

IN THE SUPREME COURT OF THE STATE OF NEVADA

RAY STYLES, INDIVIDUALLY,
Appellant,
vs.
FRIENDS OF FIJI, A NEVADA
CORPORATION,
Respondent.

No. 51642

FILED

FEB 08 2011

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY S. Youney
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is a proper person appeal from a district court order denying a motion for a new trial in a contract action. Eighth Judicial District Court, Clark County; Elissa F. Cadish, Judge.

Facts

Appellant Ray Styles, through counsel, filed in the district court a verified complaint against respondent Friends of Fiji, A Nevada Corporation (FOF). Alleging, among other things, that the FOF breached the parties' donor-advised fund agreement and the covenant of good faith and fair dealing by failing to create a specified charitable fund and by failing to maintain its IRC public charity status,¹ Styles sought, among other relief, damages, rescission, and attorney fees.

Following a bench trial, the district court entered its findings of fact, conclusions of law, and judgment, concluding that Styles failed to prove by a preponderance of the evidence that FOF breached any

¹Summary judgment was entered on Styles' other claims, but he does not challenge the summary judgment on appeal.

agreement and that he suffered damages as a proximate and actual cause of any such breach.² Although the court determined that FOF failed to attempt in any way to satisfy Styles' charitable goals, and thus that it breached the implied covenant of good faith and fair dealing, it concluded that Styles failed to prove damages and that his claim therefore failed. Because the court concluded that Styles gave up any interest in the donated funds, and that he thus had no right to control the funds or require FOF to use them in the manner he recommended, the court entered judgment in FOF's favor.

Discussion

Having considered Styles' proper person appeal statement, FOF's response, and the record, we conclude that the district court properly interpreted the contract and applied the law thereto, and that its decision is supported by substantial evidence. See May v. Anderson, 121 Nev. 668, 119 P.3d 1254 (2005) (acknowledging that this court reviews de novo the district court's legal determinations, including contract interpretation); NOLM, LLC v. County of Clark, 120 Nev. 736, 739, 100 P.3d 658, 660-61 (2004) (explaining that this court defers to the district court's factual findings, so long as they are not clearly wrong and are supported by substantial evidence).

²At the close of Styles' case, FOF moved for judgment as a matter of law under NRCPC 50(a). The court granted it to the extent that Styles argued that FOF was required to fund Pacific Maritime Research Institute, but denied the motion to the extent that Styles argued that FOF was required to return the donation after losing its public foundation status and to the extent that Styles argued that FOF acted against the intention and spirit of the contract through its use of the donation.


Although Styles argued below and on appeal that he was entitled to the return of his donation, the district court properly determined in accordance with the agreement's express terms that Styles gave up any interest in the money when he made the unrestricted gift to FOF, allowing FOF the discretion to reject any of his recommendations for the donation's use. The parties' intent was further shown by Styles' tax return, on which he took a deduction in the amount of his donation. See IRC §§ 170(a), (c), and (f) (explaining when charitable contributions are tax deductible); U.S. v. Estate Preservation Services, 202 F.3d 1093, 1102 (9th Cir. 2000) (noting that a "donor must have surrendered dominion and control over the gift for it to qualify as a charitable contribution" and that "the expectation of 'quid pro quo' defeats deductibility of contribution" (citations omitted)). While damages may be awarded when a party breaches the implied covenant of good faith and fair dealing, see Hilton Hotels Corp. v. Butch Lewis Prods., Inc., 808 P.2d 919, 923 (1991), here, the district court, after reviewing the testimony and evidence, including the donor-advised-fund agreement, concluded that Styles suffered no damages because once he made the unrestricted gift, he no longer had any interest in or control over the donation.³ That conclusion is legally sound

³Even if Styles had restricted his charitable contribution to some specific use, it is not clear that he would have standing to enforce the restriction or recover damages. Compare Carl J. Herzog Found., Inc. v. Univ. of Bridgeport, 699 A.2d 995 (Conn. 1997) (holding that a donor may not commence an action against a donee to enforce a restriction on the contribution's use, and that only the attorney general had standing to enforce a charitable gift restriction) and Russell v. Yale Univ., 737 A.2d 941, 946 (Conn. App. Ct. 1999) (holding that university alumni lacked standing as donors of unrestricted charitable gifts to Yale) with Smithers

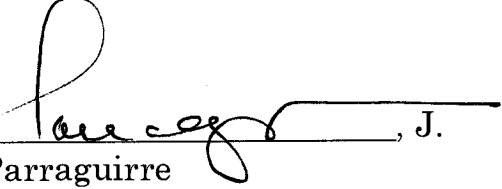
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and supported by substantial evidence. Thus, the district court properly entered judgment in favor of FOF.⁴ Accordingly, we

ORDER the judgment of the district court AFFIRMED.


_____, J.
Saitta


_____, J.
Hardesty


_____, J.
Parraguirre

cc: Hon. Elissa F. Cadish, District Judge
William C. Turner, Settlement Judge
Ray Styles
Bailey Kennedy
Eighth District Court Clerk

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v. St. Luke's-Roosevelt Hosp. Center, 723 N.Y.S.2d 426, 427 (A.D. 2001) (concluding that donor's widow had standing to sue donee to enforce the terms of the gift).

⁴Since Styles relinquished all power and control over the contribution by the terms of the donor-advised-fund agreement, the district court also acted within its discretion by declining to rescind the contract. See Havas v. Alger, 85 Nev. 627, 631, 461 P.2d 857, 860 (1969) (providing that the decision to rescind a contract rests in the district court's sound discretion); Bergstrom v. Estate of DeVoe, 109 Nev. 575, 577, 854 P.2d 860, 861 (1993) (explaining that rescission totally abrogates a contract and seeks to place the parties in the position that they occupied before executing the contract, the purpose of which is to prevent harm to the defendant because the "defendant should not by rescission sacrifice the benefits of the agreement and at the same time not be restored the benefits he previously conferred upon the plaintiff").