#### IN THE SUPREME COURT OF THE STATE OF NEVADA

REZA ZANDIAN A/K/A GOLAMREZA ZANDIANJAZI A/K/A GHOLAM REZA ZANDIAN A/K/A REZA JAZI A/K/A J. REZA JAZI A/K/A G. REZA JAZI A/K/A GHONOREZA ZANDIAN JAZI, AN INDIVIDUAL,

Appellant,

Nevada Supreme Court Case No. 65205

vs.

JED MARGOLIN, AN INDIVIDUAL,

Respondent.

#### **APPEAL**

from the First Judicial District Court of the State of Nevada in and for Carson City The Honorable James T. Russell, District Judge

#### JOINT APPENDIX

#### **VOLUME IV**

JASON WOODBURY Nevada Bar No. 6870 KAEMPFER CROWELL 510 West Fourth Street Las Vegas, Nevada 89703 Telephone: (775) 884-8300

Attorneys for Appellant, Reza Zandian

#### **ALPHABETICAL INDEX TO JOINT APPENDIX ("J.A.")**

## REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONOREZA ZANDIAN JAZI, an individual, Appellant,

vs.

### JED MARGOLIN, an individual, Respondent. Nevada Supreme Court Case Number: 65205

<b>DOCUMENT</b>	DATE	VOL.	PAGES (J.A.)
Additional Summons on Amended Complaint	Nov. 7, 2011	I	182-186
Additional Summons on Amended Complaint	Nov. 7, 2011	I	187-191
Affidavit of Service	Nov. 14, 2012	II	382
Amended Certificate of Service	Nov. 8, 2011	I	192-193
Amended Complaint	Aug. 11, 2011	Ι	169-176
Amended Notice of Entry of Default	Apr. 5, 2013	III	458-462
Application for Default Judgment; Memorandum of Points and Authorities in Support Thereof	Apr. 17, 2013	III	463-475
Application for Entry of Default	Sept. 14, 2012	II	346-353
Complaint	Dec. 11, 2009	I	1-10

DOCUMENT	DATE	VOL.	<b>PAGES</b>
			(J.A.)
Declaration of Adam P. McMillen in Support of Application for Default Judgment	Apr. 17, 2013	III	476-493
Declaration of Adam P. McMillen in Support of Plaintiff's Application for Attorney's Fees and Costs	Feb. 20, 2013	III	434-441
Declaration of Adam P. McMillen in Support of Plaintiff's Motion for Sanctions Under NRCP 37	Dec. 14, 2012	II	390-420
Declaration of Jed Margolin in Support of Application for Default Judgment	Apr. 17, 2013	III	494-539
Declaration of Mailing	Mar. 4, 2013	III	442-443
Default	Sept. 24, 2012	II	354-360
Default	Mar. 28, 2013	III	444
Default Judgment	Oct. 31, 2012	II	372-374
Default Judgment	June 24, 2013	III	540-542
Defendant Reza Zandian's Reply in Support of Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRC 62(B)	Feb. 3, 2014	IV	665-671
Defendant Zandian's Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRCP 62(B)	Jan. 2, 2014	III	563-569

DOCUMENT	<u>DATE</u>	VOL.	<b>PAGES</b>
			(J.A.)
Defendant Zandian's Motion to Set Aside Default Judgment	Dec. 20, 2013	III	546-562
Defendant Zandian's Reply in Support of Motion to Set Aside Default Judgment	Jan. 23, 2014	IV	648-661
General Denial	Mar. 6, 2012 (Stricken per Order filed Jan. 15, 2013)	II	303-305
General Denial	Mar. 14, 2012	II	314-316
John Peter Lee's Amended Motion to Withdraw from Representation of Defendants Optima Technology Corporations and Zandian	Mar. 14, 2012	II	317-322
John Peter Lee's Motion to Withdraw from Representation of Defendant Zandian	Mar. 7, 2012	II	306-310
Motion to Dismiss Amended Complaint on Special Appearance	Nov. 17, 2011	II	194-293
Motion to Dismiss on a Special Appearance	June 9, 2011	I	15-42
Notice of Appeal	Mar. 12, 2014	IV	696-756
Notice of Entry of Default	Sept. 27, 2012	II	361-371
Notice of Entry of Default	Apr. 3, 2013	III	447-451
Notice of Entry of Default Judgment	June 27, 2013	III	543-545

DOCUMENT	<b>DATE</b>	VOL.	<u>PAGES</u>
			(J.A.)
Notice of Entry of Judgment	Nov. 6, 2012	II	375-381
Notice of Entry of Order Granting John Peter Lee's Amended Motion to Withdraw from Representation of Defendants Optima Technology Corporations and Reza Zandian	May 9, 2012	II	325-328
Notice of Entry of Order (granting plaintiff's motion to compel)	July 2, 2012	II	338-345
Notice of Entry of Order (granting motion for sanctions)	Jan. 17, 2013	II	423-428
Notice of Entry of Order (granting application for attorney fees/costs)	Apr. 3, 2013	III	452-457
Notice of Entry of Order (denying defendant's motion to set aside default judgment)	Feb. 10, 2014	IV	682-695
Notice of Intent to Take Default	Mar. 9, 2012	II	311-313
Opposition to Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRCP 62(b)	Jan. 17, 2014	ĪV	644-647
Opposition to Motion to Dismiss and Countermotions to Strike and for Leave to Amend Complaint	June 22, 2011	I	43-160
Opposition to Motion to Set Aside Default Judgment	Jan. 9, 2014	III	570-643

DOCUMENT	DATE	VOL.	PAGES
Order Denying Defendant's Motion to Dismiss	Feb. 21, 2012	II	(J.A.) 294-302
Order Denying Defendant Zandian's Motion to Set Aside Default Judgment	Feb. 6, 2014	IV	672-681
Order Granting John Peter Lee's Amended Motion to Withdraw from Representation of Defendants Optima Technology Corporations and Reza Zandian	Apr. 26, 2012	II	323-324
Order Granting Plaintiff's Application for Attorney's Fees and Costs	Mar. 29, 2013	III	445-446
Order Granting Plaintiff's Motion for Sanctions Under NRCP 37	Jan. 15, 2013	II	421-422
Order Granting Plaintiff's Motion to Compel Appearance of Counsel for Optima Technology Corporations or in the alternative, Motion to Strike General Denial of Optima Technology Corporations	June 28, 2012	II	334-337
Order Setting Aside Default, Denying Motion to Dismiss and Granting Extension of Time for Service	Aug. 3, 2011	I	165-168
Plaintiff's Application for Attorney's Fees and Costs	Feb. 20, 2013	III	429-433

DOCUMENT	DATE	VOL.	<u>PAGES</u> (J.A.)
Plaintiff's Motion for Sanctions Under NRCP 37	Dec. 14, 2012	II	383-389
Plaintiff's Motion to Compel Appearance of Counsel for Optima Technology or in the alternative, Motion to Strike General Denial of Optima Technology Corporations	May 15, 2012	II	329-333
Reply to Opposition to Motion to Dismiss on a Special Appearance	July 5, 2011	I	161-164
Request for Submission and Hearing on Defendant Reza Zandian's Motion to Set Aside Default Judgment	Jan. 23, 2014	IV	662-664
Summons	Mar. 9, 2010	I	11-14
Summons on Amended Complaint	Nov. 7, 2011	I	177-181

## ORIGINAL

REC'D & FILED Matthew D. Francis (6978) Adam P. McMillen (10678) 2014 JAN 17 PM 3: 05 WATSON ROUNDS 5371 Kietzke Lane ALAN GLOVER Reno, NV 89511 Telephone: 775-324-4100 Facsimile: 775-333-8171 Attorneys for Plaintiff Jed Margolin 5 6 7 In The First Judicial District Court of the State of Nevada 8 In and for Carson City 9 JED MARGOLIN, an individual, 10 Case No.: 090C00579 1B Plaintiff, 11 Dept. No.: 1 12 vs. 13 OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA OPPOSITION TO MOTION FOR TECHNOLOGY CORPORATION, a Nevada STAY OF PROCEEDINGS TO corporation, REZA ZANDIAN 15 **ENFORCE JUDGMENT** aka GOLAMREZA ZANDIANJAZI **PURSUANT TO NRCP 62(B)** aka GHOLAM REZA ZANDIAN 16 aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA 17 ZANDIAN JAZI, an individual, DOE Companies 18 1-10, DOE Corporations 11-20, and DOE Individuals 21-30, 19 Defendants. 20 21 Zandian's Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRCP 22 62(B) is solely based upon the fact that his Motion to Set Aside Default Judgment, filed on 23 December 20, 2013, is currently pending and he would have to post a bond. Zandian requests 24 the Court stay the enforcement of the judgment against him until such time as the Court 25 renders a decision on the pending Motion to Set Aside Default Judgment. 26 However, there is no basis to set aside the default judgment, the requested stay should 27 be denied, and execution efforts, including the debtor's examination scheduled for February

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11, 2014, should proceed forward. See Opposition to Set Aside Default Judgment, filed herein

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on 1/9/14; Order Granting Plaintiff's Motion for Debtor Examination and to Produce Documents, dated 1/13/14. At the very least, if a stay is granted – which it should not be – a bond should be required to protect Mr. Margolin's interests, especially considering the fact that Zandian has consistently and intentionally evaded his responsibilities related to this matter. Zandian's latest attempts to set aside the judgment and stay proceedings are just more evidence of Zandian's desire to avoid this proceeding or drag it out unnecessarily.

#### I. The Court Enjoys Wide Discretion Under NRCP 62(b)

"In its discretion...the court may stay the execution of or any proceedings to enforce a judgment..." NRCP 62(b). Zandian has provided no credible basis for setting aside the default judgment. See Opposition to Set Aside Default Judgment, filed herein on 1/9/14. Zandian's only justification for the requested stay is the pending motion to set aside the default judgment and his potential financial burden in posting a bond. See Motion for Stay, dated 12/30/13. Since there is no credible basis for setting aside the default judgment and any financial burden has been caused by his actions and inactions, there is no justification for the requested stay, and the requested stay should be denied.

#### II. NRCP 62(b) Allows The Court To Require Security

"In its discretion and on such conditions for the security of the adverse party as are proper, the court may stay the execution of or any proceedings to enforce a judgment..."

NRCP 62(b). Therefore, Rule 62(b) allows the Court to require a bond if a stay is granted pending determination of a post-trial motion.

Zandian has proved to be purposely evasive. See Opposition to Set Aside Default

Judgment, filed herein on 1/9/14; see also previous motions filed herein. Therefore, if a stay is
granted, Plaintiff respectfully requests Zandian be required to post a bond equal to the amount
of the judgment in order to protect the interests of Mr. Margolin. The fact that Zandian may
incur some expense in obtaining a bond should not weigh in his favor.

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#### Conclusion III.

For the reasons stated above, Mr. Margolin respectfully requests that this Court deny Mr. Zandian's motion to set aside the default judgment and deny the requested stay.

#### AFFIRMATION PURSUANT TO NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 16th day of January, 2014.

Matthew D. Francis (6978) Adam P. McMillen (10678)

WATSON ROUNDS

5371 Kietzke Lane Reno, NV 89511

Telephone: 775-324-4100 Facsimile: 775-333-8171

Attorneys for Plaintiff Jed Margolin

#### CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Watson Rounds, and that or
this date, I deposited for mailing, in a sealed envelope, with first-class postage prepaid, a true
and correct copy of the foregoing document, OPPOSITION TO MOTION FOR STAY OF
PROCEEDINGS TO ENFORCE JUDGMENT PURSUANT TO NRCP 62(B), addressed
as follows:

Optima Technology Corp.
A California corporation
8401 Bonita Downs Road
Fair Oaks, CA 95628

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Optima Technology Corp. A Nevada corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

Optima Technology Corp. A California corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122 Optima Technology Corp. A Nevada corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

Johnathon Fayeghi, Esq. Hawkins Melendrez 9555 Hillwood Dr. Suite 150 Las Vegas, NV 89134 Counsel for Reza Zandian

Dated: January 16, 2014

Manage Sandle

## COGINAL

RPLY 1 GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740 2 JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736 3 HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 4 Las Vegas, Nevada 89134 Phone: (702) 318-8800 5 (702) 318-8801 ghawkins@hawkinsmelendrez.com Attorneys for Defendant 7 Reza Zandian aka Goamreza Zandian aka Gholamreza ZandianJazi 8 aka Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghononreza Zandian Jazi 10 11 In The First Judicial District Court Of The State Of Nevada

2014 JAN 23 PM 3: 42

#### In and For Carson City

JED MARGOLIN, an individual.

Plaintiff.

OPTIMA TECHNOLOGY CORPORATION, California corporation, **OPTIMA** TECHNOLOGY CORPORATION, a Nevada corporation, **REZA** ZANDIAN **GOLAMREZA** ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

Defendants.

CASE NO. 090C00579 1B

DEPT. NO. 1

**DEFENDANT ZANDIAN'S REPLY IN** SUPPORT OF MOTION TO SET ASIDE DEFAULT JUDGMENT

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9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801

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Defendant REZA ZANDIAN ("Zandian") by and through his attorney Geoffrey W.

Hawkins, Esq., of the law firm HAWKINS MELENDREZ P.C., and pursuant to NRCP 55 and 60,

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hereby submits DEFENDANT ZANDIAN'S REPLY IN SUPPORT OF MOTION TO SET ASIDE DEFAULT JUDGMENT.

This Reply is made and based upon the papers and pleadings on file herein, the Memorandum of Points and Authorities, the Affidavit of Reza Zandian attached hereto as Exhibit A, and any oral argument this Honorable Court permits at the hearing.

DATED this Z day of January, 2014.

#### HAWKINS MELENDREZ, P.C.

GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740 JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134 Phone: (702) 318-8800 Attorneys for Defendant Reza Zandian

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801

# HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801

#### POINTS AND AUTHORITIES

I.

#### INTRODUCTION

The crux of Plaintiff's Opposition is that Defendant REZA ZANDIAN ("Zandian") maintained his San Diego address, knew about the instant matter after his prior counsel withdrew, and continued to receive notice of the instant matter after his prior counsel withdrew. Plaintiff attached eleven exhibits to his Opposition in an attempt to demonstrate that Defendant Zandian maintained the San Diego address provided to the Court by John Peter Lee, Esq., and continued to live in the United States rather than France. However, said exhibits fail to prove anything with regard to Defendant Zandian's residency. Furthermore, said exhibits fail to prove that Defendant Zandian continued to receive notice of the papers, pleadings and motions in the instant matter.

The simple truth is that Defendant Zandian has resided in Paris, France since August 2011 and due to the fact that his prior counsel provided the Court with an incorrect address upon withdrawal, Defendant Zandian did not receive any pleadings or written discovery related to the instant matter since April 26, 2012. See Affidavit of Reza Zandian in Support of Motion to Set Aside Default Judgment, attached hereto as **Exhibit A.** As such, Defendant Zandian's failure to respond to Plaintiff's written discovery and failure to oppose Plaintiff's Motion for Sanctions and Application for Entry of Default Judgment were clearly due to circumstances that constitute excusable neglect under NRCP 60(b)(1).

In addition, as Defendant Zandian had already appeared in this action, Plaintiff was required to provide Defendant Zandian with a three day notice of Plaintiff's Application for Entry of Default Judgment. However, Plaintiff failed to provide Defendant Zandian with the required three day notice. In fact, Plaintiff's Opposition does not dispute the fact that Plaintiff failed to provide a three day notice of Plaintiff's Application for Entry of Default Judgment. Pursuant to the holding in *Christy v. Carlisle* 94 Nev. 651, 584 P.2d 687 (1987), Plaintiff's failure to serve Defendant Zandian with a three day notice of Plaintiff's Application for Entry of Default Judgment voids the Default Judgment against Defendant Zandian.

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II.

#### LEGAL ARGUMENT

## Plaintiff Failed To Provide Defendant Zandian With Written Notice Of Application For Default Judgment.

As this Court is aware, if a defendant enters an appearance or if the plaintiff knows of the identity of the defendant's counsel, the plaintiff has an obligation to notify the defendant of his intent to take a default. Christy v. Carlisle, 94 Nev. 651, 584 P.2d 687 (1987); Rowland v. Lepire, 95 Nev. 639, 600 P.2d 237 (1979); Gazin v. Hoy, 102 Nev. at 438; Nev. Sup.CT.R. 1752. A failure to provide said notice requires a default to be set aside. *Id.* 

As asserted in Defendant Zandian's Motion, Plaintiff failed to provide Defendant Zandian with the required three-day notice prior to filing his April 17, 2013 Application for Entry of Default Judgment. Plaintiff, through his counsel, had knowledge of Defendant Zandian's French address as early as March 2013. Said knowledge came from Watson & Rounds' (Plaintiff's counsel's firm) representation of Fred Sadri in the Nevada Supreme Court Case No. 62839. (See Notice of Appeal in Nevada Supreme Court Case No. 62839, attached hereto as Exhibit B. Said Notice of Appeal contains the French address of Defendant Zandian and was mailed to Watson & Rounds as counsel for Fred Sadri in March 2013.) Pursuant to the holdings in Christy and Rowland, Plaintiff's failure to provide written notice of his Application for Default Judgment requires this Court set aside the June 24, 2013 Default Judgment against Defendant Zandian.

Moreover, Plaintiff's Opposition completely fails to oppose and/or discuss the absence of the required three-day notice of intent to take default. Said failure to oppose on the part of Plaintiff should constitute an admission that Plaintiff failed to provide Defendant Zandian with the required notice and consent to the granting of Defendant Zandian's Motion to Set Aside Default Judgment in line with the mandates of this Court's rules. See King v. Cartlidge, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)); See also First Judicial District Court Rule 15(5) (failure of an opposing party to file a memorandum of points and authorities in opposition to any motion within the time permitted shall constitute a consent to the granting of the motion).

## HAWKINS MELENDIAEL, F.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 one (702) 318-8800 • Facsimile (702) 318-880:

#### B. Defendant Zandian Has Demonstrated Excusable Neglect Under NRCP 60(b)

In his Opposition, Plaintiff states "the evidence overwhelmingly demonstrates Zandian maintained the same address John Peter Lee provided to the Court, even after Zandian allegedly moved to France in August 2011, and the evidence similarly demonstrates Zandian continued to live in the United States, not France." The evidence Plaintiff is referring to consists of the following: checks made payable to "Reza Zandian & Niloofar Foughani JT Ten, 8775 Costa Verde Blvd Apt 217, San Diego, CA 92122"; a Wells Fargo withdrawal slip dated February 20, 2013; various Wells Fargo checks signed by Defendant Zandian with the 8775 Costa Verde Blvd, San Diego, CA address printed on the checks; Defendant Zandian's Wells Fargo bank statements with the San Diego address printed on the bank statements; and Visa statements showing purchases made in California in September of 2011 and March of 2013.

Contrary to the assertions made in Plaintiff's Opposition, the aforementioned evidence completely fails to prove that Zandian maintained the 8775 Costa Verde Blvd, San Diego, CA address after he moved to France in August 2011. As represented in Defendant Zandian's Affidavit, attached hereto as **Exhibit A** and incorporated herein, Defendant Zandian has resided in Paris, France since August 2011 and has not resided at 8775 Costa Verde Blvd., San Diego, CA 92122 since August 2011. The fact that the San Diego address appears on checks made payable to Defendant Zandian and/or issued by Defendant Zandian does not indicate that he continued to reside at said address after August 2011. In fact, it is quite common for a business to have an outdated address on file for a particular individual or for said individual to maintain checks with an outdated address printed on the checks. Moreover, none of the evidence provided by Plaintiff demonstrates that the checks found in Plaintiff's Exhibits 2,3,5,6, and 12 were sent from or received by Defendant Zandian in the United States.

Due to the fact that Defendant Zandian's prior counsel, John Peter Lee Esq., provided the Court with an incorrect address upon withdrawing as counsel, Defendant Zandian never received any pleadings or discovery in this matter after April 26, 2012. Plaintiff's Opposition fails to provide any evidence demonstrating that Defendant Zandian did in fact receive pleadings or discovery in this matter subsequent to April 26, 2012.

As was the case in the Supreme Court case of *Stoecklein v. Johnson Elec., Inc.*, Defendant Zandian's failure to respond to Plaintiff's written discovery and failure to oppose Plaintiff's Motion for Sanctions and Application for Entry of Default Judgment were due to circumstances that constitute excusable neglect under NRCP 60(b)(1). As such, Defendant Zandian's Motion to Set Aside Default Judgment should be granted.

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#### **CONCLUSION**

Based on the foregoing, Defendant Reza Zandian respectfully requests that the default judgment be set aside to allow him to respond as intended.

#### **AFFIRMATION PURSUANT TO NRS 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

#### **DECLARATION**

The undersigned also declares under penalty of perjury that the foregoing is true and accurate to the best of my knowledge.

Dated this 215T day of January, 2014.

#### HAWKINS MELENDREZ, P.C.

GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740
JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736
9555 Hillwood Drive, Suite 150
Las Vegas, NV 89134
Phone: (702) 318-8800
Attorneys for Defendant
Reza Zandian

#### CERTIFICATE OF SERVICE

Pursuant to Nevada Rules of Civil Procedure 5(b), I hereby certify that, on the 21 January, 2014, service of DEFENDANT ZANDIAN'S REPLY IN SUPPORT OF MOTION TO SET ASIDE DEFAULT JUDGMENT was made this date by depositing a true copy of the same for mailing, first class mail, at Las Vegas, Nevada, addressed follows:

Matthew D. Francis Adam P. McMillen WATSON ROUNDS 5371 Kietzke Lane Reno, Nevada 89511 Attorneys for Plaintiff Jed Margolin

epiployee of Hawkins Melendrez, P.C.

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801

#### INDEX OF EXHIBITS

Н			<u> </u>
II	Exhibit No.	TITLE	NUMBER OF PAGES
	A	Affidavit of Reza Zandian in Support of Motion	2
l		to Set Aside Default Judgment	
11		Notice of Appeal in Nevada Supreme Court Case	
II	В	No. 62839/Eighth Judicial District Court Case	2
$\ $		No. A635430	

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801 

# Exhibit A

III

OF REZA ZANDIAN IN SUPPORT OF MOTION TO SET JUDGMENT 2 3 4 COUNTRY OF 5 CITY OF 6 7 I, Reza Zandian, have personal knowledge of the matters set forth herein and being first duly 8 sworn hereby depose and state as follows: 9 I am a named Defendant in the matter of Jed Margolin vs. Optima Technology 1. 10 Corporation, et al., Case No. 090C00579 1B. 11 That I am currently a resident of Paris, France and have been living full-time at 6 HAWKINS MELKINDRUZ, P.C. 9555 Hillword IDrive, Suite 150 Las Vegas, Nevada 89134 ne (702) 318-8900: Facsirale (702) 318-8901 12 Rue Edouard Fournier, 75116 Paris, France since August 2011. 13 That I have not resided in the United States since August 2011. Specifically, I have 14 not resided at 8775 Costa Verde Blvd, San Diego, CA 92122 since August 2011. 15 4. Since the withdrawal of my previous counsel, John Peter Lee, Esq., on April 26, 16 2012 I have never received any pleadings or written discovery related to Case No. 090C00579 1B. 17 5. I learned of the Default Judgment in late November 2013 while visiting the United 18 States of America on business. I was advised of the Default Judgment by a business associate by 19 the name of Fred Sadri. 20 21 /// 22 23 24 25 26 27 28

Jan 17 1	4 07:36	6a RZ 7.7.4506833 p.2
HAWKINS MELENDREZ, P.C. 9555 Hillwood Dave, Suite 150 Las Vegrs, Nevaça 80134 Telephone (702) 318-8800- Facsimile (702) 318-8801	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.  Executed this Aday of January, 2014.  Subscribed and Sworn to before me this Aday of January, 2014.  CAROLINE AL TAWIL Consulting of Quientible Consulting Public in and for Said State and County  (SEAL)

# Exhibit B

Electronically Filed 03/15/2013 02:33:18 PM

then to Comme

1 NOAS
REZA ZANDIAN
2 6, rue Bdouard Fournier
75116 Paris, France
3 Pro Per Appellant

DISTRICT COURT

CLARK COUNTY, NEVADA

GHOLAMREZA ZANDIAN JAZI, also known as REZA ZANDIAN, individually,

CASE NO.; A-11-635430-C DEPT, NO.; IV

Plaintiff,

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FIRST AMERICAN TITLE COMPANY, a Nevada business entity; JOHNSON SPRING WATER COMPANY, LLC, formerly known as BIG SPRING RANCH, LLC, a Nevada Limited Liability Company, FRED SADRI, Trustee of the Star Living Trust, RAY KOROGHLI, individually, and ELIAS ABRISHAMI, individually,

Defendants.

AND ALL RELATED COUNTERCLAIMS AND THIRD-PARTY CLAIMS

1334,024072-13

NOTICE OF APPEAL

Notice is hereby given that REZA ZANDIAN a member of the above named company, hereby appeals to the Supreme Court of Nevada from the Order to Distribute Attorney Fee and Costs

Awards to Defendants entered in this action on the 15th day of February, 2013.

DATED this 1514 day of March, 2013.

REZA ZANDIAN
6, rue Edouard Fournier
75116 Paris, France
Pro Per Appellant

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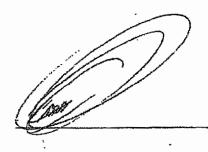
CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the \_\_day of March, 2013, I served a copy of the above and foregoing NOTICE OF APPEAL, upon the appropriate parties hereto, by enclosing it in a scaled envelope, deposited in the United States mail, upon which first class postage was fully prepaid addressed to:

Stanley W. Parry 100 North City Parkway, Ste. 1750 Las Vegas, Novada 89106

8 Elias Abrishami P.O. Box 10476 9 Beverly Hills, California 90213

> Ryan E. Johnson, Esq. Watson & Rounds 777 North Rainbow Bivd. Ste. 350 Las Vegas, Nevada 89107



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REC'D & FILED

2014 JAN 23 PH 342

ALAH GLOVER

GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740 JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736 HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134

Phone: (702) 318-8800 (702) 318-8801

ghawkins@hawkinsmelendrez.com

Attorneys for Defendant

Reza Zandian aka Goamreza Zandian

aka Gholamreza ZandianJazi aka Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghononreza

Żandian Jazi

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#### In The First Judicial District Court Of The State Of Nevada

#### In and For Carson City

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HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134
Telephone (702) 318-8800 • Facsimile (702) 318-8901 14 15

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27 28 JED MARGOLIN, an individual.

Plaintiff,

OPTIMA TECHNOLOGY CORPORATION, California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN ZANDIANJAZI aka **GOLAMREZA** GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30.

Defendants.

CASE NO. 090C00579 1B

DEPT. NO. 1

REQUEST FOR SUBMISSION AND HEARING ON DEFENDANT REZA ZANDIAN'S MOTION TO SET ASIDE **DEFAULT JUDGMENT** 

COMES NOW, Defendant REZA ZANDIAN by and through his attorney Geoffrey W. Hawkins, Esq., of the law firm HAWKINS MELENDREZ P.C., and hereby requests that the following documents be submitted to the Court:

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- Defendant Reza Zandian's Motion to Set Aside Default Judgment filed December 20, 2013;
- Plaintiff's Opposition to Motion to Set Aside Default Judgment filed January 9, 2014; and
- Defendant Reza Zandian's Reply in Support of Motion to Set Aside Default Judgment filed January 22, 2014

It is further requested, pursuant to First Judicial District Court Rule 15(9) that the Court set a hearing on Defendant Reza Zandian's Motion to Set Aside Default Judgment to allow oral argument

#### **AFFIRMATION PURSUANT TO NRS 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED this 25 day of January, 2014.

#### HAWKINS MELENDREZ, P.C.

DEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740
JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736
9555 Hillwood Drive, Suite 150
Las Vegas, NV 89134
Phone: (702) 318-8800
Attorneys for Defendant
Reza Zandian

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevada 89134 Telephone (702) 318-8800 • Facsimile (702) 318-8801 

CERTIFICATE OF SERVICE

Pursuant to Nevada Rules of Civil Procedure 5(b), I hereby certify that, on the January, 2014, service of REQUEST FOR SUBMISSION AND HEARING ON DEFENDANT REZA ZANDIAN'S MOTION TO SET ASIDE DEFAULT JUDGMENT was made this date by depositing a true copy of the same for mailing, first class mail, at Las Vegas, Nevada, addressed follows:

Matthew D. Francis Adam P. McMillen WATSON ROUNDS 5371 Kietzke Lane Reno, Nevada 89511 Attorneys for Plaintiff Jed Margolin

An employee of Hawkins Melendrez, P.C.

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26 27 28 Defendant REZA ZANDIAN ("Zandian") by and through his attorney Geoffrey W. Hawkins, Esq., of the law firm HAWKINS MELENDREZ P.C., and hereby submits his Reply in Support of Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRCP 62(b).

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Sulte 150 Lat Vegas, Nevada 89134 Telephone (702) 318-8800 \* Facaimile (702) 318-8801 This Reply is made and based upon the provisions of NRCP 62 and the following Memorandum of Points and Authorities, the pleadings and papers on file herein, and any oral argument this Honorable Court may allow.

DATED this 11 day of January, 2014.

#### HAWKINS MELENDREZ, P.C.

GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740 JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134 Phone: (702) 318-8800 Attorneys for Defendant Reza Zandian

## HAWKINS MELENDREEZ, P.C. 9555 Hillwood Dare, Suire 150 Las Vegas, Nevada 89134 elephone (702) 318-8801

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#### **POINTS AND AUTHORITIES**

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#### INTRODUCTION

Plaintiff's Opposition asserts that there is no basis to set aside the default judgment against Defendant Zandian and therefore the requested stay should be denied. Plaintiff cites to his Opposition to Set Aside Default Judgment in support of the aforementioned assertion. However, contrary to Plaintiff's assertions Defendant Zandian has clearly demonstrated good cause for the Default Judgment entered on June 24, 2013 to be set aside pursuant to NRCP 55 and 60. Furthermore, as Defendant Zandian's Motion to Set Aside Default Judgment is currently pending before this Court it is anticipated that this Court will render its decision on Defendant Zandian's Motion to Set Aside Default Judgment promptly.

Based on the foregoing and pursuant to NRCP 62, this Court should stay any proceedings to enforce the June 24, 2013 Default Judgment against Defendant Zandian without requiring security.

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#### LEGAL ARGUMENT

A. Defendant Zandian Has Demonstrated Good Cause For The June 24, 2013 Default Judgment To Be Set Aside.

Pursuant to NRCP 62(b), this Court is authorized, in its discretion, to stay execution of, or any proceedings to enforce a judgment pending the disposition of post-trial motions brought under NRCP 60. On or about December 20, 2013, Defendant Zandian filed a Motion to Set Aside Default Judgment pursuant to NRCP 55 and 60. Promptly following the submission of Defendant Zandian's Motion to Set Aside Default Judgment, Defendant Zandian filed the instant Motion for Stay of Proceedings to Enforce Judgment Pursuant to NRCP 62(b).

Plaintiff's sole argument in opposition to Defendant Zandian's Motion for Stay is that "there is no basis to set aside the default judgment." However, Defendant Zandian's Motion to Set Aside Default Judgment is currently pending before this Court and it is this Court that possesses the authority to determine whether there is a basis for granting said motion, not Plaintiff. Furthermore, Defendant Zandian has demonstrated, via the Motion to Set Aside Default Judgment and the Reply

 in Support of Motion to Set Aside Default Judgment, that the setting aside of the June 24, 2013 Default Judgment is warranted.

As this Court is aware, if a defendant enters an appearance or if the plaintiff knows of the identity of the defendant's counsel, the plaintiff has an obligation to notify the defendant of his intent to take a default. Christy v. Carlisle, 94 Nev. 651, 584 P.2d 687 (1987); Rowland v. Lepire, 95 Nev. 639, 600 P.2d 237 (1979); Gazin v. Hoy, 102 Nev. at 438; Nev. Sup.CT.R. 1752. A failure to provide said notice requires a default to be set aside. Id.

Furthermore, NRCP 60(b) provides that, in the court's discretion, a default judgment may be set aside if the judgment was a result of mistake, inadvertence, surprise, or excusable neglect.

Gutenberger v. Continental Thrift and Loan Company, 94 Nev. 173, 175, 576 P.2d 745 (1978).

Defendant Zandian is entitled to the setting aside of the June 24, 2013 Default Judgment for the following reasons:

- Plaintiff failed to provide Defendant Zandian with the required three day notice prior to filing his April 17, 2013 Application for Entry of Default Judgment. See Defendant Zandian's Reply in Support of Motion to Set Aside Default Judgment Section II, Paragraph A;
- Defendant Zandian's failure to respond to Plaintiff's written discovery and failure to oppose Plaintiff's Motion for Sanctions and Application for Entry of Default Judgment were due to circumstances that constitute excusable neglect under NRCP 60(b)(1). Specifically Defendant Zandian's prior counsel, John Peter Lee Esq., provided the Court with an incorrect address upon withdrawing as counsel, which resulted in Defendant Zandian never receiving any pleadings or discovery in this matter after April 26, 2012. See Defendant Zandian's Reply in Support of Motion to Set Aside Default Judgment Section II, Paragraph B.

Again, NRCP 62(b) authorizes this Court, in its discretion, to stay execution of, or any proceedings to enforce a judgment pending the disposition of post-judgment motions brought under NRCP 60. Defendant Zandian's Motion to Set Aside Default Judgment is a post-judgment motion brought pursuant to NRCP 60. Furthermore, despite Plaintiff's assertions to the contrary Defendant

 Zandian has provided not one but two grounds for setting aside the default judgment. As such, Defendant Zandian's Motion for Stay should be granted.

#### 8. Security In The Form Of A Bond Or Other Collateral Is Unnecessary

Although NRCP 62(b) does allow the district court to require security pending a determination on the post trial motion, it is the common practice in Nevada to stay judgments pending resolution of post-judgment motions pursuant to NRCP 62(b) without requiring a bond. See David N. Frederick, Post Trial Motions, NEVADA CIVIL PRACTICE MANUAL 25-30 (5th ed. 2005) ("security in the form of a bond or other collateral is usually not required"). Since the ruling on a post trial motion usually will not consume a significant amount of time, security is usually not required. Id.

Plaintiff's Opposition asserts that Defendant Zandian has proved to be purposely evasive in the instant matter and therefore, if a stay is granted Defendant Zandian should be required to post a bond. Plaintiff's assertion that Defendant Zandian has been purposely evasive is completely disingenuous. As demonstrated in Defendant Zandian's Motion to Set Aside Default Judgment and Reply in support of the same, Defendant Zandian's failure to respond to Plaintiff's written discovery and failure to oppose Plaintiff's Motion for Sanctions and Application for Entry of Default Judgment were due to circumstances out of Defendant Zandian's control.

Finally, Defendant Zandian's Motion to Set Aside Default Judgment has been fully briefed by both parties and is currently pending before this Court. Furthermore, on January 23, 2014, Defendant Zandian filed a Request for Submission. It is anticipated that this Court will make a determination on Defendant Zandian's Motion to Set Aside Default Judgment in the immediate future. Therefore, Defendant Zandian should not be required to provide security in the event this Court grants a stay.

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#### CONCLUSION

Based on the foregoing points and authorities, Defendant Reza Zandian respectfully requests that this Court grant a stay of any proceedings to enforce the Default Judgment, including proceedings such as a debtor's examination, until after the resolution of Zandian's Motion to Set Aside Default Judgment.

#### AFFIRMATION PURSUANT TO NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 29day of January, 2014.

#### HAWKINS MELENDREZ, P.C.

GEOFFREY W. HAWKINS, ESQ. Nevada Bar No. 7740 JOHNATHON FAYEGHI, ESQ. Nevada Bar No. 12736 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134 Phone: (702) 318-8800 Attorneys for Defendant Reza Zandian

#### CERTIFICATE OF SERVICE

Pursuant to Nevada Rules of Civil Procedure 5(b), I hereby certify that, on the Qq day of January, 2014, service of DEFENDANT REZA ZANDIAN'S REPLY IN SUPPORT OF MOTION FOR STAY OF PROCEEDINGS TO ENFORCE JUDGMENT PURSUANT TO NRCP 62(B) was made this date by depositing a true copy of the same for mailing, first class mail, at Las Vegas, Nevada, addressed follows:

Matthew D. Francis Adam P. McMillen WATSON ROUNDS 5371 Kietzke Lane Reno, Nevada 89511 Attorneys for Plaintiff Jed Margolin

An employee of Hawkins Melendrez, P.C.

HAWKINS MELENDREZ, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, Nevndn 89134 Telephone (702) 318-8800 • Facsinile (702) 318-8801 Case No.: 09 OC 00579 1B

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In The First Judicial District Court of the State of Nevada
In and for Carson City

JED MARGOLIN, an individual,

Plaintiff,

VS.

OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

Defendants.

ORDER DENYING DEFENDANT
REZA ZANDIAN AKA GOLAMREZA
ZANDIANJAZI AKA GHOLAM REZA
ZANDIAN AKA REZA JAZI AKA J.
REZA JAZI AKA G. REZA JAZI AKA
GHONONREZA ZANDIAN JAZI'S
MOTION TO SET ASIDE DEFAULT
JUDGMENT

This matter comes before the Court on REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI's ("Zandian") Motion to Set Aside Default Judgment, dated December 19, 2013. Plaintiff Jed Margolin filed an Opposition to Set Aside Default Judgment on January 19, 2014. Zandian served a reply in support of the Motion to Set Aside on January 23, 2014. Based upon the following facts and conclusions of law, Zandian's Motion to Set Aside is DENIED.

#### I. FACTUAL BACKGROUND

Plaintiff Jed Margolin is the named inventor on United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents"). See Amended Complaint, filed 8/11/11, ¶ 9-10. In 2004, Mr. Margolin granted to Robert Adams, then CEO of Optima Technology, Inc. (later renamed Optima Technology Group (hereinafter "OTG"), a Cayman Islands Corporation specializing in aerospace technology) a Power of Attorney regarding the Patents. Id. at ¶ 11. Subsequently, Mr. Margolin assigned the '073 and '724 Patents to OTG and revoked the Power of Attorney. Id. at ¶ 13.

In May 2006, OTG and Mr. Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 12. On or about October 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 14.

On or about December 5, 2007, Zandian filed with the U.S. Patent and Trademark Office ("USPTO") assignment documents allegedly assigning all four of the Patents to Optima Technology Corporation ("OTC"), a company apparently owned by Zandian at the time. *Id.* at ¶ 15. Shortly thereafter, on November 9, 2007, Mr. Margolin, Robert Adams, and OTG were named as defendants in the case titled *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona action"). *Id.* at ¶ 17. Zandian was not a party in the Arizona action. Nevertheless, the plaintiff in the Arizona action asserted that Mr. Margolin and OTG were not the owners of the '073 and '724 Patents, and OTG filed a cross-claim for declaratory relief against Optima Technology Corporation ("OTC") in order to obtain legal title to the respective patents. *Id.* 

On August 18, 2008, the United States District Court for the District of Arizona entered a default judgment against OTC and found that OTC had no interest in the '073 or '724 Patents, and that the assignment documents filed with the USPTO were "forged, invalid,

void, of no force and effect." *Id.* at ¶18; *see also* Exhibit B to Zandian's Motion to Dismiss, dated 11/16/11, on file herein.

Due to Zandian's acts, title to the Patents was clouded and interfered with Plaintiff's and OTG's ability to license the Patents. *Id.* at ¶ 19. In addition, during the period of time Mr. Margolin worked to correct record title of the Patents in the Arizona action and with the USPTO, he incurred significant litigation and other costs associated with those efforts. *Id.* at ¶ 20.

#### II. PROCEDURAL BACKGROUND

Plaintiff filed his Complaint on December 11, 2009, and the Complaint was personally served on Zandian on February 2, 2010, and on Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on March 21, 2010. Zandian's answer to Plaintiff's Complaint was due on February 22, 2010, but Zandian did not answer the Complaint or respond in any way. Default was entered against Zandian on December 2, 2010, and Plaintiff filed and served a Notice of Entry of Default on Zandian on December 7, 2010 and on his last known attorney on December 16, 2010.

The answers of Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation, were due on March 8, 2010, but Defendants did not answer the Complaint or respond in any way. Default was entered against Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on December 2, 2010. Plaintiff filed and served a Notice of Entry of Default on the corporate entities on December 7, 2010 and on their last known attorney on December 16, 2010.

The defaults were set aside and Zandian's motion to dismiss was denied on August 3, 2011. On September 27, 2011, this Court ordered that service of process against all Defendants may be made by publication. As manifested by the affidavits of service, filed herein on November 7, 2011, all Defendants were duly served by publication by November 2011.

  On February 21, 2012, the Court denied Zandian's motion to dismiss the Amended Complaint. On March 5, 2012, Zandian served a General Denial to the Amended Complaint. On March 13, 2012, the corporate Defendants served a General Denial to the Amended Complaint.

On June 28, 2012, this Court issued an order requiring the corporate Defendants to retain counsel and that counsel enter an appearance on behalf of the corporate Defendants by July 15, 2012. The June 28, 2012 order further provided that if no such appearance was entered, the corporate Defendants' General Denial would be stricken. Since no appearance was their behalf of the corporate Defendants, a default was entered against them on September 24, 2012. A notice of entry of default judgment was filed and served on November 6, 2012.

On July 16, 2012, Mr. Margolin served Zandian with Mr. Margolin's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production of Documents, but Zandian never responded to these discovery requests. As such, on December 14, 2012, Mr. Margolin filed and served a Motion for Sanctions pursuant to NRCP 37. In this Motion, Mr. Margolin requested this Court strike the General Denial of Zandian, and award Mr. Margolin his fees and costs incurred in bringing the Motion.

On January 15, 2013, this Court issued an order striking the General Denial of Zandian and awarding his fees and costs incurred in bringing the NRCP 37 Motion. A default was entered against Zandian on March 28, 2013, and a notice of entry of default judgment was filed and served on April 5, 2013.

On April 17, 2013, Mr. Margolin filed an Application for Default Judgment, which was served on Zandian and the corporate Defendants. Since Zandian did not respond to the Application for Default Judgment, a Default Judgment was entered on June 24, 2013. Notice of entry of the Default Judgment was served on Zandian on June 26, 2013 and filed on June 27, 2013.

Over five and a half months later, on December 19, 2013, Zandian served his Motion to Set Aside on Plaintiff. Zandian's Motion to Set Aside claims that he never received any written discovery or notice of the pleadings and papers filed in this matter after his counsel

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withdrew as his former counsel provided an erroneous last known address to the Court and the parties when he withdrew, and therefore Zandian requests that the judgment be set aside.

#### III. FINDINGS AND CONCLUSIONS OF LAW

A party seeking to set aside a default judgment has the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence. Kahn v. Orme, 108 Nev. 510, 513–14, 835 P.2d 790, 793 (1992). The Court finds that Zandian has not met the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence.

Specifically, Zandian has not met the factors set forth in Kahn to compel the court to set aside the judgment. Id. at 513, 835 P.2d at 792–93 (holding that the district court must consider whether the party moving to set aside a judgment promptly applied to remove the judgment, lacked intent to delay the proceedings, lacked knowledge of the procedural requirements, and demonstrated good faith, in addition to considering the state's underlying policy of resolving cases on the merits). Zandian failed to promptly apply for relief, has not established a lack of intent to delay these proceedings or a lack of knowledge of the procedural requirements, and did not provide a good-faith reason for the over five-and-a-half-month gap between entry of default and the time he obtained new counsel and filed the Motion to Set Aside Default Judgment.

# a. Zandian Did Not Promptly Apply To Remove The Judgment

Even though a motion to set aside a judgment may be filed within the six month deadline provided for in NRCP 60(b), a party can still fail to act promptly. See Kahn 108 Nev. at 514, 835 P.2d at 793. Therefore, "want of diligence in seeking to set aside a judgment is ground enough for denial of such a motion." Id. (citing Union Petrochemical Corp. v. Scott, 96 Nev. 337, 339, 609 P.2d 323, 324 (1980) (citing Lentz v. Boles, 84 Nev. 197, 438 P.2d 254 (1968); Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 380 P.2d 293 (1963)).

Despite his knowledge of the default judgment, Zandian did not move to have the judgment set aside until nearly six months after its entry. Although Zandian argues he did not receive notice of the various proceedings, notice was mailed to his address. Therefore, the

 notice requirement of NRCP 55 was fulfilled as Plaintiff served written notice of the application for default judgment. Moreover, NRCP 55 is likely not implicated since the judgment ultimately resulted from sanctions arising from Zandian's failure to respond to discovery. See Durango Fire Protection, Inc. v. Troncoso, 120 Nev. 658 (2004) (trial court's entry of judgment for plaintiff, in action for breach of contract, after striking defendant's answer was a sanction for defendant's failure to appear at several hearings and calendar calls rather than a default judgment, and thus, civil procedure rule requiring written notice before entry of default judgment was not applicable).

Further, First Judicial District Court Rule 22(3) expressly states that "[a]ny form of order permitting withdrawal of an attorney submitted to the Court for signature shall contain the address at which the party is to be served with notice of all further proceedings." Plaintiff had a right to rely on the address given by Zandian's prior attorney.

No evidence supports Zandian's claims that he lacked knowledge of this matter. Even if Zandian was living in France, for which no competent evidence has been provided to this Court, Zandian was required to provide the Court and the parties with his new address. However, Zandian never informed this Court or the parties of any address change. The record demonstrates that the Plaintiff's discovery requests, motions, application for judgment, orders and notice of judgment were all mailed to Zandian's address of record. Under NRCP 5(b), service by mail is complete upon mailing. Thus, Zandian received notice of the proceedings and his repeated failure to respond constituted inexcusable neglect.

# b. Zandian Has Failed To Show He Lacked Intent To Delay

Zandian received all of the papers and pleadings in this matter. However, he failed to respond to Plaintiff's discovery and willfully ignored the proceedings of this matter. In fact, Zandian waited nearly six months to secure new counsel and file the motion to set aside. Furthermore, Zandian failed to file an opposition to the application for judgment. Accordingly, the Court finds that Zandian has failed to establish the absence of an intent to delay.

# c. Whether Zandian Lacked Knowledge Of Procedural Requirements

Zandian unquestionably had notice of the written discovery, motions and orders filed in this matter, and yet he ignored all of these documents. All that was required of Zandian was to either personally respond to the discovery and motions or obtain counsel to appear on his behalf. Zandian knew discovery had been served but deliberately chose to ignore it. Zandian knew a motion for sanctions and an application for judgment had been filed, which led to the judgment, but Zandian chose to ignore those items as well. Zandian's failure to obtain new counsel or otherwise act on his own behalf is inexcusable. See Kahn 108 Nev. at 514-15, 835 P.2d at 793-4. As the Nevada Supreme Court stated in Kahn:

we are not confronted here with some subtle or technical aspect of procedure, ignorance of which could readily be excused. The requirements of the rule are simple and direct. To condone the actions of a party who has sat on its rights only to make a last-minute rush to set aside judgment would be to turn NRCP 60(b) into a device for delay rather than the means for relief from an oppressive judgment that it was intended to be.

Id. (citing Union, 96 Nev. at 339, 609 P.2d at 324 (citing Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979); Central Operating Co. v. Utility Workers of America, 491 F.2d 245 (4th Cir.1974)) (emphasis added in original)).

Zandian had sufficient knowledge to act responsibly. He had previously retained counsel to defend this action and retained new counsel to set aside the judgment. Therefore, this Court cannot conclude that Zandian failed to respond to set aside the default judgment because he was ignorant of procedural requirements.

#### d. Whether Zandian Acted In Good Faith

Zandian has not provided any valid reason for failing to respond to the requested discovery, the motion for sanctions or the application for judgment. Furthermore, he has not provided a reasonable explanation for waiting over five months to obtain other counsel despite having knowledge of the judgment entered against him.

Based upon the fact that Zandian knew about this case and continued to receive the papers and pleadings from this matter, it was inexcusable for Zandian not to respond to the

earlier discovery requests and motions. Zandian has not demonstrated good faith. In fact,

Zandian has only demonstrated inexcusable neglect by his willful failure to respond to, and

participate in, this action. Accordingly, the Court determines that Zandian lacked good faith in

contesting this action.

#### e. Whether This Case Should Be Tried On The Merits For Policy Reasons

The Nevada Supreme Court has held that "good public policy dictates that cases be adjudicated on their merits." See Kahn 108 Nev. at 516, 835 P.2d at 794 (citing Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 155–56, 380 P.2d 293, 295 (1963) (original emphasis). However, this policy has its limits:

We wish not to be understood, however, that this judicial tendency to grant relief from a default judgment implies that the trial court should always grant relief from a default judgment. Litigants and their counsel may not properly be allowed to disregard process or procedural rules with impunity. Lack of good faith or diligence, or lack of merit in the proposed defense, may very well warrant a denial of the motion for relief from the judgment.

Id. (citing Lentz v. Boles, 84 Nev. 197, 200, 438 P.2d at 256 (1968)).

Zandian has disregarded the process and procedural rules of this matter with impunity. He has repeatedly ignored this matter and failed to respond to the written discovery and motions in this matter since his former attorney John Peter Lee withdrew from representation. Zandian's lack of good faith or diligence warrants a denial of the motion to set aside.

Zandian's complete failure to respond to the discovery requests and subsequent motions evidences his willful and recalcitrant disregard of the judicial process, which prejudiced Plaintiff. Foster v. Dingwall, 227 P.3d 1042, 1049 (Nev. 2010) (citing Hamlett v. Reynolds, 114 Nev. 863, 865, 963 P.2d 457, 458 (1998) (upholding the district court's strike order where the defaulting party's "constant failure to follow [the court's] orders was unexplained and unwarranted"); In re Phenylpropanolamine (PPA) Products, 460 F.3d 1217, 1236 (9th Cir.2006) (holding that, with respect to discovery abuses, "[p]rejudice from unreasonable delay is presumed" and failure to comply with court orders mandating discovery "is sufficient prejudice")).

In light of Zandian's repeated and continued abuses, the policy of adjudicating cases on the merits would not be furthered in this case, and the ultimate sanctions are necessary to demonstrate to Zandian and future litigants that they are not free to act with wayward disregard of a court's orders. Foster, 227 P.3d at 1049. Moreover, Zandian's failure to oppose Plaintiff's motion to strike the General Denial or the application for judgment constitutes an admission that the motion and application were meritorious. Id. (citing King v. Cartlidge, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)).

# IV. CONCLUSION

The record provides substantial evidence to support this denial of Zandian's motion to set aside. Further, the policy of resolving cases on the merits does not allow litigants "to disregard process or procedural rules with impunity." *Kahn*, 108 Nev. at 516, 835 P.2d at 794 (quoting *Lentz v. Boles*, 84 Nev. 197, 200, 438 P.2d 254, 256–57 (1968)).

Zandian has failed to show mistake, inadvertence, surprise or excusable neglect pursuant to NRCP 60(b). Zandian had every opportunity to properly defend this action and instead made a voluntary choice not to. Therefore, Zandian's motion to set aside is hereby DENIED.

DATED: This 6th day of February, 2014. IT IS SO ORDERED:

JAMES T. RUSSELL DISPRICT COURT HIDGE

# CERTIFICATE OF MAILING

I hereby certify that on the <u>U</u> day of February, 2014, I placed a copy of the foregoing in the United States Mail, postage prepaid, addressed as follows:

Matthew D. Francis
Adam P. McMillen
Watson Rounds
5371 Kietzke Lane
Reno, NV 89511

Geoffrey W. Hawkins Johnathon Fayeghi Hawkins Melendrez, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134

> Samantha Valerius Law Clerk, Department I

> > OPER !

1 Matthew D. Francis (6978) Adam P. McMillen (10678) 2014 FEB 10 PM 3: 19 2 WATSON ROUNDS 5371 Kietzke Lane 3 Reno, NV 89511 Telephone: 775-324-4100 Facsimile: 775-333-8171 Attorneys for Plaintiff Jed Margolin 5 6 7 In The First Judicial District Court of the State of Nevada 8 In and for Carson City 9 JED MARGOLIN, an individual, 10 Plaintiff, Case No.: 090C00579 1B 11 12 Dept. No.: 1 vs. 13 OPTIMA TECHNOLOGY CORPORATION, NOTICE OF ENTRY OF ORDER a California corporation, OPTIMA 14 TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN 15 aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN 16 aka REZA JAZI aka J. REZA JAZI 17 aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE 18 Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30, 19 Defendants. 20 21 TO: All parties: 22 PLEASE TAKE NOTICE that on February 6, 2014, the Court entered its Order 23 Denying Defendant Reza Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian aka 24 Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghononreza Zandian Jazi's Motion to Set

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Aside Default Judgment. Attached as Exhibit 1 is a true and correct copy of such Order.

# Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED: February 2, 2014.

WATSON ROUNDS

Matthew D. Francis Adam P. McMillen Watson Rounds 5371 Kietzke Lane Reno, NV 89511

Attorneys for Plaintiff Jed Margolin

# CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Watson Rounds, and that on this date, I deposited for mailing, in a sealed envelope, with first-class postage prepaid, a true and correct copy of the foregoing document, **Notice of Entry of Order**, addressed as follows:

Johnathon Fayeghi, Esq. Hawkins Melendrez 9555 Hillwood Dr., Suite 150 Las Vegas, NV 89134 Counsel for Reza Zandian

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Optima Technology Corp. A California corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

Optima Technology Corp. A Nevada corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

Optima Technology Corp. A California corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

Optima Technology Corp. A Nevada corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

Dated: February 10th, 2014.

Nancy R. Hindsley

# Exhibit 1

Exhibit 1

Case No.: 09 OC 00579 1B

Dept. No.: 1

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2014 FEB -6 AM 8: 51

ALAN GLOVER
BY DEPUTY

In The First Judicial District Court of the State of Nevada
In and for Carson City

JED MARGOLIN, an individual,

Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

ORDER DENYING DEFENDANT REZA ZANDIAN AKA GOLAMREZA ZANDIANJAZI AKA GHOLAM REZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA GHONONREZA ZANDIAN JAZI'S MOTION TO SET ASIDE DEFAULT JUDGMENT

Defendants.

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This matter comes before the Court on REZA ZANDIAN aka GOLAMREZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI's ("Zandian") Motion to Set Aside Default Judgment, dated December 19, 2013. Plaintiff Jed Margolin filed an Opposition to Set Aside Default Judgment on January 19, 2014. Zandian served a reply in support of the Motion to Set Aside on January 23, 2014. Based upon the following facts and conclusions of law, Zandian's Motion to Set Aside is DENIED.

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#### I. FACTUAL BACKGROUND

Plaintiff Jed Margolin is the named inventor on United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents"). See Amended Complaint, filed 8/11/11, ¶ 9-10. In 2004, Mr. Margolin granted to Robert Adams, then CEO of Optima Technology, Inc. (later renamed Optima Technology Group (hereinafter "OTG"), a Cayman Islands Corporation specializing in aerospace technology) a Power of Attorney regarding the Patents. Id. at ¶ 11. Subsequently, Mr. Margolin assigned the '073 and '724 Patents to OTG and revoked the Power of Attorney. Id. at ¶ 13.

In May 2006, OTG and Mr. Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 12. On or about October 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 14.

On or about December 5, 2007, Zandian filed with the U.S. Patent and Trademark Office ("USPTO") assignment documents allegedly assigning all four of the Patents to Optima Technology Corporation ("OTC"), a company apparently owned by Zandian at the time. *Id.* at ¶ 15. Shortly thereafter, on November 9, 2007, Mr. Margolin, Robert Adams, and OTG were named as defendants in the case titled *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona action"). *Id.* at ¶ 17. Zandian was not a party in the Arizona action. Nevertheless, the plaintiff in the Arizona action asserted that Mr. Margolin and OTG were not the owners of the '073 and '724 Patents, and OTG filed a cross-claim for declaratory relief against Optima Technology Corporation ("OTC") in order to obtain legal title to the respective patents. *Id.* 

On August 18, 2008, the United States District Court for the District of Arizona entered a default judgment against OTC and found that OTC had no interest in the '073 or '724 Patents, and that the assignment documents filed with the USPTO were "forged, invalid,

void, of no force and effect." *Id.* at ¶ 18; *see also* Exhibit B to Zandian's Motion to Dismiss, dated 11/16/11, on file herein.

Due to Zandian's acts, title to the Patents was clouded and interfered with Plaintiff's and OTG's ability to license the Patents. *Id.* at ¶ 19. In addition, during the period of time Mr. Margolin worked to correct record title of the Patents in the Arizona action and with the USPTO, he incurred significant litigation and other costs associated with those efforts. *Id.* at ¶ 20.

# II. PROCEDURAL BACKGROUND

Plaintiff filed his Complaint on December 11, 2009, and the Complaint was personally served on Zandian on February 2, 2010, and on Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on March 21, 2010. Zandian's answer to Plaintiff's Complaint was due on February 22, 2010, but Zandian did not answer the Complaint or respond in any way. Default was entered against Zandian on December 2, 2010, and Plaintiff filed and served a Notice of Entry of Default on Zandian on December 7, 2010 and on his last known attorney on December 16, 2010.

The answers of Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation, were due on March 8, 2010, but Defendants did not answer the Complaint or respond in any way. Default was entered against Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on December 2, 2010. Plaintiff filed and served a Notice of Entry of Default on the corporate entities on December 7, 2010 and on their last known attorney on December 16, 2010.

The defaults were set aside and Zandian's motion to dismiss was denied on August 3, 2011. On September 27, 2011, this Court ordered that service of process against all Defendants may be made by publication. As manifested by the affidavits of service, filed herein on November 7, 2011, all Defendants were duly served by publication by November 2011.

On February 21, 2012, the Court denied Zandian's motion to dismiss the Amended Complaint. On March 5, 2012, Zandian served a General Denial to the Amended Complaint. On March 13, 2012, the corporate Defendants served a General Denial to the Amended Complaint.

On June 28, 2012, this Court issued an order requiring the corporate Defendants to retain counsel and that counsel enter an appearance on behalf of the corporate Defendants by July 15, 2012. The June 28, 2012 order further provided that if no such appearance was entered, the corporate Defendants' General Denial would be stricken. Since no appearance was their behalf of the corporate Defendants, a default was entered against them on September 24, 2012. A notice of entry of default judgment was filed and served on November 6, 2012.

On July 16, 2012, Mr. Margolin served Zandian with Mr. Margolin's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production of Documents, but Zandian never responded to these discovery requests. As such, on December 14, 2012, Mr. Margolin filed and served a Motion for Sanctions pursuant to NRCP 37. In this Motion, Mr. Margolin requested this Court strike the General Denial of Zandian, and award Mr. Margolin his fees and costs incurred in bringing the Motion.

On January 15, 2013, this Court issued an order striking the General Denial of Zandian and awarding his fees and costs incurred in bringing the NRCP 37 Motion. A default was entered against Zandian on March 28, 2013, and a notice of entry of default judgment was filed and served on April 5, 2013.

On April 17, 2013, Mr. Margolin filed an Application for Default Judgment, which was served on Zandian and the corporate Defendants. Since Zandian did not respond to the Application for Default Judgment, a Default Judgment was entered on June 24, 2013. Notice of entry of the Default Judgment was served on Zandian on June 26, 2013 and filed on June 27, 2013.

Over five and a half months later, on December 19, 2013, Zandian served his Motion to Set Aside on Plaintiff. Zandian's Motion to Set Aside claims that he never received any written discovery or notice of the pleadings and papers filed in this matter after his counsel

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 withdrew as his former counsel provided an erroneous last known address to the Court and the parties when he withdrew, and therefore Zandian requests that the judgment be set aside.

# III. FINDINGS AND CONCLUSIONS OF LAW

A party seeking to set aside a default judgment has the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence. *Kahn v. Orme*, 108 Nev. 510, 513–14, 835 P.2d 790, 793 (1992). The Court finds that Zandian has not met the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence.

Specifically, Zandian has not met the factors set forth in *Kahn* to compel the court to set aside the judgment. *Id.* at 513, 835 P.2d at 792–93 (holding that the district court must consider whether the party moving to set aside a judgment promptly applied to remove the judgment, lacked intent to delay the proceedings, lacked knowledge of the procedural requirements, and demonstrated good faith, in addition to considering the state's underlying policy of resolving cases on the merits). Zandian failed to promptly apply for relief, has not established a lack of intent to delay these proceedings or a lack of knowledge of the procedural requirements, and did not provide a good-faith reason for the over five-and-a-half-month gap between entry of default and the time he obtained new counsel and filed the Motion to Set Aside Default Judgment.

# a. Zandian Did Not Promptly Apply To Remove The Judgment

Even though a motion to set aside a judgment may be filed within the six month deadline provided for in NRCP 60(b), a party can still fail to act promptly. See Kahn 108 Nev. at 514, 835 P.2d at 793. Therefore, "want of diligence in seeking to set aside a judgment is ground enough for denial of such a motion." Id. (citing Union Petrochemical Corp. v. Scott, 96 Nev. 337, 339, 609 P.2d 323, 324 (1980) (citing Lentz v. Boles, 84 Nev. 197, 438 P.2d 254 (1968); Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 380 P.2d 293 (1963)).

Despite his knowledge of the default judgment, Zandian did not move to have the judgment set aside until nearly six months after its entry. Although Zandian argues he did not receive notice of the various proceedings, notice was mailed to his address. Therefore, the

notice requirement of NRCP 55 was fulfilled as Plaintiff served written notice of the application for default judgment. Moreover, NRCP 55 is likely not implicated since the judgment ultimately resulted from sanctions arising from Zandian's failure to respond to discovery. See Durango Fire Protection, Inc. v. Troncoso, 120 Nev. 658 (2004) (trial court's entry of judgment for plaintiff, in action for breach of contract, after striking defendant's answer was a sanction for defendant's failure to appear at several hearings and calendar calls rather than a default judgment, and thus, civil procedure rule requiring written notice before entry of default judgment was not applicable).

Further, First Judicial District Court Rule 22(3) expressly states that "[a]ny form of order permitting withdrawal of an attorney submitted to the Court for signature shall contain the address at which the party is to be served with notice of all further proceedings." Plaintiff had a right to rely on the address given by Zandian's prior attorney.

No evidence supports Zandian's claims that he lacked knowledge of this matter. Even if Zandian was living in France, for which no competent evidence has been provided to this Court, Zandian was required to provide the Court and the parties with his new address. However, Zandian never informed this Court or the parties of any address change. The record demonstrates that the Plaintiff's discovery requests, motions, application for judgment, orders and notice of judgment were all mailed to Zandian's address of record. Under NRCP 5(b), service by mail is complete upon mailing. Thus, Zandian received notice of the proceedings and his repeated failure to respond constituted inexcusable neglect.

# b. Zandian Has Failed To Show He Lacked Intent To Delay

Zandian received all of the papers and pleadings in this matter. However, he failed to respond to Plaintiff's discovery and willfully ignored the proceedings of this matter. In fact, Zandian waited nearly six months to secure new counsel and file the motion to set aside. Furthermore, Zandian failed to file an opposition to the application for judgment. Accordingly, the Court finds that Zandian has failed to establish the absence of an intent to delay.

# c. Whether Zandian Lacked Knowledge Of Procedural Requirements

Zandian unquestionably had notice of the written discovery, motions and orders filed in this matter, and yet he ignored all of these documents. All that was required of Zandian was to either personally respond to the discovery and motions or obtain counsel to appear on his behalf. Zandian knew discovery had been served but deliberately chose to ignore it. Zandian knew a motion for sanctions and an application for judgment had been filed, which led to the judgment, but Zandian chose to ignore those items as well. Zandian's failure to obtain new counsel or otherwise act on his own behalf is inexcusable. See Kahn 108 Nev. at 514-15, 835 P.2d at 793-4. As the Nevada Supreme Court stated in Kahn:

we are not confronted here with some subtle or technical aspect of procedure, ignorance of which could readily be excused. The requirements of the rule are simple and direct. To condone the actions of a party who has sat on its rights only to make a last-minute rush to set aside judgment would be to turn NRCP 60(b) into a device for delay rather than the means for relief from an oppressive judgment that it was intended to be.

Id. (citing Union, 96 Nev. at 339, 609 P.2d at 324 (citing Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979); Central Operating Co. v. Utility Workers of America, 491 F.2d 245 (4th Cir.1974)) (emphasis added in original)).

Zandian had sufficient knowledge to act responsibly. He had previously retained counsel to defend this action and retained new counsel to set aside the judgment. Therefore, this Court cannot conclude that Zandian failed to respond to set aside the default judgment because he was ignorant of procedural requirements.

#### d. Whether Zandian Acted In Good Faith

Zandian has not provided any valid reason for failing to respond to the requested discovery, the motion for sanctions or the application for judgment. Furthermore, he has not provided a reasonable explanation for waiting over five months to obtain other counsel despite having knowledge of the judgment entered against him.

Based upon the fact that Zandian knew about this case and continued to receive the papers and pleadings from this matter, it was inexcusable for Zandian not to respond to the

earlier discovery requests and motions. Zandian has not demonstrated good faith. In fact,
Zandian has only demonstrated inexcusable neglect by his willful failure to respond to, and
participate in, this action. Accordingly, the Court determines that Zandian lacked good faith in
contesting this action.

# e. Whether This Case Should Be Tried On The Merits For Policy Reasons

The Nevada Supreme Court has held that "good public policy dictates that cases be adjudicated on their merits." See Kahn 108 Nev. at 516, 835 P.2d at 794 (citing Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 155–56, 380 P.2d 293, 295 (1963) (original emphasis). However, this policy has its limits:

We wish not to be understood, however, that this judicial tendency to grant relief from a default judgment implies that the trial court should always grant relief from a default judgment. Litigants and their counsel may not properly be allowed to disregard process or procedural rules with impunity. Lack of good faith or diligence, or lack of merit in the proposed defense, may very well warrant a denial of the motion for relief from the judgment.

Id. (citing Lentz v. Boles, 84 Nev. 197, 200, 438 P.2d at 256 (1968)).

Zandian has disregarded the process and procedural rules of this matter with impunity.

He has repeatedly ignored this matter and failed to respond to the written discovery and motions in this matter since his former attorney John Peter Lee withdrew from representation.

Zandian's lack of good faith or diligence warrants a denial of the motion to set aside.

Zandian's complete failure to respond to the discovery requests and subsequent motions evidences his willful and recalcitrant disregard of the judicial process, which prejudiced Plaintiff. Foster v. Dingwall, 227 P.3d 1042, 1049 (Nev. 2010) (citing Hamlett v. Reynolds, 114 Nev. 863, 865, 963 P.2d 457, 458 (1998) (upholding the district court's strike order where the defaulting party's "constant failure to follow [the court's] orders was unexplained and unwarranted"); In re Phenylpropanolamine (PPA) Products, 460 F.3d 1217, 1236 (9th Cir.2006) (holding that, with respect to discovery abuses, "[p]rejudice from unreasonable delay is presumed" and failure to comply with court orders mandating discovery "is sufficient prejudice")).

In light of Zandian's repeated and continued abuses, the policy of adjudicating cases on the merits would not be furthered in this case, and the ultimate sanctions are necessary to demonstrate to Zandian and future litigants that they are not free to act with wayward disregard of a court's orders. Foster, 227 P.3d at 1049. Moreover, Zandian's failure to oppose Plaintiff's motion to strike the General Denial or the application for judgment constitutes an admission that the motion and application were meritorious. Id. (citing King v. Cartlidge, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)).

#### IV. CONCLUSION

The record provides substantial evidence to support this denial of Zandian's motion to set aside. Further, the policy of resolving cases on the merits does not allow litigants "to disregard process or procedural rules with impunity." *Kahn*, 108 Nev. at 516, 835 P.2d at 794 (quoting *Lentz v. Boles*, 84 Nev. 197, 200, 438 P.2d 254, 256–57 (1968)).

Zandian has failed to show mistake, inadvertence, surprise or excusable neglect pursuant to NRCP 60(b). Zandian had every opportunity to properly defend this action and instead made a voluntary choice not to. Therefore, Zandian's motion to set aside is hereby DENIED.

DATED: This 6th day of February, 2014. IT IS SO ORDERED:

JAMES T. RUSSELL DISTRICT COURT JUDGE

# CERTIFICATE OF MAILING

I hereby certify that on the <u>lo</u> day of February, 2014, I placed a copy of the foregoing in the United States Mail, postage prepaid, addressed as follows:

4 Matthew D. Francis
5 Adam P. McMillen
6 Watson Rounds
5371 Kietzke Lane
7 Reno, NV 89511

Geoffrey W. Hawkins
Johnathon Fayeghi
Hawkins Melendrez, P.C.
10 9555 Hillwood Drive, Suite 150
Las Vegas, NV 89134

Samantha Valerius Law Clerk, Department I

**CEEE** 

REC'D & FILED JASON D. WOODBURY 1 2814 MAR 12 PM 3:54 Nevada Bar No. 6870 KAEMPFER CROWELL 510 West Fourth Street ALAN GLOVER Carson City, Nevada 89703 3 dronically Filed Telephone: (775) 884-8300 Mar 14-2014 10:30 a.m. Facsimile: (775) 882-0257 4 Tracie K. Lindeman jwoodbury@kcnvlaw.com Clerk of Supreme Court Attorneys for Reza Zandian 5 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. 11 OPTIMA TECHNOLOGY CORPORATION, Case No. 09 OC 00579 1B 12 a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada Dept. No. Ι 13 corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka 14 GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI 15 aka GHONOREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE 16 Corporations 11-20, and DOE Individuals 21-30, 17 Defendants. 18 19 NOTICE OF APPEAL 20 Notice is hereby given that REZA ZANDIAN, a Defendant above-named, hereby 21 appeals to the Supreme Court of Nevada from the Order Denying Defendant Reza 22 Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian aka Reza Jazi aka J. 23 Reza Jazi aka G. Reza Jazi aka Ghonoreza Zandian Jazi's Motion to Set Aside Default 24 Judgment entered in this action on the 6th day of February, 2014. A Notice of Entry of Page 1 of 3 Docket 65205 Document 2014-08327

Order was served by mail upon counsel for Reza Zandian on February 10, 2014, a true and correct copy of which is attached to this Notice of Appeal as Exhibit 1. A cash deposit in the amount of \$500.00 has been submitted herewith as evidenced by the Notice of Cash Deposit in Lieu of Bond filed contemporaneously herewith.

DATED this 12th day of March, 2014.

KAEMPFER CROWELL

BY:

AASON D. WOODBURY Nevada Bar No. 6870

KAEMPFER CROWELL 510 West Fourth Street

Carson City, Nevada 89703

Telephone: (775) 884-8300 Facsimile: (775) 882-0257 jwoodbury@kenvlaw.com

Attorneys for Reza Zandian

KARMPER GROWELL, 510 West Fourth Street Carson City, Nevada 8970

Page 2 of 3

# **CERTIFICATE OF SERVICE**

Pursuant to NRAP 25(d) and NRCP 5(b), I hereby certify that service of the foregoing **NOTICE OF APPEAL** was made this date by depositing a true copy of the same for mailing at Carson City, Nevada, first class postage pre-paid, addressed to each of the following:

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

DATED this 1241 day of March, 2014.

an employee of Kaempfer Crowell

Page 3 of 3

698<sup>1</sup>

KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO 510 W. Fourth Street Carson City, Nevade 89703

# JED MARGOLIN, an individual,

# Plaintiff,

US.

OPTIMA TECHNOLOGY CORPORATION, a California corporation,
OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation,
REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka
GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka
G. REZA JAZI aka GHONOREZA ZANDIAN JAZI, an individual,
DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

# Defendants.

First Judicial District Court of the State of Nevada in and for Carson City

Case No. 09 OC 00579 1B Dept. No. I

# **NOTICE OF APPEAL**

#### **Exhibit List**

Exhibit No.	Description of Exhibit	Exhibit Pages
1	Notice of Entry of Order (Feb. 6, 2014)	14

# EXHIBIT 1

# EXHIBIT 1

KEC'B&FILLS Matthew D. Francis (6978) Adam P. McMillen (10678) 2014 FEB 10 PM 3: 19 WATSON ROUNDS 5371 Kietzke Lane 3 Reno, NV 89511 Telephone: 775-324-4100 Facsimile: 775-333-8171 Attorneys for Plaintiff Jed Margolin 5 6 7 In The First Judicial District Court of the State of Nevada 8 In and for Carson City 9 JED MARGOLIN, an individual, 10 11 Plaintiff, Case No.: 090C00579 1B 12 Dept. No.: 1 vs. 13 OPTIMA TECHNOLOGY CORPORATION, **NOTICE OF ENTRY OF ORDER** a California corporation, OPTIMA 1.4 TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN 15 aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN 16 aka REZA JAZI aka J. REZA JAZI 17 aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE 18 Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30, 19 Defendants. 20 21 TO: All parties: 22 PLEASE TAKE NOTICE that on February 6, 2014, the Court entered its Order 23 Denying Defendant Reza Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian aka 24 Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghononreza Zandian Jazi's Motion to Set 25 26 III27 111

Asid

Aside Default Judgment. Attached as Exhibit 1 is a true and correct copy of such Order.

Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED: February 2, 2014.

WATSON ROUNDS

By: Matthew D. Francis
Adam P. McMillen
Watson Rounds
5371 Kietzke Lane
Reno, NV 89511

Attorneys for Plaintiff Jed Margolin

#### CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Watson Rounds, and that on this date, I deposited for mailing, in a sealed envelope, with first-class postage prepaid, a true and correct copy of the foregoing document, Notice of Entry of Order, addressed as follows:

Johnathon Fayeghi, Esq. Hawkins Melendrez 9555 Hillwood Dr., Suite 150 Las Vegas, NV 89134 Counsel for Reza Zandian

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Optima Technology Corp. A California corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

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Optima Technology Corp. A California corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

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Dated: February 10th, 2014.

Mana Kindson Nancy R. Mindsley

# Exhibit 1

Exhibit 1

Case No.: 09 OC 00579 1B

Dept. No.: 1

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In and for Carson City

In The First Judicial District Court of the State of Nevada

JED MARGOLIN, an individual,

Plaintiff,

VS.

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Defendants.

Zandian's Motion to Set Aside is DENIED.

ORDER DENYING DEFENDANT
REZA ZANDIAN AKA GOLAMREZA
ZANDIANJAZI AKA GHOLAM REZA
ZANDIAN AKA REZA JAZI AKA J.
REZA JAZI AKA G. REZA JAZI AKA
GHONONREZA ZANDIAN JAZI'S
MOTION TO SET ASIDE DEFAULT
JUDGMENT

ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI's ("Zandian") Motion to Set Aside Default Judgment, dated December 19, 2013. Plaintiff Jed Margolin filed an Opposition to Set Aside Default Judgment on January 19, 2014. Zandian served a reply in support of the Motion to Set Aside on January 23, 2014. Based upon the following facts and conclusions of law,

This matter comes before the Court on REZA ZANDIAN aka GOLAMREZA

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# I. FACTUAL BACKGROUND

Plaintiff Jed Margolin is the named inventor on United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents"). See Amended Complaint, filed 8/11/11, ¶ 9-10. In 2004, Mr. Margolin granted to Robert Adams, then CEO of Optima Technology, Inc. (later renamed Optima Technology Group (hereinafter "OTG"), a Cayman Islands Corporation specializing in aerospace technology) a Power of Attorney regarding the Patents. Id. at ¶ 11. Subsequently, Mr. Margolin assigned the '073 and '724 Patents to OTG and revoked the Power of Attorney. Id. at ¶ 13.

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 void, of no force and effect." *Id.* at ¶ 18; see also Exhibit B to Zandian's Motion to Dismiss, dated 11/16/11, on file herein.

Due to Zandian's acts, title to the Patents was clouded and interfered with Plaintiff's and OTG's ability to license the Patents. *Id.* at ¶ 19. In addition, during the period of time Mr. Margolin worked to correct record title of the Patents in the Arizona action and with the USPTO, he incurred significant litigation and other costs associated with those efforts. *Id.* at ¶ 20.

#### II. PROCEDURAL BACKGROUND

Plaintiff filed his Complaint on December 11, 2009, and the Complaint was personally served on Zandian on February 2, 2010, and on Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on March 21, 2010. Zandian's answer to Plaintiff's Complaint was due on February 22, 2010, but Zandian did not answer the Complaint or respond in any way. Default was entered against Zandian on December 2, 2010, and Plaintiff filed and served a Notice of Entry of Default on Zandian on December 7, 2010 and on his last known attorney on December 16, 2010.

The answers of Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation, were due on March 8, 2010, but Defendants did not answer the Complaint or respond in any way. Default was entered against Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on December 2, 2010. Plaintiff filed and served a Notice of Entry of Default on the corporate entities on December 7, 2010 and on their last known attorney on December 16, 2010.

The defaults were set aside and Zandian's motion to dismiss was denied on August 3, 2011. On September 27, 2011, this Court ordered that service of process against all Defendants may be made by publication. As manifested by the affidavits of service, filed herein on November 7, 2011, all Defendants were duly served by publication by November 2011.

 On February 21, 2012, the Court denied Zandian's motion to dismiss the Amended Complaint. On March 5, 2012, Zandian served a General Denial to the Amended Complaint. On March 13, 2012, the corporate Defendants served a General Denial to the Amended Complaint.

On June 28, 2012, this Court issued an order requiring the corporate Defendants to retain counsel and that counsel enter an appearance on behalf of the corporate Defendants by July 15, 2012. The June 28, 2012 order further provided that if no such appearance was entered, the corporate Defendants' General Denial would be stricken. Since no appearance was their behalf of the cosporate Defendants, a default was entered against them on September 24, 2012. A notice of entry of default judgment was filed and served on November 6, 2012.

On July 16, 2012, Mr. Margolin served Zandian with Mr. Margolin's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production of Documents, but Zandian never responded to these discovery requests. As such, on December 14, 2012, Mr. Margolin filed and served a Motion for Sanctions pursuant to NRCP 37. In this Motion, Mr. Margolin requested this Court strike the General Denial of Zandian, and award Mr. Margolin his fees and costs incurred in bringing the Motion.

On January 15, 2013, this Court issued an order striking the General Denial of Zandian and awarding his fees and costs incurred in bringing the NRCP 37 Motion. A default was entered against Zandian on March 28, 2013, and a notice of entry of default judgment was filed and served on April 5, 2013.

On April 17, 2013, Mr. Margolin filed an Application for Default Judgment, which was served on Zandian and the corporate Defendants. Since Zandian did not respond to the Application for Default Judgment, a Default Judgment was entered on June 24, 2013. Notice of entry of the Default Judgment was served on Zandian on June 26, 2013 and filed on June 27, 2013.

Over five and a half months later, on December 19, 2013, Zandian served his Motion to Set Aside on Plaintiff. Zandian's Motion to Set Aside claims that he never received any written discovery or notice of the pleadings and papers filed in this matter after his counsel

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withdrew as his former counsel provided an erroneous last known address to the Court and the parties when he withdrew, and therefore Zandian requests that the judgment be set aside.

#### III. FINDINGS AND CONCLUSIONS OF LAW

A party seeking to set aside a default judgment has the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence. *Kahn v. Orme*, 108 Nev. 510, 513–14, 835 P.2d 790, 793 (1992). The Court finds that Zandian has not met the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence.

Specifically, Zandian has not met the factors set forth in Kahn to compel the court to set aside the judgment. Id. at 513, 835 P.2d at 792–93 (holding that the district court must consider whether the party moving to set aside a judgment promptly applied to remove the judgment, lacked intent to delay the proceedings, lacked knowledge of the procedural requirements, and demonstrated good faith, in addition to considering the state's underlying policy of resolving cases on the merits). Zandian failed to promptly apply for relief, has not established a lack of intent to delay these proceedings or a lack of knowledge of the procedural requirements, and did not provide a good-faith reason for the over five-and-a-half-month gap between entry of default and the time he obtained new counsel and filed the Motion to Set Aside Default Judgment.

#### a. Zandian Did Not Promptly Apply To Remove The Judgment

Even though a motion to set aside a judgment may be filed within the six month deadline provided for in NRCP 60(b), a party can still fail to act promptly. See Kahn 108 Nev. at 514, 835 P.2d at 793. Therefore, "want of diligence in seeking to set aside a judgment is ground enough for denial of such a motion." Id. (citing Union Petrochemical Corp. v. Scott, 96 Nev. 337, 339, 609 P.2d 323, 324 (1980) (citing Lentz v. Boles, 84 Nev. 197, 438 P.2d 254 (1968); Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 380 P.2d 293 (1963)).

Despite his knowledge of the default judgment, Zandian did not move to have the judgment set aside until nearly six months after its entry. Although Zandian argues he did not receive notice of the various proceedings, notice was mailed to his address. Therefore, the

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 notice requirement of NRCP 55 was fulfilled as Plaintiff served written notice of the application for default judgment. Moreover, NRCP 55 is likely not implicated since the judgment ultimately resulted from sanctions arising from Zandian's failure to respond to discovery. See Durango Fire Protection, Inc. v. Troncoso, 120 Nev. 658 (2004) (trial court's entry of judgment for plaintiff, in action for breach of contract, after striking defendant's answer was a sanction for defendant's failure to appear at several hearings and calendar calls rather than a default judgment, and thus, civil procedure rule requiring written notice before entry of default judgment was not applicable).

Further, First Judicial District Court Rule 22(3) expressly states that "[a]ny form of order permitting withdrawal of an attorney submitted to the Court for signature shall contain the address at which the party is to be served with notice of all further proceedings." Plaintiff had a right to rely on the address given by Zandian's prior attorney.

No evidence supports Zandian's claims that he lacked knowledge of this matter. Even if Zandian was living in France, for which no competent evidence has been provided to this Court, Zandian was required to provide the Court and the parties with his new address. However, Zandian never informed this Court or the parties of any address change. The record demonstrates that the Plaintiff's discovery requests, motions, application for judgment, orders and notice of judgment were all mailed to Zandian's address of record. Under NRCP 5(b), service by mail is complete upon mailing. Thus, Zandian received notice of the proceedings and his repeated failure to respond constituted inexcusable neglect.

#### b. Zandian Has Failed To Show He Lacked Intent To Delay

Zandian received all of the papers and pleadings in this matter. However, he failed to respond to Plaintiff's discovery and willfully ignored the proceedings of this matter. In fact, Zandian waited nearly six months to secure new counsel and file the motion to set aside. Furthermore, Zandian failed to file an opposition to the application for judgment. Accordingly, the Court finds that Zandian has failed to establish the absence of an intent to delay.

#### c. Whether Zandian Lacked Knowledge Of Procedural Requirements

Zandian unquestionably had notice of the written discovery, motions and orders filed in this matter, and yet he ignored all of these documents. All that was required of Zandian was to either personally respond to the discovery and motions or obtain counsel to appear on his behalf. Zandian knew discovery had been served but deliberately chose to ignore it. Zandian knew a motion for sanctions and an application for judgment had been filed, which led to the judgment, but Zandian chose to ignore those items as well. Zandian's failure to obtain new counsel or otherwise act on his own behalf is inexcusable. See Kahn 108 Nev. at 514-15, 835 P.2d at 793-4. As the Nevada Supreme Court stated in Kahn:

we are not confronted here with some subtle or technical aspect of procedure, ignorance of which could readily be excused. The requirements of the rule are simple and direct. To condone the actions of a party who has sat on its rights only to make a last-minute rush to set aside judgment would be to turn NRCP 60(b) into a device for delay rather than the means for relief from an oppressive judgment that it was intended to be.

Id. (citing Union, 96 Nev. at 339, 609 P.2d at 324 (citing Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979); Central Operating Co. v. Utility Workers of America, 491 F.2d 245 (4th Cir.1974)) (emphasis added in original)).

Zandian had sufficient knowledge to act responsibly. He had previously retained counsel to defend this action and retained new counsel to set aside the judgment. Therefore, this Court cannot conclude that Zandian failed to respond to set aside the default judgment because he was ignorant of procedural requirements.

#### d. Whether Zandian Acted In Good Faith

Zandian has not provided any valid reason for failing to respond to the requested discovery, the motion for sanctions or the application for judgment. Furthermore, he has not provided a reasonable explanation for waiting over five months to obtain other counsel despite having knowledge of the judgment entered against him.

Based upon the fact that Zandian knew about this case and continued to receive the papers and pleadings from this matter, it was inexcusable for Zandian not to respond to the

earlier discovery requests and motions. Zandian has not demonstrated good faith. In fact,
Zandian has only demonstrated inexcusable neglect by his willful failure to respond to, and
participate in, this action. Accordingly, the Court determines that Zandian lacked good faith in
contesting this action.

#### e. Whether This Case Should Be Tried On The Merits For Policy Reasons

The Nevada Supreme Court has held that "good public policy dictates that cases be adjudicated on their merits." See Kahn 108 Nev. at 516, 835 P.2d at 794 (citing Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 155–56, 380 P.2d 293, 295 (1963) (original emphasis). However, this policy has its limits:

We wish not to be understood, however, that this judicial tendency to grant relief from a default judgment implies that the trial court should always grant relief from a default judgment. Litigants and their counsel may not properly be allowed to disregard process or procedural rules with impunity. Lack of good faith or diligence, or lack of merit in the proposed defense, may very well warrant a denial of the motion for relief from the judgment.

Id. (citing Lentz v. Boles, 84 Nev. 197, 200, 438 P.2d at 256 (1968)).

Zandian has disregarded the process and procedural rules of this matter with impunity. He has repeatedly ignored this matter and failed to respond to the written discovery and motions in this matter since his former attorney John Peter Lee withdrew from representation. Zandian's lack of good faith or diligence warrants a denial of the motion to set aside.

Zandian's complete failure to respond to the discovery requests and subsequent motions evidences his willful and recalcitrant disregard of the judicial process, which prejudiced Plaintiff. Foster v. Dingwall, 227 P.3d 1042, 1049 (Nev. 2010) (citing Hamlett v. Reynolds, 114 Nev. 863, 865, 963 P.2d 457, 458 (1998) (upholding the district court's strike order where the defaulting party's "constant failure to follow [the court's] orders was unexplained and unwarranted"); In re Phenylpropanolamine (PPA) Products, 460 F.3d 1217, 1236 (9th Cir.2006) (holding that, with respect to discovery abuses, "[p]rejudice from unreasonable delay is presumed" and failure to comply with court orders mandating discovery "is sufficient prejudice")).

In light of Zandian's repeated and continued abuses, the policy of adjudicating cases on the merits would not be furthered in this case, and the ultimate sanctions are necessary to demonstrate to Zandian and future litigants that they are not free to act with wayward disregard of a court's orders. Foster, 227 P.3d at 1049. Moreover, Zandian's failure to oppose Plaintiff's motion to strike the General Denial or the application for judgment constitutes an admission that the motion and application were meritorious. Id. (citing King v. Cartlidge, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)).

#### IV. CONCLUSION

The record provides substantial evidence to support this denial of Zandian's motion to set aside. Further, the policy of resolving cases on the merits does not allow litigants "to disregard process or procedural rules with impunity." *Kahn*, 108 Nev. at 516, 835 P.2d at 794 (quoting *Lentz v. Boles*, 84 Nev. 197, 200, 438 P.2d 254, 256–57 (1968)).

Zandian has failed to show mistake, inadvertence, surprise or excusable neglect pursuant to NRCP 60(b). Zandian had every opportunity to properly defend this action and instead made a voluntary choice not to. Therefore, Zandian's motion to set aside is hereby DENIED.

DATED: This 64 day of February, 2014. IT IS SO ORDERED:

JAMES T. RUSSEISE DISTRICT COURT JUDGE

#### **CERTIFICATE OF MAILING**

I hereby certify that on the O day of February, 2014, I placed a copy of the foregoing in the United States Mail, postage prepaid, addressed as follows:

Matthew D. Francis Adam P. McMillen Watson Rounds 5371 Kietzke Lane Reno, NV 89511

Geoffrey W. Hawkins Johnathon Fayeghi Hawkins Melendrez, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134

Law Clerk, Department I

	1	JASON D. WOODBURY	REC'D & FILED
	2	Nevada Bar No. 6870 KAEMPFER CROWELL	2014 MAR 12 PM 3:54
	3	510 West Fourth Street Carson City, Nevada 89703	ALAN GLOVER CLERK
	4	Telephone: (775) 884-8300 Facsimile: (775) 882-0257	BY TOEPUTY
	5	jwoodbury@kcnvlaw.com Attorneys for Reza Zandian	
	6	IN THE FIRST JUDICI OF THE STATE OF N	
	7	CARSO	
	8		
	9	JED MARGOLIN, an individual,	
	10	Plaintiff,	
	11	vs.	
	12	OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA	Case No. 09 OC 00579 1B
	13	TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka	Dept. No. I
	14	GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA	
	15	JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONOREZA ZANDIAN JAZI, an	
	16	individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals	
	17	21-30,	
	18	Defendants.	
	19		
	20	CASE APPEAL	
	21		REZA ZANDIAN, an individual, hereby
Street Street ia 89703	22	provides the following Case Appeal Statemen	وما والمراوي المراوي والمراوية والمعتبرة المحارية والمراوية والمراوية والمستعمل المعارية والمراوية
KAEMPFER CROWELL 510 Wost Fourth Street Carson City, Nevada 897	23		this case appeal statement (NRAP
KAE 510 1 Cerson	24	3(f)(3)(C)):	
		REZA ZANDIAN, an individua	
			Page 1 of 8 715

1 2 3		(b) Jason D. Woodbury KAEMPFER CROWELL 510 West Fourth Street Carson City, Nevada 89703 Telephone: (775) 884-8300
4	6.	Counsel for Appellant, REZA ZANDIAN  Indicate whether appellant was represented by appointed or
5		retained counsel in the district court (NRAP 3(f)(3)(F)):
6		Appellant was represented by retained counsel in district court.
7	7.	Indicate whether appellant is represented by appointed or
8	Segretarior management (Control of Control o	retained counsel on appeal (NRAP 3(f)(3)(F)):
9		Appellant is represented by retained counsel on appeal.
ιo	8.	Indicate whether appellant was granted leave to proceed in
11		forma pauperis, and the date of entry of the district court order
12		
ا 3		granting such leave (NRAP 3(f)(3)(G)):
4		Appellant was not granted leave to proceed in forma pauperis.
15	9.	Indicate the date of the proceedings commenced in the district
16	!	court (e.g., date complaint, indictment, information, or petition
		was filed) (NRAP $3(f)(3)(H)$ ):
7		Respondent's Complaint was filed in the District Court on December 11,
8		2009.
9	10.	District court case number and caption showing the names of
20		all parties to the proceedings below, but the use of et al. to
21		denote parties is prohibited (NRAP 3(f)(3)(A)):
22	g semantar i atau ar ira	(a) Case number:
23		First Judicial District Court Case Number: 09 OC 00579 1B
24		Department Number: I
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510 West Fourth Street Carson City, Nevada 89703	23
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(b) Caption:

JED MARGOLIN, an individual,

Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONOREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

#### Defendants.

11. Whether any of respondents' attorneys are not licensed to practice law in Nevada, and, if so, whether the district court granted that attorney permission to appear under SCR 42, including a copy of any district court order granting that permission (NRAP 3(f)(3)(E)):

Based upon information and belief, all attorneys for respondents are licensed to practice law in Nevada.

12. Brief description of the nature of the action and result in district court, including the type of judgment or order being appealed and the relief granted by the district court (NRAP 3(f)(3)(I)):

The subject matter of this case concerns various patents and a dispute over their ownership. Plaintiff claims to be the owner of the patents at issue. Plaintiff claims that certain conduct and actions of Optima Technology Corporation, a California corporation, Optima Technology Corporation, a Nevada corporation, (together these

Page 4 of 8

corporations are referred to hereinafter as the "Corporate Defendants") and Reza Zandian ("Zandian") (collectively the Corporate Defendants and Zandian are referred to as the "Defendants") disrupted his ownership and control over the patents, thereby causing him damages. Specifically, Plaintiff's *Complaint* alleged the following claims against the Defendants: (1) Conversion; (2) Tortious Interference with Contract; (3) Intentional Interference with Prospective Economic Advantage; (4) Unjust Enrichment; and (5) Unfair and Deceptive Trade Practices.

On September 9, 2011, the District Court issued an order authorizing service of Plaintiff's *Amended Complaint*<sup>1</sup> by publication.<sup>2</sup> Service by publication was accomplished on November 7, 2011. The Defendants answered in March, 2012. On July 16, 2012, Plaintiff served Zandian with several discovery requests. When there was no response to the discovery requests, the District Court granted Plaintiff's request for sanctions and struck Zandian's answer on January 15, 2013.

On March 28, 2013, the District Court entered a Default against Zandian. Later, pursuant to the application of Plaintiff, the District Court entered a Default Judgment against the Defendants in the amount of \$1,495,775.74. Plaintiff filed a Notice of Entry of Default Judgment on June 27, 2013.

On December 20, 2013, Zandian filed a Motion to Set Aside Default Judgment with the District Court. Plaintiff filed a response, and Zandian replied. No hearing was held on the Motion to Set Aside. On February 6,

Page 5 of 8

<sup>&</sup>lt;sup>1</sup> Plaintiff filed his Amended Complaint on August 11, 2011.

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2014, the District Court entered its Order Denying Defendant Reza
Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian aka
Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghonoreza Zandian
Jazi's Motion to Set Aside Default Judgment. And on February 10, 2014,
Plaintiff served notice by mail that this Order had been entered.

13. Whether the case has previously been the subject of an appeal to or original writ proceeding in the Supreme Court and, if so, the caption and Supreme Court docket number of the prior proceeding (NRAP 3(f)(J)):

Upon information and belief, this case has not previously been the subject of an appeal to or original writ proceeding in the Supreme Court.

14. Whether the appeal involves child custody or visitation (NRAP 3(f)(3)(K)):

The appeal does not involve child custody or visitation.

Page 6 of 8

<sup>&</sup>lt;sup>2</sup> There were proceedings which occurred prior to the issuance of the District Court's order allowing service by publication. However, they are not pertinent for purposes of the Case Appeal Statement.

# 15. In civil cases, whether the appeal involves the possibility of settlement (NRAP 3(f)(3)(L)):

The appeal involves the possibility of settlement.

DATED this 12th day of March, 2014.

KAEMPFER CROWELL

BY: 126

Nevada Bar No. 6870 KAEMPFER CROWELL

510 West Fourth Street Carson City, Nevada 89703

Telephone: (775) 884-8300 Facsimile: (775) 882-0257 jwoodbury@kcnylaw.com

Attorneys for Reza Zandian

Page 7 of 8

#### **CERTIFICATE OF SERVICE**

Pursuant to NRAP 25(d) and NRCP 5(b), I hereby certify that service of the foregoing <u>CASE APPEAL STATEMENT</u> was made this date by depositing for mailing of the same in Portable Document Format addressed to each of the following:

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

DATED this \_\_\_\_\_\_ day of March, 2014.

an employee of Kaempfer Crowell

Page 8 of 8

Judge		JUDGE JAMES	Case No.	09 GC 00579 IB		
	TODD		Ticket No. CTN:			
MARGO	LIN, JED		Ву:			
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Dob: Lic:		Sex: Sid:				
	an, reza	DRSPND	Ву:			
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Plate Make: Year: Type: Venue	;	Accident:				
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MARGO: Charg	LIN, JED	PLNTPET	Type:	Posted:		
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Sente	ncing:		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
No.	Filed	Action	Operator	Fine/Cost	Due	
1	03/12/14	APPEAL BOND DEPOSIT Receipt: 33251 Date: 03/12/2014	1BCCOOPER	500.00	0.00	
2	03/12/14	NOTICE OF CASH DEPOSIT IN LIEU OF BOND	1BCCOOPER	0.00	0.00	
3	03/12/14	CASE APPEAL STATEMENT	1BCCOOPER	0.00	0.00	
4	03/12/14	NOTICE OF APPEAL FILED Receipt: 33251 Date: 03/12/2014	1BCCOOPER	24.00	0,00	
5	03/03/14	OPPOSITION TO MOTION FOR ORDER TO SHOW CAUSE REGARDING CONTEMPT	1BCGRIBBLE	0.00	0.00	
6	02/21/14	SUBSTITUTION OF COUNSEL	1BCCOOPER	0.00	0.00	
7	02/12/14	MOTION FOR ORDER TO SHOW CAUSE REGARDING CONTEMPT	1BCCOOPER	0.00	0.00	•
8	02/10/14 .	NOTICE OF ENTRY OF ORDER	1BVANESSA	0.00	0.00	
9	02/06/14	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJHIGGINS	0.00	0.00	
10	02/06/14	ORDER DENYING DEFENDANT REZA ZANDIAN AKA GOLAMREZA ZANDIANJAZI AKA GHOLAM REZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA GHONONREZA ZANDIAN JAZI'S MOTION TO SET ASIDE DEFAULT JUDGMENT	1bjHiggins	0.00	0.00	
11	02/03/14	DEFENDANT REZA ZANDIAN'S REPLY IN SUPPORT OF MOTION FOR STAY OF PROCEEDINGS TO ENFORCE JUDGMENT PURSUANT TO NRCP 62(B)	1BVANESSA	0,00	9.00	
12	01/23/14	REQUEST FOR SUBMISSION AND HEARING ON DEFENDANT REZA ZANDIAN'S MOTION TO SET ASIDE DEFAULT JUDGMENT	1BCGRIBBLE		0.00	

No.	Filed	Action	Operator	Fine/Cost	Due
14	01/17/14	NOTICE OF ENTRY OF ORDER GRANTING PLAINTIFF'S MOTION FOR DEBTOR EXAMINATION AND TO PRODUCE DOCUMENTS	1BCGRIBBLE	0.00	0.00
.5	01/17/14	OPPOSITION TO MOTION FOR STAY OF PROCEEDINGS TO ENFORCE JUDGMENT PURSUANT TO NRCP 62(B)	1BCGRIBBLE	¢.00	0 4 00
6	01/13/14	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BCCOOPER	0.00	0.00
.7	01/13/14	ORDER GRANTING PLAINTIFFS MOTION FOR DEBTOR EXAMINATION AND TO PRODUCE DOCUMENTS	1BCCOOPER	0.00	0.00
18	01/09/14	REQUEST FOR SUBMISSION	1BVANESSA	0.00	0.00
19	01/09/14	OPPOSITION TO MOTION TO SET ASIDE DEFAULT JUDGMENT	1BVANESSA	0.00	0.00
20	01/02/14	DEFENDANT REZA ZANDIAN AKA GOLAMREZA ZANDIANJAZI AKA GHOLAM REZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA G. REZA JAZI AKA GHONONREZA ZANDIAN JAZI'S MOTION FOR STAY OF PROCEEDINGS TO ENFORCE JUDGMENT PURSUANT TO NRCP 62(B)	1BCGRIBBLE	0.00	D. 00
21	12/20/13	DEFENDANT REZA ZANDIAN AKA GOLAMREZA ZANDIANJAZI AKA GHOLAM REZA ZANDIAN AKA REDA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA GHONONREZA ZANDIAN JAZIS MOTION TO SET ASIDE DEFAULT JUDGMENT	1BCCOOPER	0.00	0.00
22:	12/20/13	NOTICE OF APPEARANCE	1BCCOOPER	0.00	0.00
23	12/11/13	MOTION FOR JUDGMENT DEBTOR EXAMINATION AND TO PRODUCE DOCUMENTS	1BCCOOPER	0.00	0.00
24	06/27/13	NOTICE OF ENTRY OF ORDER DEFAULT JUDGMENT	1BVANESSA	0.00	0,00
25	06/26/13	JUDGMENT	1BCCOOPER	0.00	0.0
		Judgment Amount: 1,495,775.74 Judgment Total: 1,495,775.74			
		Terms: JUDGMENT ENTERED @ 4:12 PM			
		Judgment Type; DEFAULT JUDGMENT Judgment Date: 06/24/2013			
		Judgment For: MARGOLIN, JED - PLNTF/PETNR			
	•	Judgment Against: OPTIMA TECHNOLOGY CORPORATION - DEFENDANT/RESPONDENT			
		ZANDIAN, REZA - DEFENDANT/RESPONDENT			
v. 1v 384	nazwi . Winn X	Judgment Balance: 1,495,775.74 Case Total: 2,903,922.66 Case Balance: 2,903,922.66	and the second s	en e	
26	06/24/13	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BCCOOPER	0.00	0.0
27	06/24/13	DEFAULT JUDGMENT	1BCCOOPER	0.00	0.0
28	06/21/13	REQUEST FOR SUBMISSION	1BVANESSA	0.00	0.0

No.	Filed	Action	Operator	Fine/Cost	Due
29	04/17/13	DECLARATION OF JED MARGOLIN IN SUPPORT OF APPLICATION FOR DEFAULT JUDGMENT	1BCGRIBBLE	0.00	0.00
30	04/17/13	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF APPLICATION FOR DEFAULT JUDGMENT	1BCGRIBBLE	0.00	0.00
31	04/17/13	APPLICATION FOR DEFAULT JUDGMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF	1BCGRIBBLE	0.00	0.00
32	04/05/13	AMENDED NOTICE OF ENTRY OF DEFAULT	1BCFRANZ	0.00	0.00
33	04/03/13	NOTICE OF ENTRY OF DEFAULT	1BCCOOPER	0.00	0.00
34	04/03/13	NOTICE OF ENTRY OF ORDER	1BCCOOPER	0.00	0.00
35	03/29/13	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BCCOOPER	0.00	0.00
36	03/29/13	ORDER GRANTING PLAINTIFF'S APPLICATION FOR ATTORNEY'S FEES AND COSTS	1BCCOOPER	0.00	0.00
37	03/28/13	REQUEST FOR SUBMISSION	1BCGRIBBLE	0.00	0.00
38	03/28/13	DEFAULT	1BCGRIBBLE	0.00	0.00
39	03/04/13	DECLARATION OF MAILING	1BCCOOPER	0.00	0.00
40	02/20/13	PLAINTIFF'S APPLICATION FOR ATTORNEY'S FEES AND COSTS	1BCGRIBBLE	0.00	0.00
41	02/20/13	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF PLAINTIFF'S APPLICATION FOR ATTORNEY'S FEES AND COSTS	1BCGRIBBLE	0.00	0.00
42	01/17/13	NOTICE OF ENTRY OF ORDER	1BCGRIBBLE	0.00	0.00
43	01/15/13	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	lbJHIGGINS	0.00	0.00
44	01/15/13	ORDER GRANTING PLAINTIFF'S MOTION FOR SANCTIONS UNDER NRCP 37	1bJHIGGINS	0.00	0.00
45	01/11/13	REQUEST FOR SUBMISSION	1BVANESSA	0.00	0.00
46	12/14/12	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF PALINTIFF'S MOTION FOR SANCTIONS UNDER NECP 37	1bvanessa	0.00	0.00
47	12/14/12	PLAINTIFF'S MOTION FOR SANCTIONS UNDER NRCP 37	1BVANESSA	0.00	0.00
48	11/14/12	AFFIDAVIT OF SERVICE	1BCCOOPER	0.00	0.00
49	11/06/12	NOTICE OF ENTRY OF JUDEMENT	1BVANESSAG	0.00	0.00
50	10/31/12	JUDGMENT	1BJHIGGINS	0.00	0.00

Judgment Amount: 1,286,552.46 Judgment Total: 1,286,552.46

Terms: JUDGMENT ENTERED AT 1:42 P.M.

Judgment Type: DEFAULT JUDGMENT FOR THE PLAINTIFF Judgment Date: 10/31/2012

Judgment For: MARGOLIN, JED - PLNTF/PETNR

Judgment Against: OPTIMA TECHNOLOGY CORPORATION -DEFENDANT/RESPONDENT

Judgment Balance: 1,286,552,46 Case Total:

1,408,146.92

Case Balance: 1,408,146.92

No.	Filed	Action	Operator	Fine/Cost	Due
51	10/31/12	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJHIGGINS	0.00	0.00
52	10/31/12	DEFAULT JUDGMENT	1BJHIGGINS	σ.00	0.00
53	10/30/12	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF APPLICATION FOR DEFAULT JUDGMENT	1BJHIGGINS	0.00	0.00
54	10/30/12	DECLARATION OF JED MARGOLIN IN SUPPORT OF APPLICATION FOR DEFAULT JUDGMENT	1BJHIGGINS	0.00	0.00
55	10/30/12	APPLICATION FOR DEFAULT JUDGMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF	1BJHIGGINS	0.00	0.00
56	10/30/12	AFFIDAVIT OF SERVICE	lejhiggins	0.00	0.00
57	09/27/12	NOTICE OF ENTRY OF DEFAULT	18VANESSAG	0.00	0.00
58	09/24/12	DEFAULT	1BVANESSAG	0.00	0.00
59	09/14/12	APPLICATION FOR ENTRY OF DEFAULT	IBVANESSAG	0.00	0.00
60	07/02/12	NOTICE OF ENTRY OF ORDER	1BCCOOPER	0.00	0.00
61	06/28/12	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJULIEH	0.00	0.00
62	06/28/12	ORDER GRANTING PLAINTIFF'S MOTION TO COMPEL APPEARANCE OF COUNSEL FOR OPTIMA TECHNOLOGY CORPORATIONS, OR N THE ALTERNATIVE, MOTION TO STRIKE GENERAL DENIAL OF OPTIMA TECHNOLOGY CORPORATION	lbjulier	0.00	0.00
63	06/14/12	unilateral case conference report	lbvanessag	0.00	0.00
64	06/06/12	REQUEST FOR SUBMISSION	LBCGRIBBLE	0.00	0.00
65	05/29/12	DECISION OF ARBITRATION COMMISSIONER REMOVING MATTER FROM MANDATORY ARBITRATION	1BCGRIBBLE	0.00	0.00
66	05/15/12	PLAINTIFF'S MOTION TO COMPEL APPEARANCE OF COUNSEL FOR OPTIMA TECHNOLOGY CORPORATIONS, OR IN THE ALTERNATIVE, MOTION TO STRIKE GENERAL DENIAL OF OPTIMA TECHNOLOGY CORPORATIONS (COPY) (SEE MINUTE ORDER FILED 06/19/2012)	1BVANESSAG	Q.00	0.00
67	05/10/12	DECLARATION OF JED MARGOLIN IN SUPPORT OF REQUEST TO EXEMPT CASE FROM COURT ANNEXED ARBITRATION PROGRAM	1BCGRIBBLE	0.00	0.00
68	05/10/12	SECOND SUPPLEMENTAL REQUEST FOR EXEMPTION FROM ARBITRATION	1BCGRIBBLE	0.00	0.00

No.	Filed	Action	Operator	Fine/Cost	Due
69.	05/09/12	NOTICE OF ENTRY OF ORDER GRANTING JOHN PETER LEE, LTD.'S AMENDED MOTION TO WITHDRAW FROM REFRESENTATION OF DEFENDANTS OPTIMA TECHNOLOGY CORPORATION, REZA ZANDIAN AKA GOLAMREA ZANDIAN AKA GEOLAM REZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA GHONONREZA ZANDIAN JAZI AKA GHONONREZA ZANDIAN JAZI AKA	1BCCOOFER	0.00	0.00
70	04/26/12	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1evanessag	0.00	0.00
71	04/26/12	ORDER GRANTING JOHN PETER LEE, LTD.'S AMENDED MOTION TO WITHDRAW FROM REPRESENTATION OF DEFENDANTS OPTIMA TECHNOLOGY CORPORATION, A CALIFORNIA CORPORATION; OPTIMA TECHNOLOGY CORPORATION, AN DEVADA CORPORATION; AND REZA ZANDIAN AKA GOLAMMREZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA G. REZA JAZI AKA G. REZA JAZI AKA GHONONREZA ZANDIAN JAZI	1bvanessag	0.00	0.00
72	04/23/12	REQUEST FOR SUBMISSION	1BCGRIBBLE	0.00	0.00
73.	04/20/12	SUPPLEMENTAL REQUEST FOR EXEMPTION FROM ARBITATION	1BCGRIBBLE	0.00	0.00
74	03/30/12	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF THE NOTICE ON NON-OIPPOSITION TO JOHN PETER LEE, LTD.'S AMENDED MOTION TO WITHDRAW FROM REPRESENTATION	1BCCOOPER	.00	0.00
75	03/30/12	NOTICE OF NON-OPPOSITION TO JOHN PETER LEE, LID'S AMENDED MOTION TO WITHDRAW FROM REPRESENTATION	1BCCOOPER	0.00	0.00
76	03/16/12	DECLARATION OF ADAM P. MCMILLEN IN SUPPORT OF THE NOTICE OF NON-OPPOSITION TO JOHN PETER LEE, LITD, S MOTION TO WITHDRAW FROM REPRESENTATION	1BCCOOPER	0.00	0.00
77	03/16/12	NOTICE OF NON-OPPOSITION TO JOHN PETER LEE, LTD'S MOTION TO WITHDRAW FROM REPRESENTATION	1BCCOOPER	0.00	0.00
78	03/14/12	GENERAL DENIAL Receipt: 21864 Date: 03/16/2012	1BCCOOPER	218.00	0.00
79	03/14/12	JOHN PETER LEE, LTD.'S AMENDED MOTION TO WITHDRAW FROM REPRESENTATION OF DEFENDANTS OPTIMA TECHNOLOGY CORPORATION; OPTIMA TECHNOLOGY CORPORATION, A NEVADA CORPORATION; AND REZA ZANDIAN AKA GCLAMREZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI AKA G. REZA JAZI AKA GHOMONREZA ZANDIAN - AZI  "AKA GHOMONREZA ZANDIAN - AZI "AKA GHOMONREZA ZANDIAN - AZI	1BJHIGGINS	0.00	0.00
80	03/09/12			0.00	0.00
81	03/09/12	ARBITRATION NOTICE OF INTENT TO TAKE	1 BVANESSAG	0.00	0.00
81	03/09/12	NOTICE OF INTENT TO TAKE DEFAULT	lbvanessag	0,00	

Docket Sheet

Page: 6

No.	Filed	Action	Operator	Fine/Cost	Due
82	03/07/12	JOHN PETER LEE, LTD. 'S MOTION TO WITHDRAW FROM REPRESENTATION OF DEFENDANT REZA ZANDIAN AKA GOLAMKEZA ZANDIANJAZI AKA GHOLM REZA ZANDIAN AKA REZA JAZI AKA J. REZA JAZI G, REZA JAZI AKA GHONONREZA ZANDIAN JAZI	1BCCOOPER	0.00	0.00
93	03/06/12	GENERAL DENIAL Receipt: 21739 Date: 03/09/2012 *STRICKEN PER ORDER GRANTING PLAINTIFF'S MOTION FOR SANCTIONS UNDER NRCP 37 FILED JAN. 15, 2013*	1BCCOOPER	218.00	0.00
84	02/24/12	NOTICE OF ENTRY OF ORDER	1BJHIGGINS	0.00	00.0
85	02/23/12	ORDER DENYING MOTION TO STRIKE	1BJHIGGINS	0.00	0.00
8.6	02/21/12	ORDER DENYING DEFENDANT'S MOTION TO DISMISS	IBJHIGGINS	0.00	0.00
B7	02/13/12	REQUEST FOR SUBMISSION (2)	1ECCGOPER	0.00	0.00
88	02/13/12	DECLARATION OF ADAM P. MCMILLEN	1BCCOOPER	0.00	0,00
89	02/13/12	REPLY IN SUPPORT OF MOTION TO STRIKE	1BCCOOPER	0.00	0.00
90	02/02/12	OPPOSITION TO MOTION TO STRIKE	1BJHIGGINS	0.00	p.00
91	01/23/12	DECLARATION OF JED MARGOLIN IN SUPPORT OF MOTION TO STRIKE	1BVANESSAG	0.00	0.00
92	01/23/12	MOTION TO STRIKE	1BVANESSAG	0.00	0.00
93	12/13/11	REPLY TO OPPOSITION TO MOTION TO DISMISS	1BJHIGGINS	0.00	0.00
94	12/05/11	OPPOSITION TO MOTION TO DISMISS	1BKDUNCKHO	0.00	0.00
95	11/17/11	MOTION TO DISMISS AMENDED COMPLAINT ON SPECIAL APPEARANCE	1BKDUNCKHO	0.00	0.00
96	11/08/11	AMENDED CERTIFICATE OF SERVICE	1EVANESSAG	0.00	0.00
97	11/07/11	SUMMONS ON AMENDED COMPLAINTS (2) ADD'L SUMMONS ON AMENDED COMPLAINT	1ekdunckho	0.00	0.00
98	11/07/11	CERTIFICATE OF SERVICE	1BKDUNCKHO	0.00	0.00
99	10/05/11	NOTICE OF ENTRY OF AMENDED ORDER	18VANESSAG	000	0.00
100	09/27/11	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJ#IGGINS	0.00	0.00
101	09/27/11	AMENDED ORDER ALLOWING SERVICE BY PUBLICATION	15JHIGGINS	0.00	0.00
102	09/23/11	REQUEST FOR SUBMISSION	1BCCOOPER	0,00	0.00
103	09/13/11	NOTICE OF ENTRY OF ORDER	1BKDUNCKHO	0,00	0.00
104	09/09/11	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJHIGGINS	0.00	0.00
105	09/09/11	ORDER ALLOWING SERVICE BY PUBLICATION	1BJHIGGINS	0.00	0.00
106	09/07/11	REQUEST FOR SUBMISSION	1BKDUNCKHO	0.00	0.00
107	08/11/11	ISSUING SUMMONS ON AMENDED COMPLAINT & 2 ADDITIONAL	1BKDUNCKHO	0.00	0.00

Date: 03/12/2014 16:44:04.8 MIJR5925

Docket Sheet

Page: 7

No.	Filed	Action	Operator	Fine/Cost	Due
.08	08/11/11	AMENDED COMPLAINT	1BKDUNCKHO	0.00	0.00
109	08/11/11	MOTION TO SERVE BY PUBLICATION	1BKDUNCKHO	0.00	0.00
110	08/03/11	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BJULIEH	0.00	0.0
111	08/03/11	ORDER SETTING ASIDE DEFAULT, DYNYING MOTION TO DISMISS AND GRANTING EXTENSION OF TIME FOR SERVICE	1BJULIEH	6.00	0.0
112	07/13/11	REQUEST FOR SUBMISSION	1BCCOOPER	0.00	0,0
113	07/05/11	REPLY TO OPPOSITION TO MOTION TO DISMISS ON A SPECIAL APPEARANCE	1BCCCOPER	0.00	0.0
114	06/22/11	OPPOSITION TO MOTION TO DISMISS AND COUNTER MOTIONS TO STRIKE AND FOR LEAVE TO AMEND THE COMPLAINT	1BMKALE	0.00	0.0
115	06/13/11	NOTICE OF CHANGE OF COUNSEL	1BJHIGGINS	0.00	0.0
116	06/09/11	MOTION TO DISMISS ON A SPECIAL APPEARANCE	1BMKALE	0.00	0.0
117	03/07/11	NOTICE OF ENTRY OF DEFAULT JUDGMENT	1BCCOOPER	0.00	0.0
118	03/01/11	DEFAULT JUDGMENT	1BCCOOPER	0.00	0.0
119	03/01/11	JUDGMENT	1BCCOOPER	0.00	0.0
		121,594.46  Judgment Total:     121,594.46  Terms: JUDGMENT ENERED @ 3:24 PM. '  Judgment Type: DEFAULT JUDGMENT JUDGMENT JUDGMENT Judgment Date: 03/01/2011			
		Judgment For: MARGOLIN, JED - PLNTF/PETNR  Judgment Against: OPTIMA			
		technology - defendant/respondent			
		zandian, Reza - Defendant/Respondent	•		
		Judgment Balance: 121,594.46			
		Case Total: 121,594.46 Case Balance: 121,594.46			
120	03/01/11	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BCCOOPER	0.00	0.
121	03/01/11	DEFAULT JUDGMENT	1BCCOOPER	0.00	ō.
122	02/28/11	APPLICATION FOR DEFAULT  JUDGMENT; MEMORANDUM OF  POINTS AND AUTHORITIES IN	1BMKALE	0.00	0.
		SUPPORT THEREOF			
123	02/29/11	DECLARATION OF JED MARGULIN IN SUPPORT OF APPLICATING FOR DEFAULT JUDGMENT	lemkale	0,00	0.
124	02/28/11	DECLARATION FO CASSANDRA P., JOSEPH IN SUPPORT OF APPLICATION FOR DEFAULT JUDGMENT	1BMKALE	9.00	0.

Date: 03/12/2014 16:44:04.3 MIJR5925

Docket Sheet

Page: 8

No.	Filed	Action	Operator	Fine/Cost	Due
125	02/25/11	CERTIFICATE OF SERVICE	1BMKALE	0.00	0.00
.26	12/07/10	NOTICE OF ENTRY OF DEFAULT (3)	1BCFRANZ	0.00	0.00
.27	12/02/10	DEFAULT	1BCCOOPER	0,00	0.00
28	12/02/10	APPLICATION FOR ENTRY OF DEFAULT	1BCCOOPER	0.00	0.00
29	12/02/10	APPLICATION FOR ENTRY OF DEFAULT	1BCCOOPER	0.00	0.00
30	12/02/10	DEFAULT	1BCCOOPER	0.00	0.00
.31	12/02/10	APPLICATION FOR ENTRY OF DEFAULT	1BCCOOPER	0.00	0.00
.32	03/26/10	SUMMONS AND ADD'S SUMMONS	1BCFRANZ	0.00	0,00
133	03/09/10	SUMMONS	1BCFRANZ	0.00	0.00
.34	03/09/10	ISSUING SUMMONS & ADD'L SUMMONS	1BMKALE	0.00	0.00
35	12/15/09	ISSUING SUMMONS & 2 ADD'L	1BCCOOPER	0.00	0.00
36	12/14/09	COMPLAINT Receipt: 10054 Date: 12/14/2009 Receipt 10054 reversed by 10067 on 12/14/2009.	1BMKALE	265.00	0.00
		Receipt: 10068 Date: 12/14/2009			
			Total:	1,225.00	0.00
	and the state of the same territory	Totals By: COST HOLDING IMFORM		725.00 500.00 0.00	0.00 0.00 0.00
		*** End of Report	t ***		

Case No.: 09 OC 00579 1B

Dept. No.: 1

REC'D & FILED

2014 FEB -6 AM 8:51

ALAN GLOVER
BY DEPUTY CLERK

Defendants.

In The First Judicial District Court of the State of Nevada
In and for Carson City

JED MARGOLIN, an individual,

Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

ORDER DENYING DEFENDANT
REZA ZANDIAN AKA GOLAMREZA
ZANDIANJAZI AKA GHOLAM REZA
ZANDIAN AKA REZA JAZI AKA J.
REZA JAZI AKA G. REZA JAZI AKA
GHONONREZA ZANDIAN JAZI'S
MOTION TO SET ASIDE DEFAULT
JUDGMENT

ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI's ("Zandian") Motion to Set Aside Default Judgment, dated December 19, 2013. Plaintiff Jed Margolin filed an Opposition to Set Aside Default Judgment on January 19, 2014. Zandian served a reply in support of the Motion to Set Aside on January 23, 2014. Based upon the following facts and conclusions of law, Zandian's Motion to Set Aside is DENIED.

This matter comes before the Court on REZA ZANDIAN aka GOLAMREZA

28 ||||

#### I. FACTUAL BACKGROUND

Plaintiff Jed Margolin is the named inventor on United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents"). See Amended Complaint, filed 8/11/11, ¶¶ 9-10. In 2004, Mr. Margolin granted to Robert Adams, then CEO of Optima Technology, Inc. (later renamed Optima Technology Group (hereinafter "OTG"), a Cayman Islands Corporation specializing in aerospace technology) a Power of Attorney regarding the Patents. Id. at ¶ 11. Subsequently, Mr. Margolin assigned the '073 and '724 Patents to OTG and revoked the Power of Attorney. Id. at ¶ 13.

In May 2006, OTG and Mr. Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 12. On or about October 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 14.

On or about December 5, 2007, Zandian filed with the U.S. Patent and Trademark Office ("USPTO") assignment documents allegedly assigning all four of the Patents to Optima Technology Corporation ("OTC"), a company apparently owned by Zandian at the time. *Id.* at ¶ 15. Shortly thereafter, on November 9, 2007, Mr. Margolin, Robert Adams, and OTG were named as defendants in the case titled *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona action"). *Id.* at ¶ 17. Zandian was not a party in the Arizona action. Nevertheless, the plaintiff in the Arizona action asserted that Mr. Margolin and OTG were not the owners of the '073 and '724 Patents, and OTG filed a cross-claim for declaratory relief against Optima Technology Corporation ("OTC") in order to obtain legal title to the respective patents. *Id.* 

On August 18, 2008, the United States District Court for the District of Arizona entered a default judgment against OTC and found that OTC had no interest in the '073 or '724 Patents, and that the assignment documents filed with the USPTO were "forged, invalid,

void, of no force and effect." *Id.* at ¶ 18; see also Exhibit B to Zandian's Motion to Dismiss, dated 11/16/11, on file herein.

Due to Zandian's acts, title to the Patents was clouded and interfered with Plaintiff's and OTG's ability to license the Patents. *Id.* at ¶ 19. In addition, during the period of time Mr. Margolin worked to correct record title of the Patents in the Arizona action and with the USPTO, he incurred significant litigation and other costs associated with those efforts. *Id.* at ¶ 20.

#### II. PROCEDURAL BACKGROUND

Plaintiff filed his Complaint on December 11, 2009, and the Complaint was personally served on Zandian on February 2, 2010, and on Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on March 21, 2010. Zandian's answer to Plaintiff's Complaint was due on February 22, 2010, but Zandian did not answer the Complaint or respond in any way. Default was entered against Zandian on December 2, 2010, and Plaintiff filed and served a Notice of Entry of Default on Zandian on December 7, 2010 and on his last known attorney on December 16, 2010.

The answers of Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation, were due on March 8, 2010, but Defendants did not answer the Complaint or respond in any way. Default was entered against Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on December 2, 2010. Plaintiff filed and served a Notice of Entry of Default on the corporate entities on December 7, 2010 and on their last known attorney on December 16, 2010.

The defaults were set aside and Zandian's motion to dismiss was denied on August 3, 2011. On September 27, 2011, this Court ordered that service of process against all Defendants may be made by publication. As manifested by the affidavits of service, filed herein on November 7, 2011, all Defendants were duly served by publication by November 2011.

On February 21, 2012, the Court denied Zandian's motion to dismiss the Amended Complaint. On March 5, 2012, Zandian served a General Denial to the Amended Complaint. On March 13, 2012, the corporate Defendants served a General Denial to the Amended Complaint.

On June 28, 2012, this Court issued an order requiring the corporate Defendants to retain counsel and that counsel enter an appearance on behalf of the corporate Defendants by July 15, 2012. The June 28, 2012 order further provided that if no such appearance was entered, the corporate Defendants' General Denial would be stricken. Since no appearance was their behalf of the corporate Defendants, a default was entered against them on September 24, 2012. A notice of entry of default judgment was filed and served on November 6, 2012.

On July 16, 2012, Mr. Margolin served Zandian with Mr. Margolin's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production of Documents, but Zandian never responded to these discovery requests. As such, on December 14, 2012, Mr. Margolin filed and served a Motion for Sanctions pursuant to NRCP 37. In this Motion, Mr. Margolin requested this Court strike the General Denial of Zandian, and award Mr. Margolin his fees and costs incurred in bringing the Motion.

On January 15, 2013, this Court issued an order striking the General Denial of Zandian and awarding his fees and costs incurred in bringing the NRCP 37 Motion. A default was entered against Zandian on March 28, 2013, and a notice of entry of default judgment was filed and served on April 5, 2013.

On April 17, 2013, Mr. Margolin filed an Application for Default Judgment, which was served on Zandian and the corporate Defendants. Since Zandian did not respond to the Application for Default Judgment, a Default Judgment was entered on June 24, 2013. Notice of entry of the Default Judgment was served on Zandian on June 26, 2013 and filed on June 27, 2013.

Over five and a half months later, on December 19, 2013, Zandian served his Motion to Set Aside on Plaintiff. Zandian's Motion to Set Aside claims that he never received any written discovery or notice of the pleadings and papers filed in this matter after his counsel

 withdrew as his former counsel provided an erroneous last known address to the Court and the parties when he withdrew, and therefore Zandian requests that the judgment be set aside.

#### III. FINDINGS AND CONCLUSIONS OF LAW

A party seeking to set aside a default judgment has the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence. *Kahn v. Orme*, 108 Nev. 510, 513–14, 835 P.2d 790, 793 (1992). The Court finds that Zandian has not met the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence.

Specifically, Zandian has not met the factors set forth in *Kahn* to compel the court to set aside the judgment. *Id.* at 513, 835 P.2d at 792–93 (holding that the district court must consider whether the party moving to set aside a judgment promptly applied to remove the judgment, lacked intent to delay the proceedings, lacked knowledge of the procedural requirements, and demonstrated good faith, in addition to considering the state's underlying policy of resolving cases on the merits). Zandian failed to promptly apply for relief, has not established a lack of intent to delay these proceedings or a lack of knowledge of the procedural requirements, and did not provide a good-faith reason for the over five-and-a-half-month gap between entry of default and the time he obtained new counsel and filed the Motion to Set Aside Default Judgment.

#### a. Zandian Did Not Promptly Apply To Remove The Judgment

Even though a motion to set aside a judgment may be filed within the six month deadline provided for in NRCP 60(b), a party can still fail to act promptly. See Kahn 108 Nev. at 514, 835 P.2d at 793. Therefore, "want of diligence in seeking to set aside a judgment is ground enough for denial of such a motion." Id. (citing Union Petrochemical Corp. v. Scott, 96 Nev. 337, 339, 609 P.2d 323, 324 (1980) (citing Lentz v. Boles, 84 Nev. 197, 438 P.2d 254 (1968); Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 380 P.2d 293 (1963)).

Despite his knowledge of the default judgment, Zandian did not move to have the judgment set aside until nearly six months after its entry. Although Zandian argues he did not receive notice of the various proceedings, notice was mailed to his address. Therefore, the

notice requirement of NRCP 55 was fulfilled as Plaintiff served written notice of the application for default judgment. Moreover, NRCP 55 is likely not implicated since the judgment ultimately resulted from sanctions arising from Zandian's failure to respond to discovery. See Durango Fire Protection, Inc. v. Troncoso, 120 Nev. 658 (2004) (trial court's entry of judgment for plaintiff, in action for breach of contract, after striking defendant's answer was a sanction for defendant's failure to appear at several hearings and calendar calls rather than a default judgment, and thus, civil procedure rule requiring written notice before entry of default judgment was not applicable).

Further, First Judicial District Court Rule 22(3) expressly states that "[a]ny form of order permitting withdrawal of an attorney submitted to the Court for signature shall contain the address at which the party is to be served with notice of all further proceedings." Plaintiff had a right to rely on the address given by Zandian's prior attorney.

No evidence supports Zandian's claims that he lacked knowledge of this matter. Even if Zandian was living in France, for which no competent evidence has been provided to this Court, Zandian was required to provide the Court and the parties with his new address. However, Zandian never informed this Court or the parties of any address change. The record demonstrates that the Plaintiff's discovery requests, motions, application for judgment, orders and notice of judgment were all mailed to Zandian's address of record. Under NRCP 5(b), service by mail is complete upon mailing. Thus, Zandian received notice of the proceedings and his repeated failure to respond constituted inexcusable neglect.

#### b. Zandian Has Failed To Show He Lacked Intent To Delay

Zandian received all of the papers and pleadings in this matter. However, he failed to respond to Plaintiff's discovery and willfully ignored the proceedings of this matter. In fact, Zandian waited nearly six months to secure new counsel and file the motion to set aside. Furthermore, Zandian failed to file an opposition to the application for judgment.

Accordingly, the Court finds that Zandian has failed to establish the absence of an intent to delay.

#### c. Whether Zandian Lacked Knowledge Of Procedural Requirements

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Zandian unquestionably had notice of the written discovery, motions and orders filed in this matter, and yet he ignored all of these documents. All that was required of Zandian was to either personally respond to the discovery and motions or obtain counsel to appear on his behalf. Zandian knew discovery had been served but deliberately chose to ignore it. Zandian knew a motion for sanctions and an application for judgment had been filed, which led to the judgment, but Zandian chose to ignore those items as well. Zandian's failure to obtain new counsel or otherwise act on his own behalf is inexcusable. *See Kahn* 108 Nev. at 514-15, 835 P.2d at 793-4. As the Nevada Supreme Court stated in *Kahn*:

we are not confronted here with some subtle or technical aspect of procedure, ignorance of which could readily be excused. The requirements of the rule are simple and direct. To condone the actions of a party who has sat on its rights only to make a last-minute rush to set aside judgment would be to turn NRCP 60(b) into a device for delay rather than the means for relief from an oppressive judgment that it was intended to be.

Id. (citing Union, 96 Nev. at 339, 609 P.2d at 324 (citing Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979); Central Operating Co. v. Utility Workers of America, 491 F.2d 245 (4th Cir.1974)) (emphasis added in original)).

Zandian had sufficient knowledge to act responsibly. He had previously retained counsel to defend this action and retained new counsel to set aside the judgment. Therefore, this Court cannot conclude that Zandian failed to respond to set aside the default judgment because he was ignorant of procedural requirements.

#### d. Whether Zandian Acted In Good Faith

Zandian has not provided any valid reason for failing to respond to the requested discovery, the motion for sanctions or the application for judgment. Furthermore, he has not provided a reasonable explanation for waiting over five months to obtain other counsel despite having knowledge of the judgment entered against him.

Based upon the fact that Zandian knew about this case and continued to receive the papers and pleadings from this matter, it was inexcusable for Zandian not to respond to the

earlier discovery requests and motions. Zandian has not demonstrated good faith. In fact, Zandian has only demonstrated inexcusable neglect by his willful failure to respond to, and participate in, this action. Accordingly, the Court determines that Zandian lacked good faith in contesting this action.

#### e. Whether This Case Should Be Tried On The Merits For Policy Reasons

The Nevada Supreme Court has held that "good public policy dictates that cases be adjudicated on their merits." *See Kahn* 108 Nev. at 516, 835 P.2d at 794 (citing *Hotel Last Frontier v. Frontier Prop.*, 79 Nev. 150, 155–56, 380 P.2d 293, 295 (1963) (original emphasis). However, this policy has its limits:

We wish not to be understood, however, that this judicial tendency to grant relief from a default judgment implies that the trial court should always grant relief from a default judgment. Litigants and their counsel may not properly be allowed to disregard process or procedural rules with impunity. Lack of good faith or diligence, or lack of merit in the proposed defense, may very well warrant a denial of the motion for relief from the judgment.

Id. (citing Lentz v. Boles, 84 Nev. 197, 200, 438 P.2d at 256 (1968)).

Zandian has disregarded the process and procedural rules of this matter with impunity. He has repeatedly ignored this matter and failed to respond to the written discovery and motions in this matter since his former attorney John Peter Lee withdrew from representation. Zandian's lack of good faith or diligence warrants a denial of the motion to set aside.

Zandian's complete failure to respond to the discovery requests and subsequent motions evidences his willful and recalcitrant disregard of the judicial process, which prejudiced Plaintiff. Foster v. Dingwall, 227 P.3d 1042, 1049 (Nev. 2010) (citing Hamlett v. Reynolds, 114 Nev. 863, 865, 963 P.2d 457, 458 (1998) (upholding the district court's strike order where the defaulting party's "constant failure to follow [the court's] orders was unexplained and unwarranted"); In re Phenylpropanolamine (PPA) Products, 460 F.3d 1217, 1236 (9th Cir.2006) (holding that, with respect to discovery abuses, "[p]rejudice from unreasonable delay is presumed" and failure to comply with court orders mandating discovery "is sufficient prejudice")).

In light of Zandian's repeated and continued abuses, the policy of adjudicating cases on the merits would not be furthered in this case, and the ultimate sanctions are necessary to demonstrate to Zandian and future litigants that they are not free to act with wayward disregard of a court's orders. *Foster*, 227 P.3d at 1049. Moreover, Zandian's failure to oppose Plaintiff's motion to strike the General Denial or the application for judgment constitutes an admission that the motion and application were meritorious. *Id.* (*citing King v. Cartlidge*, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)).

#### IV. CONCLUSION

The record provides substantial evidence to support this denial of Zandian's motion to set aside. Further, the policy of resolving cases on the merits does not allow litigants "to disregard process or procedural rules with impunity." *Kahn*, 108 Nev. at 516, 835 P.2d at 794 (quoting *Lentz v. Boles*, 84 Nev. 197, 200, 438 P.2d 254, 256–57 (1968)).

Zandian has failed to show mistake, inadvertence, surprise or excusable neglect pursuant to NRCP 60(b). Zandian had every opportunity to properly defend this action and instead made a voluntary choice not to. Therefore, Zandian's motion to set aside is hereby DENIED.

DATED: This 4th day of February, 2014. IT IS SO ORDERED:

JAMES T. RUSSELL DISTRICT COURT JUDGE

#### **CERTIFICATE OF MAILING**

I hereby certify that on the O day of February, 2014, I placed a copy of the foregoing in the United States Mail, postage prepaid, addressed as follows:

Matthew D. Francis
Adam P. McMillen
Watson Rounds
5371 Kietzke Lane
Reno, NV 89511

Geoffrey W. Hawkins Johnathon Fayeghi Hawkins Melendrez, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134

Samantha Valerius Law Clerk, Department I

1 Matthew D. Francis (6978)
Adam P. McMillen (10678)
WATSON ROUNDS
5371 Kietzke Lane
Reno, NV 89511
Telephone: 775-324-4100
Facsimile: 775-333-8171
Attorneys for Plaintiff Jed Margolin

REC'B & FREE 2014 FEB 10 PM 31 19

ALAN CLERK

### In The First Judicial District Court of the State of Nevada In and for Carson City

JED MARGOLIN, an individual,

Plaintiff,

VS.

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OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

Defendants.

Case No.: 090C00579 1B

Dept. No.: 1

NOTICE OF ENTRY OF ORDER

TO: All parties:

PLEASE TAKE NOTICE that on February 6, 2014, the Court entered its Order

Denying Defendant Reza Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian aka

Reza Jazi aka J. Reza Jazi aka G. Reza Jazi aka Ghononreza Zandian Jazi's Motion to Set

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Aside Default Judgment. Attached as Exhibit 1 is a true and correct copy of such Order.

#### Affirmation Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED: February \_\_\_\_\_, 2014.

WATSON ROUNDS

Matthew D. Francis Adam P. McMillen Watson Rounds 5371 Kietzke Lane Reno, NV 89511

Attorneys for Plaintiff Jed Margolin

ment the

#### CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Watson Rounds, and that on this date, I deposited for mailing, in a sealed envelope, with first-class postage prepaid, a true and correct copy of the foregoing document, **Notice of Entry of Order**, addressed as follows:

Johnathon Fayeghi, Esq. Hawkins Melendrez 9555 Hillwood Dr., Suite 150 Las Vegas, NV 89134 Counsel for Reza Zandian

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Optima Technology Corp. A California corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

Optima Technology Corp. A Nevada corporation 8401 Bonita Downs Road Fair Oaks, CA 95628

Optima Technology Corp. A California corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

Optima Technology Corp. A Nevada corporation 8775 Costa Verde Blvd. #501 San Diego, CA 92122

Dated: February 10th, 2014.

Manux Kimds Co Nancy R. Mindsley

### Exhibit 1

## Exhibit 1

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Case No.: 09 OC 00579 1B

Dept. No.: 1

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ALAN GLOVER
BY DEPUTY CLERK

In The First Judicial District Court of the State of Nevada
In and for Carson City

JED MARGOLIN, an individual,

Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30,

ORDER DENYING DEFENDANT
REZA ZANDIAN AKA GOLAMREZA
ZANDIANJAZI AKA GHOLAM REZA
ZANDIAN AKA REZA JAZI AKA J.
REZA JAZI AKA G. REZA JAZI AKA
GHONONREZA ZANDIAN JAZI'S
MOTION TO SET ASIDE DEFAULT
JUDGMENT

Defendants.

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This matter comes before the Court on REZA ZANDIAN aka GOLAMREZA

ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G.

REZA JAZI aka GHONONREZA ZANDIAN JAZI's ("Zandian") Motion to Set Aside

Default Judgment, dated December 19, 2013. Plaintiff Jed Margolin filed an Opposition to Set

Aside Default Judgment on January 19, 2014. Zandian served a reply in support of the Motion

to Set Aside on January 23, 2014. Based upon the following facts and conclusions of law,

27 Zandian's Motion to Set Aside is DENIED.

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#### I. FACTUAL BACKGROUND

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Plaintiff Jed Margolin is the named inventor on United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents"). See Amended Complaint, filed 8/11/11, ¶¶ 9-10. In 2004, Mr. Margolin granted to Robert Adams, then CEO of Optima Technology, Inc. (later renamed Optima Technology Group (hereinafter "OTG"), a Cayman Islands Corporation specializing in aerospace technology) a Power of Attorney regarding the Patents. Id. at ¶ 11. Subsequently, Mr. Margolin assigned the '073 and '724 Patents to OTG and revoked the Power of Attorney. Id. at ¶ 13.

In May 2006, OTG and Mr. Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 12. On or about October 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Mr. Margolin received a royalty payment pursuant to a royalty agreement between Mr. Margolin and OTG. *Id.* at ¶ 14.

On or about December 5, 2007, Zandian filed with the U.S. Patent and Trademark Office ("USPTO") assignment documents allegedly assigning all four of the Patents to Optima Technology Corporation ("OTC"), a company apparently owned by Zandian at the time. *Id.* at ¶ 15. Shortly thereafter, on November 9, 2007, Mr. Margolin, Robert Adams, and OTG were named as defendants in the case titled *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona action"). *Id.* at ¶ 17. Zandian was not a party in the Arizona action. Nevertheless, the plaintiff in the Arizona action asserted that Mr. Margolin and OTG were not the owners of the '073 and '724 Patents, and OTG filed a cross-claim for declaratory relief against Optima Technology Corporation ("OTC") in order to obtain legal title to the respective patents. *Id.* 

On August 18, 2008, the United States District Court for the District of Arizona entered a default judgment against OTC and found that OTC had no interest in the '073 or '724 Patents, and that the assignment documents filed with the USPTO were "forged, invalid,

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void, of no force and effect." *Id.* at ¶ 18; see also Exhibit B to Zandian's Motion to Dismiss, dated 11/16/11, on file herein.

Due to Zandian's acts, title to the Patents was clouded and interfered with Plaintiff's and OTG's ability to license the Patents. *Id.* at ¶ 19. In addition, during the period of time Mr. Margolin worked to correct record title of the Patents in the Arizona action and with the USPTO, he incurred significant litigation and other costs associated with those efforts. *Id.* at ¶ 20.

### II. PROCEDURAL BACKGROUND

Plaintiff filed his Complaint on December 11, 2009, and the Complaint was personally served on Zandian on February 2, 2010, and on Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on March 21, 2010. Zandian's answer to Plaintiff's Complaint was due on February 22, 2010, but Zandian did not answer the Complaint or respond in any way. Default was entered against Zandian on December 2, 2010, and Plaintiff filed and served a Notice of Entry of Default on Zandian on December 7, 2010 and on his last known attorney on December 16, 2010.

The answers of Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation, were due on March 8, 2010, but Defendants did not answer the Complaint or respond in any way. Default was entered against Defendants Optima Technology Corporation, a Nevada corporation, and Optima Technology Corporation, a California corporation on December 2, 2010. Plaintiff filed and served a Notice of Entry of Default on the corporate entities on December 7, 2010 and on their last known attorney on December 16, 2010.

The defaults were set aside and Zandian's motion to dismiss was denied on August 3, 2011. On September 27, 2011, this Court ordered that service of process against all Defendants may be made by publication. As manifested by the affidavits of service, filed herein on November 7, 2011, all Defendants were duly served by publication by November 2011.

On February 21, 2012, the Court denied Zandian's motion to dismiss the Amended Complaint. On March 5, 2012, Zandian served a General Denial to the Amended Complaint. On March 13, 2012, the corporate Defendants served a General Denial to the Amended Complaint.

On June 28, 2012, this Court issued an order requiring the corporate Defendants to retain counsel and that counsel enter an appearance on behalf of the corporate Defendants by July 15, 2012. The June 28, 2012 order further provided that if no such appearance was entered, the corporate Defendants' General Denial would be stricken. Since no appearance was their behalf of the corporate Defendants, a default was entered against them on September 24, 2012. A notice of entry of default judgment was filed and served on November 6, 2012.

On July 16, 2012, Mr. Margolin served Zandian with Mr. Margolin's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production of Documents, but Zandian never responded to these discovery requests. As such, on December 14, 2012, Mr. Margolin filed and served a Motion for Sanctions pursuant to NRCP 37. In this Motion, Mr. Margolin requested this Court strike the General Denial of Zandian, and award Mr. Margolin his fees and costs incurred in bringing the Motion.

On January 15, 2013, this Court issued an order striking the General Denial of Zandian and awarding his fees and costs incurred in bringing the NRCP 37 Motion. A default was entered against Zandian on March 28, 2013, and a notice of entry of default judgment was filed and served on April 5, 2013.

On April 17, 2013, Mr. Margolin filed an Application for Default Judgment, which was served on Zandian and the corporate Defendants. Since Zandian did not respond to the Application for Default Judgment, a Default Judgment was entered on June 24, 2013. Notice of entry of the Default Judgment was served on Zandian on June 26, 2013 and filed on June 27, 2013.

Over five and a half months later, on December 19, 2013, Zandian served his Motion to Set Aside on Plaintiff. Zandian's Motion to Set Aside claims that he never received any written discovery or notice of the pleadings and papers filed in this matter after his counsel

 withdrew as his former counsel provided an erroneous last known address to the Court and the parties when he withdrew, and therefore Zandian requests that the judgment be set aside.

#### III. FINDINGS AND CONCLUSIONS OF LAW

A party seeking to set aside a default judgment has the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence. *Kahn v. Orme*, 108 Nev. 510, 513–14, 835 P.2d 790, 793 (1992). The Court finds that Zandian has not met the burden to prove mistake, inadvertence, surprise, or excusable neglect by a preponderance of the evidence.

Specifically, Zandian has not met the factors set forth in *Kahn* to compel the court to set aside the judgment. *Id.* at 513, 835 P.2d at 792–93 (holding that the district court must consider whether the party moving to set aside a judgment promptly applied to remove the judgment, lacked intent to delay the proceedings, lacked knowledge of the procedural requirements, and demonstrated good faith, in addition to considering the state's underlying policy of resolving cases on the merits). Zandian failed to promptly apply for relief, has not established a lack of intent to delay these proceedings or a lack of knowledge of the procedural requirements, and did not provide a good-faith reason for the over five-and-a-half-month gap between entry of default and the time he obtained new counsel and filed the Motion to Set Aside Default Judgment.

### a. Zandian Did Not Promptly Apply To Remove The Judgment

Even though a motion to set aside a judgment may be filed within the six month deadline provided for in NRCP 60(b), a party can still fail to act promptly. See Kahn 108 Nev. at 514, 835 P.2d at 793. Therefore, "want of diligence in seeking to set aside a judgment is ground enough for denial of such a motion." Id. (citing Union Petrochemical Corp. v. Scott, 96 Nev. 337, 339, 609 P.2d 323, 324 (1980) (citing Lentz v. Boles, 84 Nev. 197, 438 P.2d 254 (1968); Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 380 P.2d 293 (1963)).

Despite his knowledge of the default judgment, Zandian did not move to have the judgment set aside until nearly six months after its entry. Although Zandian argues he did not receive notice of the various proceedings, notice was mailed to his address. Therefore, the

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notice requirement of NRCP 55 was fulfilled as Plaintiff served written notice of the application for default judgment. Moreover, NRCP 55 is likely not implicated since the judgment ultimately resulted from sanctions arising from Zandian's failure to respond to discovery. See Durango Fire Protection, Inc. v. Troncoso, 120 Nev. 658 (2004) (trial court's entry of judgment for plaintiff, in action for breach of contract, after striking defendant's answer was a sanction for defendant's failure to appear at several hearings and calendar calls rather than a default judgment, and thus, civil procedure rule requiring written notice before entry of default judgment was not applicable).

Further, First Judicial District Court Rule 22(3) expressly states that "[a]ny form of order permitting withdrawal of an attorney submitted to the Court for signature shall contain the address at which the party is to be served with notice of all further proceedings." Plaintiff had a right to rely on the address given by Zandian's prior attorney.

No evidence supports Zandian's claims that he lacked knowledge of this matter. Even if Zandian was living in France, for which no competent evidence has been provided to this Court, Zandian was required to provide the Court and the parties with his new address. However, Zandian never informed this Court or the parties of any address change. The record demonstrates that the Plaintiff's discovery requests, motions, application for judgment, orders and notice of judgment were all mailed to Zandian's address of record. Under NRCP 5(b), service by mail is complete upon mailing. Thus, Zandian received notice of the proceedings and his repeated failure to respond constituted inexcusable neglect.

### b. Zandian Has Failed To Show He Lacked Intent To Delay

Zandian received all of the papers and pleadings in this matter. However, he failed to respond to Plaintiff's discovery and willfully ignored the proceedings of this matter. In fact, Zandian waited nearly six months to secure new counsel and file the motion to set aside. Furthermore, Zandian failed to file an opposition to the application for judgment.

Accordingly, the Court finds that Zandian has failed to establish the absence of an intent to delay.

### c. Whether Zandian Lacked Knowledge Of Procedural Requirements

Zandian unquestionably had notice of the written discovery, motions and orders filed in this matter, and yet he ignored all of these documents. All that was required of Zandian was to either personally respond to the discovery and motions or obtain counsel to appear on his behalf. Zandian knew discovery had been served but deliberately chose to ignore it. Zandian knew a motion for sanctions and an application for judgment had been filed, which led to the judgment, but Zandian chose to ignore those items as well. Zandian's failure to obtain new counsel or otherwise act on his own behalf is inexcusable. See Kahn 108 Nev. at 514-15, 835 P.2d at 793-4. As the Nevada Supreme Court stated in Kahn:

we are not confronted here with some subtle or technical aspect of procedure, ignorance of which could readily be excused. The requirements of the rule are simple and direct. To condone the actions of a party who has sat on its rights only to make a last-minute rush to set aside judgment would be to turn NRCP 60(b) into a device for delay rather than the means for relief from an oppressive judgment that it was intended to be.

Id. (citing Union, 96 Nev. at 339, 609 P.2d at 324 (citing Franklin v. Bartsas Realty, Inc., 95 Nev. 559, 598 P.2d 1147 (1979); Central Operating Co. v. Utility Workers of America, 491 F.2d 245 (4th Cir.1974)) (emphasis added in original)).

Zandian had sufficient knowledge to act responsibly. He had previously retained counsel to defend this action and retained new counsel to set aside the judgment. Therefore, this Court cannot conclude that Zandian failed to respond to set aside the default judgment because he was ignorant of procedural requirements.

### d. Whether Zandian Acted In Good Faith

Zandian has not provided any valid reason for failing to respond to the requested discovery, the motion for sanctions or the application for judgment. Furthermore, he has not provided a reasonable explanation for waiting over five months to obtain other counsel despite having knowledge of the judgment entered against him.

Based upon the fact that Zandian knew about this case and continued to receive the papers and pleadings from this matter, it was inexcusable for Zandian not to respond to the

 earlier discovery requests and motions. Zandian has not demonstrated good faith. In fact, Zandian has only demonstrated inexcusable neglect by his willful failure to respond to, and participate in, this action. Accordingly, the Court determines that Zandian lacked good faith in contesting this action.

## e. Whether This Case Should Be Tried On The Merits For Policy Reasons

The Nevada Supreme Court has held that "good public policy dictates that cases be adjudicated on their merits." See Kahn 108 Nev. at 516, 835 P.2d at 794 (citing Hotel Last Frontier v. Frontier Prop., 79 Nev. 150, 155–56, 380 P.2d 293, 295 (1963) (original emphasis). However, this policy has its limits:

We wish not to be understood, however, that this judicial tendency to grant relief from a default judgment implies that the trial court should always grant relief from a default judgment. Litigants and their counsel may not properly be allowed to disregard process or procedural rules with impunity. Lack of good faith or diligence, or lack of merit in the proposed defense, may very well warrant a denial of the motion for relief from the judgment.

Id. (citing Lentz v. Boles, 84 Nev. 197, 200, 438 P.2d at 256 (1968)).

Zandian has disregarded the process and procedural rules of this matter with impunity.

He has repeatedly ignored this matter and failed to respond to the written discovery and motions in this matter since his former attorney John Peter Lee withdrew from representation.

Zandian's lack of good faith or diligence warrants a denial of the motion to set aside.

Zandian's complete failure to respond to the discovery requests and subsequent motions evidences his willful and recalcitrant disregard of the judicial process, which prejudiced Plaintiff. Foster v. Dingwall, 227 P.3d 1042, 1049 (Nev. 2010) (citing Hamlett v. Reynolds, 114 Nev. 863, 865, 963 P.2d 457, 458 (1998) (upholding the district court's strike order where the defaulting party's "constant failure to follow [the court's] orders was unexplained and unwarranted"); In re Phenylpropanolamine (PPA) Products, 460 F.3d 1217, 1236 (9th Cir.2006) (holding that, with respect to discovery abuses, "[p]rejudice from unreasonable delay is presumed" and failure to comply with court orders mandating discovery "is sufficient prejudice")).

In light of Zandian's repeated and continued abuses, the policy of adjudicating cases on the merits would not be furthered in this case, and the ultimate sanctions are necessary to demonstrate to Zandian and future litigants that they are not free to act with wayward disregard of a court's orders. *Foster*, 227 P.3d at 1049. Moreover, Zandian's failure to oppose Plaintiff's motion to strike the General Denial or the application for judgment constitutes an admission that the motion and application were meritorious. *Id.* (citing King v. Cartlidge, 121 Nev. 926, 927, 124 P.3d 1161, 1162 (2005) (stating that an unopposed motion may be considered as an admission of merit and consent to grant the motion) (citing DCR 13(3)).

### IV. CONCLUSION

The record provides substantial evidence to support this denial of Zandian's motion to set aside. Further, the policy of resolving cases on the merits does not allow litigants "to disregard process or procedural rules with impunity." *Kahn*, 108 Nev. at 516, 835 P.2d at 794 (quoting *Lentz v. Boles*, 84 Nev. 197, 200, 438 P.2d 254, 256–57 (1968)).

Zandian has failed to show mistake, inadvertence, surprise or excusable neglect pursuant to NRCP 60(b). Zandian had every opportunity to properly defend this action and instead made a voluntary choice not to. Therefore, Zandian's motion to set aside is hereby DENIED.

DATED: This 4t day of February, 2014. IT IS SO ORDERED:

JAMES T. RUSSELL DISPRICT COURT JUDGE

## **CERTIFICATE OF MAILING**

I hereby certify that on the <u>U</u> day of February, 2014, I placed a copy of the foregoing in the United States Mail, postage prepaid, addressed as follows:

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Matthew D. Francis Adam P. McMillen Watson Rounds 5371 Kietzke Lane Reno, NV 89511

Geoffrey W. Hawkins Johnathon Fayeghi Hawkins Melendrez, P.C. 9555 Hillwood Drive, Suite 150 Las Vegas, NV 89134

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Samantha Valerius Law Clerk, Department I

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# CIVIL COVER SHEET

	Carson Carson Case No	V Clerk's Office)	19 1B RE	C'D & FILED	
L Party Information	income of		Acting States	(1 PM 1-07	
Plaintiff(s) (name/address/phone): JED MARGOLIN		Defendant(s) (name/address/phone): Optima Technology, R Zandian, aka Golamreza Zandianjazi			
Attorney (name/address/phone):		Attorney (name/address/phone):			
Matthew Francis, Esq, WATSON ROUNDS		OF PUTY			
5371 Kietzke Ln, Reno, NV 8	9511 324-4100	- 14000 - 100000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 100000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10000 - 10			
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☐ Quiet Title ☐ Specific Performance ☐ Condemnation/Eminent Demain	☐ Negligence – Other		☐ Employment Torts (Wrongful termination) ☐ Other Torts ☐ Afti-frust		
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Special Administration	☐ Building & Construction ☐ Insurance Carrier		☐ Civil Writ ☐ Other Special Proceeding		
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III. Business Court Requested (Ple	ese check annlicable cat	egory: for Clark or Wash	oe Counties only.)		
☐ NRS Chapters 78-88 ☐ Commodities (NRS 90)	Investments (NRS 104 Art. 8) Deceptive Trade Practices (NRS 598)		☐ Enhanced Co		
Securities (NRS 90)	☐ Trademarks (NRS		1. 11	<u> </u>	
December 10, 2009	and the second s	1 1/1	M 1/1	WC	
Date -		Siknaftire of	initiating parts or re	oresentati'	
	See other side for fa	mily-related case filings			

Nevada AOC - Research and Statistics Unit

Page 1 of 2

Civil Co

### FIRST JUDICIAL DISTRICT COURT MINUTES

CASE NO. 09 OC 00579 1B

TITLE: JED MARGOLIN VS OPTIMA

TECHNOLOGY CORPORATION, a
California corporation; OPTIMA
TECHNOLOGY CORPORATION, a
Nevada corporation; REZA ZANDIAN aka
GOLAMREZA ZANDIANJAZI aka
GHOLAM REZA ZANDIANJAZI aka

GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an

individual

06/19/12 - DEPT. I - HONORABLE JAMES T. RUSSELL J. Higgins, Clerk - Not Reported

### MINUTE ORDER

**COURT ORDERED:** A copy of the document entitled Plaintiff's Motion to Compel Appearance of Counsel for Optima Technology Corporations, or in the Alternative, Motion to Strike General Denial of Optima Technology Corporations filed May 15, 2012 is to be used in the place and stead of the original as it is missing.

MO(Minute Order)/Rev, 11-10-11