REC'D & FILED 1 JASON D. WOODBURY Nevada Bar No. 6870 2014 AUG -6 PM 4: 28 KAEMPFER CROWELL 2 510 West Fourth Street ALAN GLOVER Carson City, Nevada 89703 3 Telephone: (775) 884-8300 Facsimile: (775) 882-0257 4 JWoodbury@kcnvlaw.com 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 Case No. 09OC00579 1B VS. 11 Dept. No. Ι OPTIMA TECHNOLOGY CORPORATION. 12 a California corporation, OPTIMA TECHNOLOGY CORPORATION, a Nevada 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 SUR-REPLY TO REPLY IN SUPPORT OF 20 MOTION FOR WRIT OF EXECUTION 21 COMES NOW, Defendant REZA ZANDIAN ("ZANDIAN"), by and through his 22 attorneys, Kaempfer Crowell, and hereby files this sur-reply to the Reply in Support of 23 Motion for Writ of Execution filed July 17, 2014 ("Reply"). This Sur-Reply is made 24 pursuant to this Court's Order Granting Defendant Zandian's Request to File a Sur-

Reply and is based on the attached memorandum of points and authorities, all papers and pleadings on file in this matter and any evidence received and arguments entertained by the Court at any hearing on the underlying Motion for Writ of Execution ("Motion").

DATED this 6th day of August, 2014.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. Argument

A. MARGOLIN requests the issuance of proposed *Writs* enforcing a "judgment" which is not consistent with this Court's *Default Judgment*.

On June 24, 2013, this Court entered its *Default Judgment* in favor of MARGOLIN in the amount of \$1,495,775.74. That *Default Judgment* has never been amended. And yet, MARGOLIN now requests this Court to issue Writs of Execution based on what he believes the *Default Judgment should be*. Not what it is.

In his Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof filed with this Court on April 28, 2014, MARGOLIN requested that this Court enter "an order awarding him postjudgment interest, costs and attorneys' fees." In his efforts to acquire an order for "postjudgment interest, costs and attorneys' fees," MARGOLIN made no reference to any request that the Default Judgment itself be amended to include such sums.³

There is good reason that MARGOLIN requested an order rather than an amended judgment. Amendment of the judgment was untimely.⁴ Additionally, the Default Judgment was already the subject of an appeal by the time MARGOLIN filed the Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of

 $\int_{-1}^{1} See \ Default \ J. \ at 17-18.$

 $^{^{2}}$ Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof at 1:24-25 (April 28, 2014) (emphasis added).

³ See id.; Reply in Support of Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof (May 12, 2014).

⁴ A motion to alter or amend a judgment must be made within 10 days after service of written notice of entry of the judgment. See NRCP 59(e) ("A motion to alter or amend the judgment shall be filed no later than 10 days after service of written notice of entry of the judgment.") MARGOLIN filed Notice of Entry of Default Judgment on June 27, 2013.

⁵ See Notice of Appeal (Mar. 12, 2014).

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Points and Authorities in Support Thereof with this Court.⁵ As such, this Court lacked jurisdiction to amend the Default Judgment.⁶

Despite the absence of such a request in either the Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof or the Reply in Support of Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof, in its proposed order submitted to this Court, MARGOLIN included language stating:

The total amount awarded to Margolin herein is \$96,287.07. This award shall be added to the judgment.⁷

Thereby, MARGOLIN, in effect, accomplished an amendment to the *Default Judgment*, even though such an amendment is clearly disallowed under the law.

Arguing that this Court has amended the *Default Judgment* to include these post-judgment sums,⁸ MARGOLIN now endeavors to have this Court issue the proposed *Writs* which purport to execute the *Default Judgment* "as amended."

Nevada law prescribes the form of an enforceable judgment.⁹ And one essential component of the form is that it be contained in a single written document, signed by

⁶ See Foster v. Dingwall, 126 Nev. Adv. 5, 228 P.3d 453, 454-55 (2010) ("This court has repeatedly held that the timely filing of a notice of appeal "divests the district court of jurisdiction to act and vests jurisdiction in this court."" (quoting Mack-Manley v. Manley, 122 Nev. 849, 855, 138 P.3d 525, 529 (2006) (quoting Rust v. Clark Cty. School District, 103 Nev. 686, 688, 747 P.2d 1380, 1382 (1987)))).

⁷ Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof at 9:1-2 (emphasis added) (May 19, 2014) [hereinafter the "Order"]. ZANDIAN had no opportunity to object to the draft before this Court signed the Order. Despite the requirements of F.J.D.C.R. 19(4), counsel for ZANDIAN was not provided a copy of the proposed order presented to the Court.

⁸ See Reply at 2:15-17 ("The Order on Motion for Order Allowing Costs and Necessary Disbursements, dated May 19, 2014, expressly states that the post-judgment interest, fees and costs of \$96,287.07 'shall be added to the judgment.")

⁹ See NRCP 58; see generally NRS 17.120 - 17.190; see also NRCP 84, Form 32.

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the presiding judge and filed with the clerk.¹⁰ Even when the amount of a judgment is supplemented by an award of costs subsequent to the initial entry of judgment, Nevada law requires that this information be reflected on the judgment itself.¹¹

Precision is the policy which supports this requirement. Those officials who administer and enforce judgment executions must know or be able to calculate—to the penny¹²—the amount owed by the judgment debtor in order to accomplish a lawful execution. As such, there must be no ambiguity or room for interpretation as a judgment is conveyed to writ of execution. In this case, there is plenty of both.

First, the proposed Writs require an analysis and interpretation of two separate documents: the Default Judgment and the Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof. This, in and of itself, is contrary to Nevada law which requires that writs of execution be issued on a judgment reflected in a single written document. Second, it is impossible to precisely determine the amount owed on the judgment because those documents are not consistent with the proposed Writs. The Default Judgment states

¹⁰ See NRCP 58(a); see also NRCP 84, Form 32.

¹¹ See NRS 17.190 ("1. Included in any judgment filed shall be a computation of the costs, if they have been ascertained. The clerk shall insert a computation of the costs in the copies and docket of the judgment. 2. If costs are not ascertained or included in the judgment at the time of entry, the clerk shall, within 2 days after costs are ascertained, insert the same in a blank left in the judgment for that purpose and shall make a similar insertion of costs in the copies and docket of the judgment." (emphasis added)); NRS 18.120 ("The clerk shall include in the judgment entered up by the clerk any interest on the verdict or judgment of the court or master, from the time it was rendered or made, and the costs, if the same have been taxed or ascertained; and the clerk shall, within 2 days after the same shall be taxed or ascertained, if not included in the judgment, insert the same in a blank to be left in the judgment for that purpose, and shall make a similar insertion of the costs in the copies and docket of the judgment." (emphasis added)); NRS 18.180 ("Within 2 days after the costs are tried or ascertained, or after the time for making a motion to tax the same has expired, the clerk or judge shall enter the amount thereof on the margin of the judgment, and thereafter they shall be included together with the amount of the fee charged for issuance thereof in any execution issued upon such judgment." (emphasis added)).

¹² See NRS 17.130(1) ("In all judgments and decrees, rendered by any court of justice, for any debt, damages or costs, and in all executions issued thereon, the amount must be computed, as near as may be, in dollars and cents, rejecting smaller fractions, and no judgment, or other proceedings, may be considered erroneous for that omission.")

that interest accrues on the "principal amount ... from the date of default until the judgment is satisfied." The Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof then provides that the "total amount awarded ... shall be added to the judgment." From that language, it is not clear if that amount is to be added to the "principal amount" of the Default Judgment—in which case it would be included in the calculation of interest from the "date of default" or whether it is to be added to the judgment after the calculation of interest. If interest is to accrue on the amount awarded in the Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof in a fashion differing from that required by the Default Judgment—i.e., commencing on a later date—nothing in either document reflects such a result.

MARGOLIN cannot save these ambiguities with temporary¹⁴ concessions for the sake of expediting the issuance of improper writs. A writ of execution is—by design—a ministerial product which the Court issues relative to an unambiguous judgment. The insertion of ambiguity into a judgment necessarily precludes performance of this ministerial function. In other words, the content of a judgment controls the content of a writ of execution. This Court should reject MARGOLIN's attempt to reverse that.

MARGOLIN may seek a writ of execution on the *Default Judgment* as issued; MARGOLIN may seek to have the *Default Judgment* supplemented by the Clerk or by this Court to reflect additional costs which have been awarded; or MARGOLIN may move this Court for an amended *Default Judgment* to accurately reflect all sums to which he claims to be entitled. But he may not seek to unilaterally accomplish an

¹³ Default J. at 17-23.

¹⁴ See Reply at 2:18-22; 2 n.1.

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amendment to this Court's *Default Judgment* in a fashion that results in the issuance of a writ of execution which is not consistent with the existing *Default Judgment*. ¹⁵

B. MARGOLIN is not entitled to interest on attorneys' fees awarded post-judgment under NRS 598.0999.

Interest was disallowed under common law. Therefore, interest is imposed only when expressly authorized by statute. ¹⁶ Further, because statutes in derogation of common law must be "strictly construed" the imposition of interest must be clear. ¹⁷

In this case, subsequent to the *Default Judgment*, this Court determined that MARGOLIN was entitled to post-judgment attorneys' fees under NRS 598.0999.¹⁸ However, that statute does not provide that interest accrues on an award of attorneys' fees imposed.¹⁹ This Court need consider the matter no further as the requisite statutory authorization directing deviation from common law is absent on this issue. Interest on the award of attorneys' fees is disallowed and the proposed *Writs* are erroneous for including such interest.

Albios v. Horizon Cmtys., Inc.²⁰ is consistent with this position. In Albios, prevailing plaintiffs in a construction defect case were awarded their attorneys' fees

¹⁵ The ambiguity has repurcussions beyond judgment enforcement as well. Among others, if the award from the Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof is "added to the judgment," it is not clear whether appellate issues arising therefrom should be addressed in the appeal of the Default Judgment pending with the Nevada Supreme Court. If ZANDIAN attempts to address such issues, are they procedurally barred because they arose subsequent to the appealed judgment? If he does not attempt to address such issues, will he waive the right to raise them because the result of the order was "added to the judgment?" These are another category of issues which firm compliance with regular procedure will avoid.

¹⁶ See Gibellini v. Klindt, 110 Nev. 1201, 885 P.2d 540 (1994) (citing Paradise Homes v. Central Surety, 84 Nev. 109, 116, 437 P.2d 78, 83 (1968)).

¹⁷ Bergmann v. Boyce, 109 Nev. 670, 679, 856 P.2d 560, 565-66 (1993) (citing Calcagagno v. Personalcare Heath Management, 565 N.E.2d 1330, 1336 (Ill. Ct. App. 1991) (citing Commissioners of Lincoln Park v. Schmidt, 69 N.E.2d 869 (Ill. 1946))).

¹⁸ See Order on Motion for Order Allowing Costs and Necessary Disbursements and Memorandum of Points and Authorities in Support Thereof at 4:1-4.

¹⁹ See NRS 598.0999.

²⁰ 122 Nev. 409, 132 P.3d 1022 (2006).

pursuant to NRS 40.655.²¹ In considering whether the fees would accrue interest, the *Albios* court determined,

Thus, when attorney fees are awarded as damages, they fall within the plain language of NRS 17.130(1). Accordingly, we hold that when attorney fees are awarded as an element of damages, the prevailing party is entitled to recover prejudgment interest on the attorney fees.²²

The import of the emphasized language is dispositive of the issue before this Court. When attorneys fees are statutorily designated as damages, as in NRS 40.655, and included in a judgment²³, NRS 17.130 authorizes the accrual of interest on those fees.²⁴ However, where, as here, fees are awarded under a statute which does not designate them as "damages" and where, as here, the fees are not included in the judgment, NRS 17.130 does not authorize the accrual of interest on the awarded fees. Consequently, the accrual of interest on post-judgment attorneys' fees in this case is in derogation of common law, not expressly authorized by statute, and should be denied.²⁵

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²¹ See Albios, 122 Nev. at 417-28, 132 P.3d at 1028-34.

 $^{^{22}\,}Albios,$ 122 Nev. at 430, 132 P.3d at 1036 (emphasis added).

 $^{^{23}}$ The fees awarded in *Albios* were included in the trial court's judgment. See Albios, 122 Nev. at 415-17, 132 P.3d at 1026-27.

²⁴ NRS 17.130(2).

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²⁵ Waddell v. L.V.R.V. Inc., 122 Nev. 15, 125 P.3d 1160 (2006) is not contrary. Waddell involved a suit for "both equitable relief and money damages" incurred by plaintiffs' purchase of a defective RV. Waddell, 122 Nev. at 17-18, 125 P.3d at 1161-62. The Waddell plaintiffs were awarded attorneys fees, but the basis for the award is not specified. Further, it is not clear whether or not the fees were included in the original judgment or the amended judgment in the case. See id. In any event, it is clear that Waddell did not involve an interpretation of the statute at issue, NRS 598.0999. Therefore, there is nothing to indicate that the general language of the Waddell case authorizing post-judgment interest on attorneys' fees applies in this case.

II. Conclusion

For all these reasons explained herein, it is respectfully requested that this Court deny the *Motion*.

DATED this 6th day of August, 2014.

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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 6th August, 2014.

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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that service of the foregoing SUR-

REPLY TO REPLY IN SUPPORT OF MOTION FOR WRIT OF EXECUTION

was made this date by depositing a true copy of the same for mailing at Carson City,

Nevada, addressed to each of the following:

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

DATED this 6th day of August, 2014.

an employee of Kaempfer Crowell