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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

PACIFIC COAST STEEL, a Delaware
general partnership, *et al.*,

Plaintiffs,

v.

TODD LEE LEANY, *et al.*,

Defendants.

Case No. 2:09-CV-2190-KJD-PAL

**ORDER GRANTING MOTION FOR
FINDING OF GOOD FAITH
SETTLEMENT**

A hearing on Defendants Todd Lee Leany, the Todd Lee Leany Irrevocable Trust, Century Steel, Inc., a Nevada corporation, Calico Construction Supply LLC, Century Steel Holdings, Inc., Century Properties Henderson 18 LLC, and Century Steel, Inc., a Utah corporation (collectively, “Moving Settling Defendants”) Motion for Good Faith Settlement (the “Motion”) was held on August 27, 2013 at 9 a.m. James D. Kilroy and Chad R. Fears of the law firm Snell Wilmer, LLP appeared on behalf of Plaintiffs Pacific Coast Steel and San Diego Steel Holdings Group, Inc. (“Plaintiffs”). Joseph S. Kistler of the law firm Hutchison & Steffen, LLC appeared on behalf of the Moving Settling Defendants. Matthew L. Johnson of the law firm Matthew L. Johnson and Associates, P.C. appeared on behalf of Tamara Mae L. Hunt and the Tamra Mae L. Hunt Irrevocable Trust (“Non-Settling Defendants”). No counsel appeared on behalf of Lynn Leany Family Trust (the

1 “Non-moving Settling Defendants”), and Non-Moving Settling Defendants took no position on the
2 Motion.

3 The Court, having considered Moving Defendants’ Motion for Good Faith Settlement (#420),
4 Non-Settling Defendants’ Limited Opposition to Motion for Finding of Good Faith Settlement
5 (#422), Errata to the Limited Opposition to Motion for Finding of Good Faith Settlement (#423),
6 Notice of Filing (#427), Objection to the Proposed Order (#428), Response to the Objection (#429)
7 and arguments of counsel, enters the following Findings of Fact, Conclusions of Law, and Order.

8 **FINDINGS OF FACT**

9 1. Plaintiffs entered into a settlement agreement (the “Settlement Agreement”) with the
10 Moving Settling Defendants and the Non-Moving Settling Defendants (collectively “Settling
11 Defendants”).

12 2. The Settlement Agreement requires Settling Defendants to execute a \$26 million non-
13 recourse promissory note secured by multiple pieces of real property and other property. In return all
14 contract and tort claims of Plaintiffs against Settling Defendants, and all affirmative claims filed by the
15 Settling Defendants will be dismissed with prejudice with each party to bear their own fees and costs.

16 3. The amount being paid under the Settlement Agreement by Settling Defendants versus the
17 potential liability of Settling Defendants is fair and adequate.

18 4. The amount received by Plaintiffs under the Settlement Agreement versus the problems of
19 Plaintiffs securing a judgment and then successfully executing on any judgment secured is fair and
20 adequate.

21 5. The Non-Settling Defendants receive a substantial benefit as a result of the Settlement,
22 since the Settlement sum of \$26 million will offset any judgment entered against the Non-Settling
23 Defendants, whether the judgment is based on tort or contract claims. The settling parties have
24 represented to the Court that the contract claims are inextricably intertwined with and subsumed in
25 the tort claims of their case. Further, Non-Settling Defendants have represented that they have
26

1 preserved causes of action for indemnity as between defendants. The Court will consider a jury
2 instruction requiring the jury to separate the damages, if any, into tort and other causes of action.

3 6. There was no allegation presented that the Settlement Agreement was the result of
4 collusion aimed at injuring the Non-Settling Defendants.

5 7. There was no allegation presented that the Settlement Agreement was procured by fraud.

6 **CONCLUSIONS OF LAW**

7 1. Unlike the “nominal sum” addressed by the Nevada Supreme Court in Doctors Company v.
8 Vincent, 98 P.3d 681 (Nev. 2004), the settlement sum here – \$26 million – is fair, reasonable, and
9 substantial, given Settling Defendants’ exposure and the difficulty Plaintiffs face in prevailing on the
10 merits of their claims and successfully executing on any judgment against Settling Defendants that
11 Plaintiffs actually receive.

12 2. The Settlement Agreement was entered into in good faith pursuant to NRS 17.245.

13 **ORDER**

14 IT IS HEREBY ORDERED that:

15 1. The Moving Settling Defendants’ Motion for Good Faith Settlement (#420) is
16 **GRANTED.**

17 2. Any and all claims for indemnification and/or contribution pursuant to NRS 17.245 that
18 could be made by the Non-Settling Defendants against the Moving Settling Defendants are barred.

19 3. The full amount of the promissory note, \$26 million, shall be a setoff or offset against any
20 judgment issued in favor of Plaintiffs and against Non-Settling Defendants, up to the full amount of
21 the said judgment.

22 DATED this 30th day of September 2013.

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25 _____
26 Kent J. Dawson
United States District Judge