

IN THE SUPREME COURT OF THE STATE OF NEVADA

NANCY QUON,

Petitioner,

vs.

THE EIGHTH JUDICIAL DISTRICT COURT  
OF THE STATE OF NEVADA, IN AND FOR  
THE COUNTY OF CLARK, AND THE  
HONORABLE NANCY M. SAIITA,  
DISTRICT JUDGE,

Respondents,

and

VERNON AND LINDA ROMANS,  
INDIVIDUALLY; ROBERT AND JENNIFER  
RAINEY, INDIVIDUALLY; BEULAH  
HALLSTROM, INDIVIDUALLY; AND THE  
SAME ON THEIR OWN BEHALF AND ON  
BEHALF OF ALL OTHERS SIMILARLY  
SITUATED; AND ROBERT C. MADDOX,

Real Parties in Interest.

No. 35142

FILED

NOV 07 2000

JAMIE L. H. GUNDA  
CLERK, SUPREME COURT  
BY *J. Richard*  
DEPUTY CLERK

ORDER DENYING MOTION FOR ORDER TO SHOW CAUSE

On August 11, 2000, this court entered an order granting Nancy Quon's writ petition and directing the court clerk to issue a writ of mandamus instructing the district court to vacate its orders dissolving Quon's attorney's lien, and to reinstate Quon's lien in the underlying construction defects case. Throughout the writ petition proceeding, this court had in place orders staying the district court's orders dissolving Quon's lien. On August 15, 2000, Quon filed an application for an order to show cause why real party in interest Robert C. Maddox should not be held in contempt for violating this court's stay orders. Maddox filed a response opposing the motion, and Quon filed a reply with this court's permission.

00-19594

Quon asserts that Maddox violated our stay orders by (1) executing indemnification agreements with the defendants to facilitate settlement negotiations and leaving Quon's name off settlement drafts, and (2) retaining in trust only ten percent of the attorney's fees recovered in the underlying proceeding.


In response, Maddox asserts that this court's orders merely stayed the district court's dissolution of Quon's lien, and that neither the stay orders nor any other law imposed on Maddox any obligation to include Quon as a payee on settlement drafts, or to hold the entire amount of recovered attorney's fees in a trust account pending adjudication of Quon's lien. Maddox argues his agreement to the indemnification provisions required by the defendants as a settlement condition did not circumvent Quon's lien.

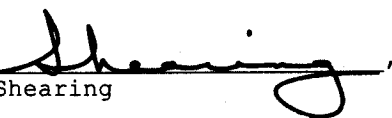
In reply, Quon contends that SCR 165(3) requires Maddox to keep the disputed portion of the recovered fees in a separate account until her dispute with Maddox is settled. Quon concedes the "portion in dispute" is less than the whole, but asserts she "has a good-faith argument that the written fee agreements allow her to claim an amount at least equal to 50% of the attorney's fees portion of the settlement."


Having carefully considered the submissions from both Quon and Maddox, we conclude that a show cause order is not warranted. Our stay orders suspended the district court's two orders that granted the plaintiffs' "motion to dissolve attorney's lien;" thus, throughout the writ proceedings, Quon had a lien "for attorney's fees." Because Quon's notice of lien did not specify any percentage or dollar amount, the notice operated only to warn the parties that she was claiming some part of the attorney's fees.

SCR 165(3) requires Maddox to keep the portion of recovered fees "in dispute" separate until the dispute is resolved. Maddox looked beyond the nonspecific notice of lien to Quon's collateral breach of contract action against him to determine what portion of the whole is in dispute, and set aside ten percent because that is apparently the amount Quon alleges she and Maddox orally agreed she would receive. Despite Quon's assertion that Maddox should have set aside fifty percent of the fees, given her failure to specify in her lien notice that the portion of fees in dispute is fifty percent, we conclude that Maddox has substantially complied with SCR 165(3). We further conclude that Maddox's segregation of only ten percent of the recovered fees, his indemnification of the settling defendants and his failure to obtain settlement drafts listing Quon as a payee, did not violate our orders staying dissolution of Quon's lien. Accordingly, we deny Quon's motion for an order directing Maddox to show cause why he should not be held in contempt.

It is so ORDERED.

  
Maupin J.

  
Shearing J.

  
Becker J.

cc: Hardy & Woodman  
Robert C. Maddox & Associates  
Beckley Singleton Jemison Cobeaga & List