1 IN THE SUPREME COURT OF THE STATE OF NEVADA 2 Supreme Court No. 65960 Electronically Filed 3 REZA ZANDIAN A/K/A/ GOLAMREZA ZANDIANJAZI A/K/A Jan 20 2015 03:52 p.m. 4 GHOLAM REZA ZANDIAN A/K/A Tracie K. Lindeman 5 REZA JAZI A/K/A J. REZA JAZI, Clerk of Supreme Court A/K/A/ G. REZA JAZI A/K/A/ 6 GHONOREZA ZANDIAN JAZI, AN INDIVIDUAL, 7 8 Appellant, 9 VS. 10 JED MARGOLIN, AN INDIVIDUAL, 11 Respondent. 12 13 Appeal from the First Judicial District Court of the State of Nevada 14 In and For Carson City The Honorable James T. Russell, District Judge 15 16 RESPONDENT'S ANSWERING BRIEF 17 18 Matthew D. Francis 19 Nevada Bar No. 6978 Adam P. McMillen 20 Nevada Bar No. 10678 21 **WATSON ROUNDS** 5371 Kietzke Lane 22 Reno, NV 89511 23 Telephone: 775-324-4100

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Docket 65960 Document 2015-02081

1 IN THE SUPREME COURT OF THE STATE OF NEVADA 2 REZA ZANDIAN A/K/A/ GOLAMREZA **Nevada Supreme Court** Case No. 65960 ZANDIANJAZI A/K/A GHOLAM REZA ZANDIAN A/K/A REZA JAZI A/K/A J. REZA JAZI, A/K/A/G. REZA JAZI 5 A/K/A/ GHONOREZA ZANDIAN JAZI, AN INDIVIDUAL, 6 7 Appellant, 8 VS. 9 JED MARGOLIN, AN INDIVIDUAL, 10 Respondent. 11 12 NRAP 26.1 DISCLOSURE STATEMENT 13 The undersigned counsel of record, on behalf of Respondent Jed Margolin, 14 certifies there are no corporations, entities, or additional law firms described in 15 16 NRAP 26.1(a) which must be disclosed. These representations are made in order 17 that the judges of this court may evaluate possible disqualification or recusal. 18 Dated this 20th day of January, 2015. 19 20 WATSON ROUNDS, P.C. 21 /s/ Adam P. McMillen Matthew D. Francis, Esq. 22 Nevada Bar No.: 6978 23 Adam P. McMillen, Esq. Nevada Bar No. 10678 24 5371 Kietzke Lane 25 Reno, NV 89511

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1. As a result of Zandian's deceptive trade practices, NRS 598.0999(2) permits an award of attorney's fees in this matter.

- 2. As a result of Zandian's deceptive trade practices, NRS 41.600 also permits an award of attorney's fees in this matter.
- 3. The District Court did not abuse its discretion in awarding attorney's fees in this matter.

STATEMENT OF FACTS

Plaintiff Jed Margolin ("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 and United States Patent No.
6,377,436 (collectively "the Patents"). In 2004, Margolin granted Optima
Technology Group (hereinafter "OTG"), a company specializing in aerospace
technology, a power of attorney regarding the Patents. Subsequently, Margolin
assigned the '073 and '724 patents to OTG.3

In May 2006, OTG and Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Margolin received a royalty payment pursuant to a

¹ See R.A. at Vol. I, 3; R.A. at Vol. I, 9.

² See R.A. at Vol. I, 3.

³ *See* R.A. at Vol. I, 3.

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royalty agreement between Margolin and OTG.⁴ On or about October 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Margolin received a royalty payment pursuant to a royalty agreement between Margolin and OTG.⁵

On or about December 5, 2007, Zandian signed and filed assignment documents with the United States Patent and Trademark Office ("USPTO"), fraudulently assigning all four of the Patents to Optima Technology Corporation ("OTC"), a company owned by Zandian.⁶ Shortly thereafter, on November 9, 2007, Margolin, Robert Adams, and OTG were named as defendants in a case titled *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona action").⁷ Zandian was not a party in the Arizona action.⁸ The plaintiff in the Arizona action asserted Margolin and OTG were not the owners of the '073 and '724 Patents, and OTG filed a cross-claim for declaratory relief against OTC in order to obtain legal title to the respective patents.⁹

On August 18, 2008, the Arizona court expressly found OTC (Zandian's company) had no interest in the '073 or '724 Patents and the assignment

⁴ See R.A. at Vol. I, 3.

⁵ *See* R.A. at Vol. I, 3.

⁶ See R.A. at Vol. I, 55-64; R.A. at Vol. I, 65-66; R.A. at Vol. I, 67-68 (showing same signature from Zandian).

⁷ See R.A. at Vol. I, 3-4; R.A. at Vol. I, 69-74.

⁸ See R.A. at Vol. I, 69-86; R.A. at Vol. I, 87-119.

⁹ See R.A. at Vol. I, 69-86; R.A. at Vol. I, 3-4; R.A. at Vol. I, 87-119.

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¹⁰ See R.A. at Vol. I, 65-66.

practices claim. 15

5.904.724, dated July 20, 2004." ¹²

costs associated with those efforts.¹⁴

documents filed with the USPTO were "forged, invalid, void, of no force and

effect." It is undisputed Zandian signed the assignment documents. The Arizona

court's findings show Zandian and/or the corporate Defendants in this matter do

not own the patents. 11 In fact, Zandian has previously conceded as an undisputed

Due to Zandian's fraudulent acts, title to the Patents was clouded and

interfered with Margolin's and OTG's ability to license the Patents. ¹³ In addition.

during the period of time Margolin worked to correct record title of the Patents in

the Arizona action and with the USPTO, he incurred significant litigation and other

Zandian's fraudulent acts are the basis of Margolin's deceptive trade

SUMMARY OF THE ARGUMENT

NRS 598.0999(2) provides for attorney's fees as a result of his deceptive trade

practices. NRS 41.600 also provides for attorney's fees as a result of his deceptive

Zandian does not and cannot dispute he fraudulently assigned the Patents.

fact that "Margolin was the rightful owner of Patents Nos. 5,566,073 and

¹¹ See R.A. at Vol. I, 65-66.

¹² See R.A. at Vol. I, 122.

¹³ See R.A. at Vol. I, 1-8; R.A. at Vol. I, 9-54; R.A. at Vol. I, 127-139.

¹⁴ See R.A. at Vol. I, 1-8; R.A. at Vol. I, 9-54; R.A. at Vol. I, 127-139.

trade practices. As a result, the District Court's award of attorney fees is appropriate.

Nevertheless, Zandian believes \$300 an hour is not warranted since "a more generalized practitioner with much less experience" could have prosecuted this matter. ¹⁶ Zandian does not dispute \$300 an hour is reasonable for Margolin's counsel. He simply believes other lawyers with much less skill and experience could have handled this matter at a lower hourly rate. He fails to cite any factual or legal basis for this argument. Thus, his appeal has no more merit than his *Motion to Retax*¹⁷ or his *Opposition to Motion for Order Allowing Costs and Necessary Disbursements*. ¹⁸

The District Court's order awarding attorney's fees is tested under an abuse of discretion standard, meaning it should only be reversed if it was clearly erroneous or not supported by substantial evidence. Zandian fails to meet this heavy burden of showing the evidence before the District Court was not adequate to support its award of attorney fees.

The District Court was presented with sufficient evidence and arguments relating to the amount of attorney fees and the District Court properly analyzed the

¹⁵ See J.A. at Vol. I, 16.

¹⁶ See Appellant's Opening Brief at 15:9-11.

¹⁷ See J.A. at Vol. III, 411-94.

¹⁸ See J.A. at Vol IV, 537-45.

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factors established in Brunzell v. Golden Gate National Bank¹⁹ and provided sufficient reasoning and findings concerning those factors in its order.²⁰

ARGUMENT

I. STANDARD OF REVIEW

An award of attorney fees is reviewed for an abuse of discretion.²¹ The District Court must analyze the *Brunzell* factors²² in its determination of the reasonable value of an attorney's services in a motion for attorney's fees. The District Court must also provide sufficient reasoning and findings concerning those factors in its order.²³ If the District Court's order does not provide such reasoning and findings, the Nevada Supreme Court will defer to the District Court's discretion in awarding the fees if the record indicates the District Court properly evaluated the *Brunzell* factors.²⁴

A district court's "findings of fact shall not be set aside unless they are clearly erroneous and not supported by substantial evidence."25 Of course,

¹⁹ 85 Nev. 345, 349–50, 455 P.2d 31, 33 (1969).

²⁰ See J.A. at Vol. IV, 549-58. Shuette v. Beazer Homes Holdings Corp., 121 Nev. 837, 864, 124 P.3d 530, 548-49 (2005).

²² Brunzell, 85 Nev. 345, 349–50, 455 P.2d 31, 33.

²³ Shuette, 121 Nev. at 865, 124 P.3d at 549. ²⁴ Wynn v. Smith, 117 Nev. 6, 13, 16 P.3d 424, 428–29 (2001).

²⁵ Bahena v. Goodvear Tire & Rubber, 126 Nev. Adv. Op. 26, 235 P.3d 592, 599 (2010).

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"substantial evidence" is merely such evidence "which a reasonable mind might accept as adequate to support a conclusion."²⁶

II. NRS 598.0999(2) PROVIDES FOR AN AWARD OF ATTORNEY'S FEES TO A VICTIM OF DECEPTIVE TRADE PRACTICES

Under Margolin's deceptive trade practices claim, "[t]he court in any such action may, in addition to any other relief or reimbursement, award reasonable attorney's fees and costs." Although NRS 598.0999(2) does not expressly provide for attorney fees incurred postjudgment, the statute does not expressly exclude postjudgment attorney fees either. NRS 598.0999(2) should be liberally construed in order to allow for postjudgment attorney fees so as to further the statute's purpose to ensure those engaged in deceptive trade practices are penalized and deterred from engaging in such practices and so an attorney fee award properly includes the reasonable fees incurred in seeking payment of the fees.²⁸

²⁶ Weaver v. State of Nevada, 121 Nev. 494, 501, fn. 12, 117 P.3d 193, 198, fn. 12 (2005).

²⁷ NRS 598.0999(2).

²⁸ See Barney v. Mt. Rose Heating & Air Conditioning, 124 Nev. 821, 825-26, 192 P.3d 730, 733-34 (2008) (mechanic lien statute did not expressly provide for attorney fees incurred postjudgment, however, statute did not expressly exclude postjudgment attorney fees from its purview and was liberally interpreted to allow postjudgment attorney fees "so as to further the lien statutes" purpose to ensure that contractors are paid in whole for their work."); see also Rosen v. LegacyQuest, A136985, 2014 WL 1372114 (Cal. Ct. App. Mar. 21, 2014) (judgment creditor who had recovered statutory attorney fees in connection with underlying judgment was authorized to recover attorney fees incurred in enforcing underlying judgment under the statute authorizing recovery of judgment creditor's "reasonable and

NRS 598.0999(2) states as follows:

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

The "provisions of NRS 598.0903 to 598.0999" encompass the general provisions of the deceptive trade practices statute. The language, "any action brought pursuant to the provisions of NRS 598.0903 to 598.0999," does not limit deceptive trade practices actions to district attorneys or the Attorney General.²⁹ The only limitation in NRS 598.0999(2) relates to district attorneys and the Attorney General being able to pursue a \$5,000 civil penalty. Moreover, the last sentence of NRS 598.0999(2) stands alone and does not limit attorney fee awards

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necessary costs of enforcing a judgment," since the statute authorizing the underlying attorney fee award established that the fee award was "otherwise provided by law" within meaning of the fee statute) (an attorney fee award properly includes the reasonable fees incurred in seeking the fees); *see also Ketchum v. Moses* (2001) 24 Cal.4th 1122, 104 Cal.Rptr.2d 377, 17 P.3d 735 (judgment creditor entitled to fees incurred in enforcing the right to mandatory fees under statute).

²⁹ See also NRS 598.0977 (civil action by elderly person); NRS 598.0993 (relief for injured persons); see also Betsinger v. DR Horton, Inc., 232 P. 3d 433 (Nev. 2010) (example of a deceptive trade practices action not brought by district attorney or Attorney General).

³⁰ NRS 598.0999(2). ³¹ See J.A. at Vol. I, 16.

to district attorneys or the Attorney General and allows the District Court, in any deceptive trade practices action, to "award reasonable attorney's fees and costs." ³⁰

Zandian's argument that NRS 598.0999(2) does not permit an award of attorney's fees because it is limited to an action brought by the district attorney or the Attorney General is clearly erroneous. Since NRS 598.0999(2) does not exclude postjudgment attorney fees, the District Court properly awarded Margolin his attorney's fees incurred while enforcing the judgment on the deceptive trade practices claim.

III. NRS 41.600 ALSO PROVIDES AN AWARD OF ATTORNEY'S FEES TO A VICTIM OF DECEPTIVE TRADE PRACTICES

Among other claims, Margolin brought a claim against Zandian for deceptive trade practices as defined by NRS 598.0915.³¹ "NRS 41.600 permits a victim of consumer fraud, including a 'deceptive trade practice as defined in NRS 598.0915 to 598.0925,' to bring an action in court."³² Since Margolin prevailed on

³² Nevada Power Co. v. Eighth Judicial Dist. Court of Nevada ex rel. Cnty. of Clark, 120 Nev. 948, 959, 102 P.3d 578, 586 (2004) (citing NRS 41.600(2)(d));

see also Del Webb Communities, Inc. v. Partington, No. 208-CV-00571-RCJ-GWF, 2009 WL 3053709, at *10 (D. Nev. Sept. 18, 2009) ("NRS 598.0953(1) states that '[e]vidence that a person has engaged in a deceptive trade practice is prima facie evidence of intent to injure *competitors* and to destroy or substantially lessen competition.' As one judge in this district has already concluded, '[b]y

creating a presumption that deceptive trade practices harm competitors, then making those same deceptive trade practices into acts of consumer fraud, the Nevada legislature impliedly defines competitors harmed by deceptive trade

his deceptive trade practices claim, NRS 41.600(3) also entitles Margolin to recover his attorney's fees.³³

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IV. THE DISTRICT COURT DID NOT ABUSE ITS DISCRETION IN AWARDING ATTORNEY'S FEES

Zandian makes one purely factual argument as to why he believes "the District Court abused its discretion in applying a rate of \$300 per hour for the attorneys involved in this case..." Zandian believes \$300 an hour is not warranted since "subsequent to the *Default Judgment*" "a more generalized practitioner with much less experience" could have prosecuted this matter. There is no merit to Zandian's argument.

Zandian fails to cite any factual or legal basis for his argument that a less skilled practitioner, much less a lower hourly rate, is required. Zandian fails to show how the District Court abused its discretion in applying the \$300 hourly rate, or why Margolin would be required to retain separate counsel to collect on the judgment and at the same time retain his chosen counsel for the remaining pieces of this matter.

practices as victims of consumer fraud."") (citation omitted); George v. Morton,

of 'consumer fraud,' Plaintiff may assert a private cause of action notwithstanding the fact Plaintiff originally brought his claim under Chapter 598 instead of Nevada

No. 2:06CV1112 PMP GEF, 2007 WL 680787, at *12 (D. Nev. Mar. 1, 2007) ("Because Plaintiff's deceptive trade practices allegations fall under the definition

Revised Statute § 41.600.").

³³ NRS 41.600(3).

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³⁴ See Appellant's Opening Brief at 15:15-17.

1 Moreover, Zandian does not dispute \$300 an hour is reasonable for 2 Margolin's counsel. He simply believes other lawyers with much less skill and experience could have handled this matter at a lower hourly rate. Again, however, Zandian provides no factual or legal basis for such an argument. He also fails to 5 6 provide any basis to determine what lower hourly rate should be applied, or what that hourly rate would even be. 8 The District Court properly reviewed the record, analyzed the *Brunzell* 9 factors and awarded Margolin his fees and costs.³⁶ 10 11 \\\ 12 /// 13 ///

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³⁵ See Appellant's Opening Brief at 14:16-18 and 15:9-11.

³⁶ See J.A. at Vol. III, 419-494; J.A. at Vol. IV, 513-533; J.A. at Vol. III, 495-505; J.A. at Vol. III, 386-389; J.A. at Vol. III, 411-418; J.A. at Vol. III, 390-399; J.A. at Vol. IV, 537-545; J.A. at Vol. IV, 549-558; J.A. at Vol. IV, 506-512; J.A. at Vol. III, 408-410.

CONCLUSION

Zandian has failed to meet his burden to demonstrate that the District Court abused its discretion in awarding Margolin his attorney fees. Margolin respectfully requests this Court affirm the District Court's *Order on Motion Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof.*

Dated this 20th day of January, 2015.

WATSON ROUNDS, P.C.

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CERTIFICATE OF COMPLIANCE

I hereby certify that I have read this answering brief, and to the best of my knowledge, information, and belief, it is not frivolous or interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28 (e), which requires every assertion in the brief regarding matters in the record to be supported by appropriate references to the record or appeal. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of Nevada Rules of Appellate Procedure.

The brief complies with formatting requirements of Rule 32(a)(4), typeface requirements of Rule 32(a)(5), and type style requirements of Rule 32(a)(6), because this brief has been prepared in a proportionally spaced typeface using Times New Roman, 14-point font. I further certify that this brief complies with the page limitations of NRAP 32(a)(7), because it does not exceed thirty (30) pages.

Dated this 20th day of January, 2015.

WATSON ROUNDS, P.C.

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| 1 | CERTIFICATE OF SERVICE |
|----------|---|
| 2 | Pursuant to NRAP 25(1), I declare that I am an employee of Watson Rounds |
| 3 | and on this 20 th day of January, 2015, I served a copy of the foregoing |
| 4 | |
| 5 | Respondent's Answering Brief by Nevada Supreme Court CM/ECF Electronic |
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| 12 13 | |
| 14 | DATED: January 20, 2015 |
| 15 | /s/ Nancy R. Lindsley An Employee of Watson Rounds |
| 16 | The Employee of Walson Rounds |
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