



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: October 21, 2021

Staff Contact: Jason Woodbury, District Attorney

Agenda Title: For Possible Action: Discussion and possible action to authorize the City Manager and District Attorney, through the law firm of Lemons, Grundy & Eisenberg, for a not to exceed amount of \$50,000, to initiate and prosecute litigation of claims against The Travelers Indemnity Company for failing to provide Carson City liability coverage as required by binding contracts for insurance with respect to certain claims by third-parties against Carson City that were litigated and settled in 2019-2020. (Jason D. Woodbury, jwoodbury@carson.org)

Staff Summary: This item is a request from the City Manager and District Attorney for authorization to initiate and prosecute a civil action, through Lemons, Grundy & Eisenberg, against The Travelers Indemnity Company for failing to provide Carson City liability coverage as required by binding contracts for insurance with respect to certain claims by third-parties against Carson City that were litigated and settled in 2019-2020.

Agenda Action: Formal Action / Motion

Time Requested: 10 minutes

Proposed Motion

I move to authorize the City Manager and District Attorney to initiate and prosecute litigation of the claims against The Travelers Indemnity Company as presented.

Board's Strategic Goal

N/A

Previous Action

On November 21, 2019, the Board of Supervisors approved a settlement to resolve litigation in a case entitled Jane Doe v. Carson City et al., case number 3:18-cv-428-LRH-WGC in the United States District Court for the District of Nevada that required Carson City to pay the plaintiff \$505,000.

On November 19, 2020, the Board of Supervisors approved a settlement in the amount of \$125,000 to resolve related litigation threatened by another plaintiff.

Background/Issues & Analysis

In 2018, Carson City was named as a defendant in two lawsuits alleging multiple causes of action in regard to damages allegedly sustained by minors as a result of participation in a recreational program administered by Carson City. Carson City was insured by The Travelers Indemnity Company ("Travelers") at the time and Travelers participated in the litigation. A dispute between Carson City and Traveler's arose as to the limits of liability coverage available with respect to the claims. The law firm of Lemons, Grundy & Eisenberg was engaged as coverage counsel for Carson City at that time. The two cases were settled on November 21, 2019.

In 2020, Carson City was threatened with another, related lawsuit by counsel for an additional plaintiff. Travelers was notified of the threatened litigation and declined to provide any defense or indemnity. A settlement was negotiated and approved by the Board on November 19, 2020, prior to the filing of a lawsuit in that case.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.165; Carson City Charter § 1.070

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Insurance Fund, Professional Services 5900745-500309

Is it currently budgeted? No

Explanation of Fiscal Impact: Professional services would decrease by \$50,000, current available budget is \$58,910. As other cases arise during the year, the City may need to request an augmentation for this line item later in the year.

Alternatives

Do not authorize the City Manager and District Attorney to proceed with litigation as requested.

Attachments:

[20190829 LGE Engagement Letter \(fully executed\).pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

LEMONS, GRUNDY & EISENBERG

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WWW.LGE.NET

August 29, 2019

Via E-Mail

Jason Woodbury
Carson City District Attorney
885 East Musser Street
Suite 2030
Carson City, NV 89701
jwoodbury@carson.org

**Re: City of Carson re: Traveler's Insurance
Our File No. 90.8832**

Dear Mr. Woodbury:

We are pleased to welcome the Carson City, a consolidated municipality, a political subdivision of the State of Nevada ("Carson City") as a client of Lemons, Grundy & Eisenberg, P.C. (the "Firm"). As we have discussed, this letter will confirm our discussions regarding your engagement of our firm.

1. Legal Services and Scope of Work

We appreciate the opportunity to serve you. Our goals are to provide you with legal services of the highest quality and efficiency and to help you accomplish your objectives. You have asked us to review and provide advice concerning coverage determinations made by Traveler's Insurance regarding two litigated matters involving the Carson City. That litigation is now pending in the United States District Court for the District of Nevada as case numbers 3:18-cv-428-LRH-WGC (*Doe v. Carson City et al.*) and 3:18-cv-00538-LRH-WGC (*Doe et al. v. Carson City*).

Our relationship should begin with a mutual understanding of expectations and should continue with full and candid communications between us throughout the course of our representation. Please let me know promptly if you have questions at any time regarding any aspect of our firm's work for you.

The scope of our work may evolve in accordance with discussions or correspondence with you from time to time. To the extent that additional services are requested by you and agreed upon by us, the terms in this letter will apply to such additional services, unless superseded by another written agreement between us.

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Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional responsibility. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect your interest in the above matter.

2. Persons Responsible

Within our firm, Douglas R. Brown will be primarily responsible for this engagement. There may be occasions when your interests would best be served by involving other attorneys or paralegals within our firm. We will advise you of proposed staffing assignments involving other attorneys or paralegals and will work with you to decide on the staffing most appropriate to meet your needs and expectations.

Please let me know promptly if any questions arise about the services provided to you by anyone at our firm, or about any billing that you receive from us, so that we can act appropriately.

3. Rates, Fees and Charges

Our fees are based primarily upon the time spent by our lawyers and paralegals on your behalf. Each lawyer and paralegal assigned to this matter will have an hourly billing rate, and the rate multiplied by the number of hours spent, measured in tenths of hours, will be the basis for determining our fee. The Firm will bill you for time incurred by myself and other partners at the rate of \$250 per hour, for associate attorneys at the rate of \$200 per hour, and paralegals at the rate of \$100 per hour.

We have not requested a retainer for payment in advance for any of our services. We will, however, provide you with monthly statements showing the charges and the current balance of the account in your name.

We may include on our bills charges for performing services such as photocopying, messenger and delivery service, computerized research, travel, long-distance telephone, facsimile and filing fees. Fees and expenses of others whom we might retain only with your permission (such as consultants, experts, appraisers, and local counsel) generally will not be paid by us, but will be billed directly to you.

Our billing rates and charges are usually revised annually, but we reserve the right to revise them at other times during the course of our representation. Following any such revision, our new rates and charges will be applied to your account and this letter constitutes written notice to you of our right to make such revisions.

Carson City will not be billed in excess of \$49,999.99 under this Engagement Letter. At such time as it appears reasonably likely that total charges in this matter will exceed that amount,

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we will notify you. We understand that any contract exceeding \$49,999.99 must be approved by the Carson City Board of Supervisors.

4. Roles of Attorney and Client

Our responsibilities under this agreement are to provide legal counsel and assistance to you in accordance with this letter and with our ethical responsibilities under Nevada law and court rules.

We hope that you will be clear and complete in your communications with us and will extend your reasonable assistance and cooperation to us. We want you to keep us informed of developments related to this representation.

You will, of course, always be entitled to seek independent counsel regarding the terms of our engagement or any aspect of our retention. We emphasize that you remain completely free to seek independent counsel at any time, for any reason, even if you decide to sign the consent below.

5. Client Files and Retention

In the course of our representation we shall maintain a file. In such file we may place correspondence, administrative pleadings, deposition transcripts, exhibits, physical evidence, experts' reports, and documents you provide to us and other items reasonably related to your representation (the "Client File"). The Client File shall be and remain your property. We may also place in such file documents containing our attorney-work product, mental impressions or notes ("Work Product"). You agree that the Work Product shall be and remain our property.

At the conclusion of our representation, when our work on the project specified in this letter has been completed, your Client File (but not including our Work Product) will be available to you at your request, and you will have the right to take possession of the original file as your property. We will be entitled to make copies if we choose. You also agree at the conclusion of your representation (whether or not you choose to take possession of the Client File) to take possession of any and all original contracts or other important documents that may be in the Client File, and we will have no further responsibility with regard to such documents unless we agree to another arrangement for the storage of your documents. If you do not take possession of the Client File at the conclusion of the representation, we shall store such file for you for a period of seven (7) years. In the alternative, we may choose to make digital copies of all or part of the Client File and thereafter discard the paper version of the Client File, and store the Client file in either paper or electronic format, for a period of seven (7) years. During the entire time we store your Client File for you, you shall have the right to take possession of it at any time that you choose. If you do not take possession of the Client file within seven (7) years after the conclusion of our representation, you agree that we may dispose of the Client File without further notice to you.

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6. Entire Agreement

You understand that this letter constitutes our entire agreement pertaining to the engagement of Lemons, Grundy & Eisenberg, P.C. and that it shall not be modified by any policies, procedures, guidelines or correspondence from you or your representative unless agreed to in writing by the firm.

7. Approval and Return of Letter

Please feel free to call me to discuss this matter. If the foregoing is acceptable, please sign the enclosed copy of this letter where indicated below and return it to me.

We appreciate the confidence in me and our firm by your request that we represent you. We look forward to working with you.

Sincerely,



Douglas R. Brown

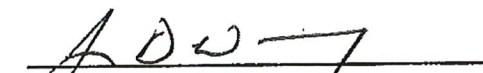
DRB/DAL

Approval of Engagement

I have read this letter and agree to its terms, effective as of the date on which Lemons, Grundy & Eisenberg, P.C. first provided services to Carson City.


Nancy Paulson, Carson City Manager

Approved as to form and content:


Jason Woodbury, District Attorney