FILED
Sep 10 2026
ELIZABETH A. BROWN
CLERK OF SUPREME COURT

IN THE COURT OF APPEALS OF THE STATE OF NEVADA

CHET PEARSON,
Appellant,
vs.
RYNE C. STOKER, AS TRUSTEE OF THE RYNE C. STOKER UDA SEPARATE PROPERTY TRUST,
Respondent.

No. 89630-COA

ORDER OF AFFIRMANCE

Chet Pearson appeals from a district court post-judgment order denying a motion for attorney fees. Eighth Judicial District Court, Clark County; Joanna Kishner, Judge.

Respondent Ryne C. Stoker, as trustee of the Ryne C. Stoker UDA Separate Property Trust (the Trust), brought the underlying litigation seeking to enforce a loan agreement between the Trust and Pearson. The Trust alleged it loaned Pearson $99,000 for Pearson to purchase shares of stock in GeoTek Companies, Inc., a company in which the Trust is a shareholder. Under the agreement, if Pearson, who was employed by GeoTek, quit before retirement age, he was required to pay back distributions from the stock and to pledge the GeoTek stock to the Trust. Pearson resigned from GeoTek prior to retirement age, and the Trust demanded that Pearson pay the full value of the stock along with distributions. Pearson refused. Based on those allegations, the Trust's complaint asserted claims for declaratory relief, breach of contract, breach of the covenant of good faith and fair dealing, negligent misrepresentation, and unjust enrichment.

Pearson, in his answer and counterclaim, asserted that as shareholders of GeoTek, both Stoker and Pearson are bound by the Amended and Restated Stockholders' Agreement of GeoTek Companies, Inc., which prohibited pledges of stock to any shareholders besides GeoTek, and thus, he argued, he was only permitted to transfer his shares back to GeoTek. He asserted counterclaims for declaratory relief, breach of the covenant of good faith and fair dealing, and intentional interference with contractual relations.

During the litigation, pursuant to NRCP 68 and NRS 17.117, Pearson served an offer of judgment of $250,000 on the Trust to resolve all claims and counterclaims between all parties. By its terms, the offer was to include the "principal" and to be inclusive of "interest, costs, and attorneys' fees that may be applicable to the case under Nevada law." The Trust did not respond to Pearson's offer thereby rejecting it. Following a bench trial, the district court granted judgment in favor of the Trust and awarded $185,662.88, finding that the Trust was entitled to recover the value of the distributions from Pearson.

Pearson moved for attorney fees and costs arguing that the district court's judgment in the amount of $185,662.88 was not more favorable than Pearson's offer of judgment in the amount of $250,000, and that the *Beattie*[1] factors supported his motion. The Trust opposed the motion, arguing the *Beattie* factors did not support awarding attorney fees.

[1]*Beattie v. Thomas*, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983).

After a hearing, the district court issued an order denying Pearson's motion as to attorney fees.[2] The court noted that Pearson's offer of judgment was a valid offer and was rejected by the Trust. The court also noted that it had previously found that the Trust's judgment was not more favorable than Pearson's inclusive offer of judgment in resolving the Trust's motion for attorney fees, costs, and interest, and thus did not address this further when deciding Pearson's motion for attorney fees.[3]

The district court found, with respect to the first *Beattie* factor regarding whether the claim was brought in good faith, that at the time of the filing of the complaint, the Trust's claims were brought in good faith under the standards set forth by the caselaw and the information in its possession at that time. For the second *Beattie* factor, regarding whether the offer of judgment was reasonable, the court noted that the offer of judgment was reasonable and made in good faith both in timing and amount. For the third *Beattie* factor, the court evaluated whether the Trust's decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith and found that this factor weighed in favor of the Trust and that the decision to proceed to trial was not grossly unreasonable or in bad faith based on the final judgment awarded. For the

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[2]We note that the district court separately awarded Pearson his post-offer costs and expenses in the amount of $12,781.83, which is not challenged on appeal.

[3]Specifically, the district court had previously determined that the Trust's judgment was not more favorable than Pearson's offer of judgment, including consideration of attorney fees, costs, and interest, in resolving the Trust's motion for attorney fees, costs, and interest. The parties do not dispute that the amount of the judgment was not more favorable than Pearson's offer of judgment on appeal.

fourth factor, regarding whether the fees sought were reasonable, the court found that since the first and third factors weighed in favor of the Trust, it was unnecessary for the court to analyze the reasonableness of the attorney fees amount. Thus, the district court denied Pearson's motion. This appeal followed.

On appeal, Pearson argues that the district court abused its discretion by denying his motion for attorney fees under NRCP 68 by improperly evaluating the *Beattie* factors and that the court's findings are not supported by substantial evidence. In particular, Pearson challenges the court's findings on the first and third *Beattie* factors because he contends (1) substantial evidence shows that the Trust's claims were not brought in good faith or supported by Nevada law, and (2) substantial evidence shows that the Trust's rejection of the offer was, at a minimum, in bad faith because the Trust could not recover more than the value of the distributions. Conversely, the Trust argues that the district court did not abuse its discretion in denying Pearson's motion, as the court appropriately evaluated the *Beattie* factors, and none of the factors are outcome determinative. The Trust also argues that Pearson asks this court to reweigh the *Beattie* factors, which it does not do, and thus, Pearson does not demonstrate a basis for reversal.

"The decision whether to award attorney's fees is within the sound discretion of the district court." *Thomas v. City of N. Las Vegas*, 122 Nev. 82, 90, 127 P.3d 1057, 1063 (2006) (internal quotation marks omitted). This court reviews decisions awarding or denying attorney fees for a manifest abuse of discretion. *Id*. "If the offeree rejects an offer and fails to" secure a judgment more favorable than the offer, then that "offeree must pay the offeror's post-offer costs and expenses, including . . . reasonable attorney fees, *if any be allowed*, actually incurred by the offeror from the time of the offer." NRCP 68(f)(1)(B) (emphasis added); *see also* NRS 17.117(10)(b) (codifying NRCP 68). When determining whether to award attorney fees under NRCP 68, the district court considers:

> (1) whether the plaintiff's claim was brought in good faith; (2) whether the defendants' offer of judgment was reasonable and in good faith in both its timing and amount; (3) whether the plaintiff's decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4) whether the fees sought by the offeror are reasonable and justified in amount.

Beattie, 99 Nev. at 588-89, 668 P.2d at 274. For the final factor, to determine if the fees requested are reasonable, the district court must consider the *Brunzell v. Golden Gate National Bank*, 85 Nev. 345, 349, 455 P.2d 31, 33 (1969), factors. Here, the district court did not reach the *Brunzell* factors because the court determined that it was reasonable for the Trust to proceed to trial. We conclude that the court did not abuse its discretion in not awarding attorney fees under the facts of this case.

In evaluating the first *Beattie* factor, the district court found that the Trust's claims were brought in good faith, which is supported by substantial evidence in the record given that the Trust was ultimately successful on its claims concerning the distributions at the bench trial. *See Consol. Generator-Nev., Inc. v. Cummins Engine Co., Inc.*, 114 Nev. 1304, 1312, 971 P.2d 1251, 1256 (1998) ("[G]ood faith is a question of fact."). Moreover, although the Trust was unsuccessful on its claims for reimbursement of the value of the stock, nothing in the record suggests that it lacked a good faith motive in bringing or maintaining the claims against Pearson. *See, e.g.*, *Assurance Co. of Am. v. Ironshore Specialty Ins. Co.*, No. 2:15-CV-00460, 2018 WL 4468986, at *2 (D. Nev. Sept. 18, 2018) (analyzing the first *Beattie* factor through the lens of "the plaintiffs' litigation motives"); *see also, e.g.*, *Max Baer Prod. Ltd. v. Riverwood Partners, LLC*, No. 3:09-CV-00512, 2012 WL 5944767, at *3 (D. Nev. Nov. 26, 2012) ("Claims may be unmeritorious and still be brought in good faith."); *JB Carter Enterprises, LLC v. Elavon, Inc.*, No. 2:18-CV-00394, 2024 WL 1199611, at *2 (D. Nev. Mar. 20, 2024) (reasoning that the lack of success on certain claims did not mean that they were not pursued in good faith).

While Pearson asserts that the district court should have instead considered whether the Trust defended against Pearson's counterclaim for declaratory relief in good faith, the essence of his counterclaim—that the Trust could not recover more than the value of the distributions made under the loan agreement—was also argued in response to the Trust's claims. Given that the district court found that the Trust's claims were brought in good faith, the court implicitly considered this argument. *See Lee v. Patin*, No. 83213, 2024 WL 238082, at *3 (Nev. Jan. 22, 2024) (Order of Affirmance) (examining the *Beattie* factors and explaining that "[o]ur caselaw does not require a written finding on each factor where, as here, the record clearly shows that the district court considered each factor"). Thus, to the extent Pearson challenges the district court's finding of good faith pursuant to the first *Beattie* factor, we are not persuaded by this argument.

In analyzing the third *Beattie* factor, the district court determined that the Trust's decision to reject Pearson's offer of judgment and proceed to trial was not grossly unreasonable. Pearson argues that the Trust rejected the offer of judgment in bad faith because it could not recover more than the value of the distributions and therefore he was entitled to attorney fees. We disagree as "[g]rossly unreasonable or bad faith rises to a much higher level than poor judgment or incorrect tactical decisions." *Assurance Co. of Am. v. Nat'l Fire & Marine Ins. Co.*, No. 2:09-CV-1182, 2012 WL 6626809, at *3 (D. Nev. Dec. 19, 2012); *cf. Clark v. Marin*, 142 Nev., Adv. Op. 47, 592 P.3d 417, 430 (2026) (explaining that appellants' actions in requesting admissions to defeat claims, then proceeding to trial and conceding liability, only to move for a directed verdict on those admissions after nine days of trial supported the district court's finding that appellants litigated their defense in bad faith).

Pearson also argues that the district court failed to consider the fourth *Beattie* factor, while the Trust argues that the court was not required to evaluate the fourth factor after determining that an award of attorney fees was not warranted pursuant to its analysis of the first three *Beattie* factors. While a district court may consider all four factors for completeness, we agree with the Trust that here the court was not required to do so. The record demonstrates that the district court fully analyzed the first three *Beattie* factors and memorialized its findings. Because the court found that two of the first three *Beattie* factors weighed against awarding any attorney fees, the court could decline to consider the fourth factor as to reasonableness of the amount sought in fees. *See N. Las Vegas Infrastructure Inv. & Constr., LLC v. City of N. Las Vegas*, 139 Nev. 46, 51, 525 P.3d 836, 842 (2023) (concluding that the district court properly denied a motion for fees and considered the *Beattie* factors where it concluded that two of the first three *Beattie* factors favored the offeree and therefore declined to conduct a thorough analysis of the fourth *Beattie* factor); *Mitman v. LA 1, LLC*, Nos. 83350 & 84031, 2023 WL 8270780, at *11 (Nev. Nov. 29, 2023) (Order of Affirmance) (affirming where the district court declined to consider the fourth *Beattie* factor "since two of the three factors weighed in [the offeree's] favor"). Moreover, there is nothing in the record to suggest that the district court's order denying attorney fees was arbitrary or capricious given the justifications it set forth in its order. Therefore, we conclude that the district court did not abuse its discretion by denying Pearson's motion for attorney fees.

Accordingly, we

ORDER the judgment of the district court AFFIRMED.[4]

Bulla, C.J.

Gibbons, J.

Westbrook, J.

cc: Hon. Joanna Kishner, District Judge
Thomas J. Tanksley, Settlement Judge
Fennemore Craig, P.C./Las Vegas
Fennemore Craig P.C./Reno
Spencer Fane LLP/Las Vegas
Eighth District Court Clerk

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[4]Insofar as Pearson raises arguments that are not specifically addressed in this order, we have considered the same and conclude that they do not present a basis for relief.