

IN THE SUPREME COURT OF THE STATE OF NEVADA

STEVEN LAI, INDIVIDUALLY; AND
777 INVESTMENTS, LLC, A WYOMING
LIMITED LIABILITY COMPANY,
Appellants,

vs.

RICK SAGA, INDIVIDUALLY, AND AS
OWNER OF MILLENNIUM
INVESTMENTS, LLC, A DOMESTIC
LIMITED LIABILITY COMPANY;
GREEN DRAGON INVESTMENTS,
LLC, A NEVADA LIMITED LIABILITY
COMPANY; 2965 HOLDINGS, LLC, A
NEVADA LIMITED LIABILITY
COMPANY; AND SILVER STATE
HEALTH SERVICES, INC., A
NONPROFIT CORPORATION,
Respondents.

STEVEN LAI, INDIVIDUALLY; AND
777 INVESTMENTS, LLC, A WYOMING
LIMITED LIABILITY COMPANY,
Appellants,

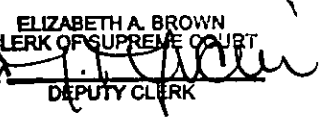
vs.

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OWNER OF MILLENNIUM
INVESTMENTS, LLC, A DOMESTIC
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GREEN DRAGON INVESTMENTS,
LLC, A NEVADA LIMITED LIABILITY
COMPANY; 2965 HOLDINGS, LLC, A
NEVADA LIMITED LIABILITY
COMPANY; AND SILVER STATE
HEALTH SERVICES, INC., A
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Respondents.

No. 87911

FILED

JUN 25 2025

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY 
DEPUTY CLERK

No. 88331

*ORDER AFFIRMING IN PART,
REVERSING IN PART AND REMANDING*

These are consolidated business court appeals from a final judgment and a post-judgment order awarding attorney fees and costs. Eighth Judicial District Court, Clark County; Timothy C. Williams, Judge.

Appellant Steven Lai and Respondent Rick Saga entered two real estate deals together. In the first transaction, Lai purchased the deed of trust securing a piece of property Saga owned in Pahrump. Based on Saga's alleged representations, Lai believed he was buying the land itself, rather than the deed of trust. In the second transaction, Lai partially funded a downpayment for a building on Jones Boulevard in Las Vegas in exchange for an ownership interest in the building. Lai also managed the Jones property for a period. Lai later agreed to reduce his interest in the Jones property in exchange for reimbursement for his personal expenditures incurred as manager of the Jones property. After Lai discovered he only purchased the deed of trust for the Pahrump property, and he was not reimbursed his personal expenditures for the Jones property, Lai sued. The parties reached a partial settlement for the Jones property dispute. Lai continued to pursue reimbursement for his personal expenditures related to the Jones property, and damages related to the Pahrump property.

The court ultimately granted summary judgment in favor of Saga, concluding there was no dispute of fact regarding whether Lai was fraudulently induced into purchasing the Pahrump deed of trust, and that Lai was reimbursed for any personal expenses related to the Jones property in the settlement. The district court also granted attorney fees as a

discovery sanction for Lai's evasive answers at a deposition and failure to produce documents related to the Pahrump property. Lai now appeals.

We review a district court's decision on summary judgment *de novo*. *Wood v. Safeway, Inc.*, 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005). Summary judgment is appropriate if the pleadings and all other evidence on file demonstrate that no genuine issue of material fact exists and that, as a matter of law, the moving party is entitled to judgment in their favor. *Id.* All evidence must be viewed in a light most favorable to the nonmoving party. *Id.* The nonmoving party cannot rely solely on general allegations and conclusions set forth in the pleadings but must instead present specific facts demonstrating the existence of a genuine factual issue supporting its claims. *Id.* at 732, 121 P.3d at 1031.

Regarding the Pahrump property, we conclude a genuine issue of material fact remains, and the district court erred in granting summary judgment. Lai's declaration averred Saga told Lai he was purchasing the Pahrump property subject to a tax lien, not merely purchasing the deed of trust. Lai made property tax payments, understanding he owned the property. This creates a genuine dispute about whether Lai was fraudulently induced into purchasing the Pahrump deed of trust. Even though Saga ultimately paid off the deed of trust, Lai may still have other damages based on his expectation of owning the Pahrump property, and summary judgment was granted in error. Because Lai alleges fraud, we are unpersuaded the statute of frauds or parol evidence rule changes the result. *See Khan v. Bakhsh*, 129 Nev. 554, 558, 306 P.3d 411, 413 (2013) (holding extrinsic or oral evidence is admissible to prove fraud, as Lai asserts here).

Lai also argues he was never reimbursed for his personal expenditures as manager of the Jones property and still has a live claim.

The district court concluded Lai had been reimbursed by the settlement. “A settlement agreement is a contract governed by general principles of contract law.” *The Power Co. v. Henry*, 130 Nev. 182, 189, 321 P.3d 858, 863 (2014) (citing *May v. Anderson*, 121 Nev. 668, 672, 119 P.3d 1254, 1257 (2005)). “Like a contract, the interpretation of a settlement agreement is reviewed de novo.” *Id.* (citing *May*, 121 Nev. at 672, 119 P.3d at 1257).

In the settlement, Saga was to pay Lai “\$240,000 in consideration of his release of his 7% membership interest . . . which is \$40,000 more than his original \$200,000 investment.” The settlement terms unambiguously state Saga paid Lai only in consideration of his release of his interest in the Jones property, leaving the parties free to litigate other claims such as Lai’s reimbursement. We conclude the district court erred in granting summary judgment on Lai’s claims for reimbursement regarding the Jones property.

Lai next challenges the district court’s grant of attorney fees as a discovery sanction. When “discovery sanctions are within the power of the district court, this court will not reverse the particular sanctions imposed absent a showing of abuse of discretion.” *Young v. Johnny Ribeiro Bldg., Inc.*, 106 Nev. 88, 92, 787 P.2d 777, 779 (1990) (citing *Kelly Broad. Co. v. Sovereign Broad., Inc.*, 96 Nev. 188, 192, 606 P.2d 1089, 1092 (1980), *superseded by statute on other grounds as recognized in Countrywide Home Loans, Inc. v. Thitchener*, 124 Nev. 725, 741 n.39, 741-43, 192 P.3d 243, 253 n.39, 254-55 (2008)). Lai failed to provide certain documents as part of his mandated disclosures under NRCP 16.1(a)(1)(ii). He also gave evasive answers at his deposition. The district court, in its discretion, may impose sanctions for these discovery violations, including the payment of reasonable attorney fees caused by the violation. NRCP 37(c). While we

affirm the district court's imposition of sanctions, we reverse and remand for the district court to consider the proper amount of sanctions for two reasons.


First, NRCP 37(b) "limits an award of attorney's fees to those incurred because of the alleged failure to obey the particular order in question." *Nev. Power Co. v. Fluor Ill.*, 108 Nev. 638, 646-47, 837 P.2d 1354, 1360 (1992). Yet some of the fees awarded appear to be unrelated to any discovery, including fees for a motion to dismiss prior to any discovery taking place, and for a motion to disqualify counsel. On remand, the district court should grant only those fees which bear a causal relationship to Lai's discovery violations.


Second, the district court must assess the reasonableness of the fees under the factors laid out in *Brunzell v. Golden Gate National Bank*: (1) the quality and professional standing of the advocate, (2) the character of the work to be done, (3) the work actually performed, and (4) the result obtained. 85 Nev. 345, 349, 455 P.2d 31, 33 (1969). While the court need not make express findings for each factor, "the award must be supported by substantial evidence." *Logan v. Abe*, 131 Nev. 260, 266, 350 P.3d 1139, 1143 (2015) (citing *Uniroyal Goodrich Tire Co. v. Mercer*, 111 Nev. 318, 324, 890 P.2d 785, 789 (1995), *superseded by statute on other grounds as recognized in RTTC Commc'ns, LLC, v. Saratoga Flier, Inc.*, 121 Nev. 34, 41-42, 41 n.20, 110 P.3d 24, 29, 29 n.20 (2005)).


Here, the district court entered minutes indicating it would grant Saga \$154,811.95 in fees before conducting a *Brunzell* analysis. Saga only provided documentation of his fees and costs after the court indicated the amount it would award. Thus, while the district court addressed the *Brunzell* factors in its final order awarding fees and costs, the amount of the

award was not based on substantial evidence. On remand, the court should consider the *Brunzell* factors in its sanctions award. In sum, we,

ORDER the judgment of the district court AFFIRMED IN PART AND REVERSED IN PART AND REMAND this matter to the district court for proceedings consistent with this order.

_____, J.
Parraguirre

_____, J.
Bell

_____, J.
Stiglich

cc: Hon. Timothy C. Williams, District Judge
Persi J. Mishel, Settlement Judge
E. Brent Bryson, P.C.
Womble Bond Dickinson (US) LLP/Las Vegas
Eighth Judicial District Court Clerk