcnvlaw.com

Attorneys for Reza Zandian

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MEMORANDUM OF POINTS AND AUTHORITIES

THE COURT HAS DISCRETION TO AWARD COSTS AND EACH PARTY SHOULD BEAR THEIR OWN COSTS IN THIS CASE

The determination of allowable costs is within the sound discretion of the trial court. Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals, 971 P.2d 383, 114 Nev. 1348 (1998). However, statutes permitting recovery of costs are in derogation of common law, and therefore must be strictly construed. Gibellini v. Klindt, 110 Nev. 1201, 885 P.2d 540, 1994 Nev. LEXIS 143 (1994). Nev. Rev. Stat. Ann. § 18.005.

Here, while Defendant believes each party should bear its own costs, Plaintiff seeks its photocopying costs at a rate of \$0.25 per page, per supporting documentation at "Exhibit 4" of "Declaration of Adam McMillen In Support of Plaintiff's Motion for Order Allowing Costs and Necessary Disbursements" NRS 18.005(12) prescribes "Reasonable costs for photocopies." If the court is inclined to award costs, the Defendant respectfully requests the court reduce the photocopy charges to \$0.15 per page, or a total of \$288.72 for photocopies. See Affidavit of Jano Barnhurst, attached hereto as Exhibit 1.

В. AN AWARD OF ATTORNEY'S FEES IS NOT APPROPRIATE AS A MATTER OF LAW

It is well settled law in Nevada that the district court may not award attorney fees absent authority under a statute, rule, or contract. Here there is no applicable statute or rule and the parties did not enter into an agreement which afforded attorney's fees. Therefore, the American Rule that each party should bear its own attorney's fees and costs applies, in keeping with the following law.

1. NRS 598.0999(2) does not permit an award of attorney's fees in this case

Plaintiff claims that under its claim for "deceptive trade practices" it is entitled to an

Page 3 of 8

award of attorney's fees under "NRS 598.0999(2)." See Plaintiff's Motion For Order Allowing Costs And Necessary Disbursements And Memorandum Of Points And Authorities In Support Thereof at p. 3, ll. 24-28. While Plaintiff concedes that "NRS 598.0999(2) does not explicitly provide for attorney fees incurred postjudgment," Plaintiff nonetheless seeks them under the authority of NRS 598.0999(2).

However, NRS 598.0999 does not permit an award of attorney's fees in this case. It provides in relevant part:

NRS 598.0999 Civil and criminal penalties for violations.

2. Except as otherwise provided in NRS 598.0974, in any action brought pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, if the court finds that a person has willfully engaged in a deceptive trade practice, the district attorney of any county in this State or the Attorney General bringing the action may recover a civil penalty not to exceed \$5,000 for each violation. The court in any such action may, in addition to any other relief or reimbursement, award reasonable attorney's fees and costs.

Here, "in any such action" refers to the potential action to be brought by the district attorney or the Attorney General in pursuing its civil recourse. It does not refer to an action brought by a Plaintiff in a civil action. Therefore, NRS 598.0999(2) does not apply.

2. The district court may not award attorney fees absent authority under a statute, rule, or contract.

It is well settled Nevada law that attorney's fees are not recoverable unless authorized by a statute, rule, or contractual provision. *Horgan v. Felton*, 123 Nev. 577, 583 (Nev. 2007) *citing Rowland v. Lepire*, 99 Nev. 308, 315, 662 P.2d 1332, 1336 (1983).

Here, the American Rule that each party should bear its own attorney's fees and costs remains the case, in the absence of a statute, rule or contract to the contrary. Under the "American Rule," win or lose, the parties bear their own legal fees. Fox v. Vice, 131 S. Ct. 2205, 2213 (2011). The district court may not award attorney fees absent authority under a statute, rule,

or contract. State, Dep't of Human Resources v. Fowler, 109 Nev. 782, 784, 858 P.2d 375, 376 (1993).

3. The court's exercise of discretion in determining the reasonable value of an attorney's services arises only when an award of attorney's fees is prescribed.

While it is within the court's discretion to determine the reasonable amount of attorney's fees under a statute or rule, in exercising its discretion, the court must evaluate the factors set forth in *Brunzell v. Golden Gate National Bank*, 85 Nev. 345 (1969). Here, the court does not arrive at such an analysis because there is no applicable statute or rule which permits an award of fees to the Plaintiff. The *Brunzell* analysis only arises in instances where attorney's fees are prescribed by statute, rule or contract.

4. Even if a *Brunzell* Analysis of an award of attorney's fees were permissible, Plaintiff's fees are inflated.

This case has been a series of default judgments and did not require years of legal work focused on a specialty in intellectual property. While that may, in general, justify opposing counsel's billable hourly rate, this was not a case driven by intellectual property law. Rather, by application of the default judgment scheme, NRS Chapter 17. Further, the Complaint reflects this fact: it offers up the run of the mill torts against Defendants and only alleges "deceptive trade practices," as the one and only "intellectual property" specialty. Further, not one of the Plaintiff's claims was ever never litigated and brought to a judgment on the merits. In fact, the fees Plaintiff seeks to recover are related solely to post-judgment work that has been performed—not work that was performed to bring about the default judgment.

The judgment against this Defendant is exclusively by default and therefore, does not impose specialized skill or unusual time and attention to the work performed by counsel in this case. Plaintiff pursued and has only pursued default judgments against all Defendants since the

matter's inception. Hence, this case required no specialized legal practice which justifies the hourly rate or justifies collection of an increased fee, if any at all.

The *Brunzell* factors evaluate: (1) the qualities of the advocate: his ability, his training, education, experience, professional standing and skill; (2) the character of the work to be done: its difficulty, its intricacy, its importance, time and skill required, the responsibility imposed and the prominence and character of the parties where they affect the importance of the litigation; (3) the work actually performed by the lawyer: the skill, time and attention given to the work; (4) the result: whether the attorney was successful and what benefits were derived. *Brunzell v. Golden Gate Nat'l Bank*, 85 Nev. 345, 349 (Nev. 1969). As set forth above, no factor weighs in favor of an award of \$34,632.50 for 6 months of work dedicated to opposing the setting aside a default judgment, taking steps to execute against a default judgment, and responding to an appeal (10/18/2013 – 4/18/2014).

5. Even if a *Brunzell* Analysis of an award of attorney's fees were permissible, Plaintiff's requested fees are exclusively for post-judgment, pre-appeal work.

Additionally, Plaintiff is asking that the *Brunzell* factors be applied exclusively to post-judgment accrued attorney's fees. The default judgment was obtained on June 24, 2013 and Plaintiff is asking for its attorney's fees from "October 18, 2013 to April18, 2014." *See* p. 5, ll. 22-23 of Plaintiff's Motion. The *Brunzell* factors are therefore, generally not applicable (if at all in this case) to the effort expended in defeating Defendants' "Motion To Set Aside Default Judgment" filed on January 9, 2014, as fees may not be awarded for work performed related to the appeal noticed by Defendant on March 12, 2014.

To the extent that the attorney's fees are applied to post-appeal work by Plaintiff's counsel, an award of attorney's fees is prohibited in this case, as well. "There is no provision in the statutes authorizing the district court to award attorney fees incurred on appeal. NRAP 38(b)

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authorizes only this court [the Nevada Supreme Court] to make such an award if it determines that the appeals process has been misused." *Board of Gallery of History, Inc. v. Datecs Corp.*, 116 Nev. 286, 288; 994 P. 2d 1149, 1150 (2000).

C. POST-JUDGMENT INTEREST SHOULD NOT COME DUE BY THIS PREMATURE REQUEST

The postjudgment interest is accounted for in the Court's 6/24/2013 Default Judgment "until satisfied." And, the interest that Plaintiff alleges is due cannot be advanced via the Motion. Further, the matter is on appeal as of March 14, 2014.

D. CONCLUSION

For all the reasons set forth herein, it is respectfully requested that this Court GRANT Defendants' Motion to Retax and Settle Costs and DENY Plaintiff's Motion For Order Allowing Costs And Necessary Disbursements And Memorandum Of Points And Authorities In Support Thereof.

DATED this 30 day of April, 2014.

KAEMPFER CROWELL

#1027

Jason D. Woodbury Nevada Bar No. 6870 510 West Fourth Street

Carson City, Nevada 89703

Telephone: (775) 884-8300 Facsimile: (775) 882-0257

JWoodbury@kenvlaw.com

Attorneys for Reza Zandian

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that service of the foregoing **DEFENDANTS' MOTION TO RETAX AND SETTLE COSTS** was made this date by depositing a true copy of the same for mailing at Carson City, Nevada, addressed to each of the following:

Matthew D. Francis Adam P. McMillen WATSON ROUNDS 5371 Kietzke Lane Reno, NV 89511

DATED this <u>30</u>day of April, 2014.

an employee of Kaempfer Crowell

KAEMPFER GROWELL 510 West Fourth Street Carson City Nevada 89703

Page 8 of 8

EXHIBIT 1

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1					
	1	JASON D. WOODBURY Nevada Bar No. 6870	•		
	2	KAEMPFER CROWELL 510 West Fourth Street			
	3	Carson City, Nevada 89703 Telephone: (775) 884-8300			
	Facsimile: (775) 882-0257 JWoodbury@kcnvlaw.com				
	5	Attorneys for Reza Zandian			
	IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR				
	7	CARSON CITY			
	8	JED MARGOLIN, an individual,	Case No.	09OC00579 1B	
	9	Plaintiff, vs.	Dept. No.	I	
	10	OPTIMA TECHNOLOGY CORPORATION,			
	11	a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada			
	12	corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka			
	13	GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI			
	14	aka GHONOREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE			
	15	Corporations 11-20, and DOE Individuals 21-30,			
	16	Defendants.			
	17				
KAEMPFER CROWELL 510 Wast Fouth Street Derson City, Nevada 89703	18	AFFIDAVIT OF JANO BARNHURST IN SUPPORT OF MOTION TO RETAX AND SETTLE COSTS			
	19				
	20	STATE OF NEVADA)			
	21	CARSON CITY) ss.			
	22	I, Jano Barnhurst, being first duly sworn under penalty of perjury, depose and			
	23	state as follows:			
KAEMPF 510 Wes Carson Cily	24	1. I am an employee with the law firm of Kaempfer Crowell.			
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				Page 1 of 2	