

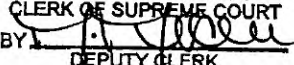
IN THE COURT OF APPEALS OF THE STATE OF NEVADA

CHRISTIAN NAVA, INDIVIDUALLY,
Appellant,
vs.
REZA ATHARI, AN INDIVIDUAL;
REZA ATHARI & ASSOCIATES, PROF,
LLC, A NEVADA LIMITED LIABILITY
COMPANY; AND REZA ATHARI, LTD.,
A NEVADA CORPORATION,
Respondents.

No. 85154-COA

FILED

MAY 09 2024

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY: 
DEPUTY CLERK

ORDER OF REVERSAL AND REMAND

Christian Nava appeals from a district court order granting a motion to enforce a settlement agreement and dismissing Nava's claims against respondents. Eighth Judicial District Court, Clark County; Crystal Eller, Judge.

Nava and respondent Reza Athari were involved in a traffic accident. Prior to filing the present lawsuit, Nava sent a demand letter addressed to three different insurance companies, listing Athari as the insured for each of the three, seeking to settle the matter for payment of the policy limits. One of the three insurance companies responded, and ultimately sent a letter of acceptance for its policy limits and included documentation that had been requested in the demand letter, along with a multi-page release form that provided, among other things, that Nava would release all claims against Athari, as well as respondents Reza Athari & Associates, Prof, LLC and Reza Athari, Ltd.

Nava did not execute the release form or otherwise further communicate in response to the acceptance letter. Several months later,

Nava filed the underlying lawsuit seeking damages from the traffic accident. Respondents filed a motion to enforce a settlement agreement, arguing that the parties had reached an agreement as to the material terms of a settlement based on the demand letter and the acceptance letter, and arguing that the failure to sign the release did not negate the settlement. Nava filed an opposition, arguing that there was no agreement as to multiple terms within the release, including releasing all claims against all respondents.

The district court held a hearing in which both sides' attorneys presented arguments on the motion. Ultimately, the district court granted the motion to enforce the settlement agreement, concluding that Nava was aware that the insurance company that provided the acceptance letter was the insurance company for Reza Athari & Associates, and therefore knew that the settlement of claims and release went beyond just Athari, and that the other terms Nava challenged were not material to the agreement. Nava now appeals, challenging the district court's ruling that there was a meeting of the minds on the material terms such that the parties had reached an enforceable settlement agreement. Respondents argue that the district court properly determined that the parties had agreed to the material terms of the settlement for the policy limits and a release of claims against all of the respondents, and that the other terms of the release were not material.

A settlement agreement is a contract and thus requires "an offer and acceptance, meeting of the minds, and consideration" to be enforceable. *May v. Anderson*, 121 Nev. 668, 672, 119 P.3d 1254, 1257 (2005). "A valid contract cannot exist when material terms are lacking or are insufficiently certain and definite." *Id.* The parties' "preliminary negotiations do not constitute a binding contract unless the parties have

agreed to all material terms.” *Id.* There is no enforceable settlement agreement if “material terms remain uncertain.” *Id.* Release terms can constitute material terms to the formation of a settlement agreement, and whether terms are material is decided on a case-by-case basis. *Id.* at 673-74, 119 P.3d at 1258. We defer to a district court’s factual determinations concerning whether a contract exists “unless they are clearly erroneous or not based on substantial evidence.” *Id.* at 672-73, 119 P.3d at 1257.

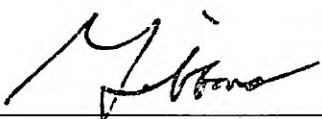
Here, substantial evidence does not support the district court’s determination that the parties had a meeting of the minds as to all the material terms for a settlement agreement. In particular, while the court found that Nava was aware that the insurance company accepting the offer insured Reza Athari & Associates, this is insufficient to conclude that Nava intended to settle any potential claim involving any of the respondents based on the demand letter when that letter was sent to three different insurance companies and only listed Athari as the insured. There is nothing in the record to support that Nava was willing to release any potential claims related to the other parties and coverage under their insurance policies once one of the three insurance companies he sent demand letters to offered its policy limits. Thus, the release of claims against all respondents was a material term and there is insufficient evidence in the record to support a conclusion that the parties reached an agreement as to that term.

In their answering brief, respondents acknowledge that the demand letter was sent to three different insurance companies based on three different insurance policies, one insuring Athari personally, one related to Reza Athari & Associates’ business auto policy, and one concerning Reza Athari & Associates’ business liability policy. Respondents

then argue that, because only one policy applied, it was clear Nava was seeking to settle related to only that policy. But nothing in the record supports a conclusion that Nava agreed only one policy applied and was only seeking to settle with that insurance company, particularly when the demand letter was sent to all three insurance companies and when the acceptance letter came with a release as to all parties, Nava did not execute the release, and there is no other evidence that he accepted such a release. As a result, we conclude that the district court erred in ruling that there was an enforceable settlement agreement between Nava and all respondents.¹

Accordingly, we

ORDER the judgment of the district court REVERSED AND REMAND this matter to the district court for further proceedings.


_____, C.J.
Gibbons


_____, J.
Bulla


_____, J.
Westbrook

¹In light of this determination, we need not reach the parties' other arguments concerning the enforceability of the settlement agreement.

cc: Hon. Crystal Eller, District Judge
Cloward Trial Lawyers
Hale Injury Law
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Lemons, Grundy & Eisenberg
Eighth District Court Clerk