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7
8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE DISTRICT OF NEVADA**

10 GRAND CANYON SKYWALK
11 DEVELOPMENT, LLC, a Nevada limited
12 liability company; DY TRUST DATED
13 JUNE 13, 2013, a Nevada Trust; and
THEODORE (TED) R. QUASULA, an
individual;

14 Plaintiffs,

15 vs.

16 DAVID JOHN CIESLAK, an individual;
17 NICHOLAS PETER “CHIP” SCUTARI, an
18 individual; SCUTARI & CIESLAK
19 PUBLIC RELATIONS, INC., an Arizona
corporation.

20 Defendants.

No. 2:13-cv-00596-RCJ-GWF

**PLAINTIFFS’ OPPOSITION TO
DEFENDANTS’ MOTION FOR LEAVE
TO AMEND**

**Hearing Date: March 23, 2015
Hearing Time: 1:30 p.m.**

21 COME NOW Plaintiffs Grand Canyon Skywalk Development, LLC, DY Trust Dated June 13,
22 2013¹ and Theodore R. Quasula, (“Plaintiffs ”) and file this opposition to Defendants’ motion for leave to
23 file a first amended answer and counterclaims. This opposition is based upon the below Memorandum
24 of Points and Authorities, all pleadings and other documents on file in the action, the evidence
25 presented, and such oral argument as the Court may allow.
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28 ¹ Per this Court’s order (Doc. No. 85), DY Trust Dated 2013 has replaced David Jin, who passed away, as a plaintiff in
this action. For ease of reference and consistency, this plaintiff will be referred to as “Mr. Jin” or “Jin” where appropriate.

1 Respectfully submitted this 6th day of March, 2015.

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3 **GREENBERG TRAURIG, LLP**

4 

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6 Donald L. Prunty
7 3773 Howard Hughes Parkway, Suite 400 North
8 Las Vegas, NV 89169
9 Attorneys for Plaintiffs

10 **MEMORANDUM OF POINTS AND AUTHORITIES**

11 **I. INTRODUCTION**

12 This is a defamation and business disparagement case arising out of communications
13 disseminated widely to the public and others by an Arizona-based public relations firm and its
14 principals (“Defendants”). By their motion, Defendants seek leave to amend their answer to assert
15 counterclaims against Plaintiffs. However, these counterclaims should not be permitted for the
16 reasons of undue delay, prejudice to Plaintiffs, and Defendants’ apparent bad faith and dilatory motive
17 in asserting completely new claims at this late date. Further, permitting amendment to include
18 Defendants’ proposed claims would be futile. The proposed claims are plainly barred by Nevada’s
19 litigation privilege, as the basis of Defendants’ claims – Plaintiffs’ filing and maintaining a colorable
20 lawsuit – is protected activity that cannot give rise to tort liability under the law. Even without the
21 absolute privilege, however, the proposed claims do not state plausible causes of action. As further
22 discussed below, Plaintiffs oppose this motion for leave to amend, and this Court should deny it.

23 **II. BACKGROUND**

24 By way of brief background, the Hualapai Tribe (the “Tribe”) hired Defendants in
25 approximately April of 2011 to perform public relations services on behalf of the Tribe. As outlined
26 in detail in the original complaint, a major goal of the public relations campaign was to smear
27 Plaintiffs in the eyes of the tribal members, many of who had been friends and supporters, and the
28 public at large during legal disputes over the Skywalk at Grand Canyon West, more specifically so
that the eminent domain “taking” of Plaintiff GCSD’s contract interest in the Skywalk management

1 agreement would appear more reasonable. Defendants were successful in orchestrating a media
2 campaign against Plaintiffs; numerous disparaging and defamatory statements concerning Plaintiffs
3 were made to the Tribe, the public, reporters, and others. The Tribe renewed Defendants' contract
4 (albeit on different terms) again in March of 2012. *See* Proposed Counterclaim, attached as Exhibit B
5 to Defendants' Motion for Leave to Amend Answer and Assert Counterclaims [Docket No. 91].
6 Defendants were to be paid \$250 per hour for their services, up to a maximum of \$12,500 per month.
7 *Id.*

8 The dispute over the Skywalk management fees and related matters dragged on and on, and
9 eventually, the smear campaign became unbearable for Plaintiffs; in April of 2013, Plaintiffs filed a
10 defamation and business disparagement suit against Defendants. The matter was delayed and
11 discovery stalled (over Plaintiffs' objection) for nearly a year pending various motions. Meanwhile,
12 many of the Tribal individual defendants were voluntarily dismissed in April of 2014 following a
13 global settlement of the disputes between the Tribe and Plaintiffs. *See* Doc. No. 63, 64 (dismissing
14 certain defendants). The remaining Defendants' motion to dismiss Plaintiffs' complaint for failure to
15 state a claim and on anti-SLAPP grounds was denied on May 21, 2014. *See* Doc. No. 66.

16 On June 27, 2014, this Court ordered that a stipulated discovery plan and scheduling order be
17 filed by July 7; it was, and on July 7, 2014, this Court entered the Amended Joint Discovery Plan and
18 Scheduling Order. The parties agreed to attempt mediation, and did so in September of 2014.
19 Unfortunately, the parties were not able to reach resolution. On October 16, 2014, Defendants filed an
20 answer. *See* Doc. No. 70. Defendants also filed a third-party complaint against the Hualapai Tribe for
21 indemnity and contribution with their answer. *Id.* Discovery then began in earnest.

22 On December 23, 2014, this Court entered the current scheduling order. Discovery is set to
23 close on May 18, 2015.

24 On February 17, 2015 – nearly two years after Plaintiffs filed this lawsuit – Defendants filed a
25 motion for leave to file counterclaims. Specifically, Defendants seek to add counterclaims for abuse
26 of process and intentional interference with prospective economic advantage.

27 This motion should be denied, as (1) permitting these late counterclaims, which appear to be
28 the result of bad faith and dilatory motive, would cause prejudice to Plaintiffs, and (2) amendment

1 would be futile where the counterclaims are barred by the litigation privilege and do not and cannot
2 state a claim upon which relief may be granted. This Court should deny the motion.

3 **III. LEGAL ARGUMENT**

4 **A. This Court Should Deny Defendants’ Motion for Leave to Amend to Add**
5 **Counterclaims Where There has Been Undue Delay, Prejudice Would Result, Defendants**
6 **Appear to be Acting in Bad Faith, and Where Amendment Would be Futile.**

7 This Court should deny Defendants’ motion for leave to amend to assert counterclaims. Courts may
8 permit the amendment of an answer and leave to file counterclaims. *See Everest Indem. Ins. Co. v.*
9 *Aventine-Tramonti Homeowners Ass’n*, 2010 WL 5441641, at *2 (D. Nev. 2010). Although leave to
10 amend should be “freely given,” leave to amend is not absolute. *Id.* A court may deny leave to amend in a
11 number of circumstances, to include “undue delay, bad faith or dilatory motive on the part of the movant,
12 repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing
13 party by virtue of allowance of the amendment, futility of amendment, etc.” *Foman v. Davis*, 371 U.S. 178,
14 182, 83 S.Ct. 227, 9 L.Ed.2d 222 (1962).

15 Here, there are several such reasons to deny the amendment. First, the Defendants delayed the
16 request to amend to assert counterclaims, as it has been two years since the filing of the original complaint.
17 The Defendants offer no compelling reason to justify a two-year delay. Second, Plaintiffs would be
18 prejudiced by the amendment where there are only about ten weeks remaining in the discovery period and
19 adequate discovery would not be able to be taken on these new claims, and where additional research and
20 motion practice would be required. Third, the proposed counterclaims appear to be asserted in bad faith,
21 merely for the purpose of delaying litigation or gaining leverage. The Tribe has stopped employing
22 Defendants because Defendants have sued for indemnification, not because of anything more. Finally, the
23 proposed amendment would be futile where the proposed counterclaims are barred by the litigation
24 privilege and fail to state a claim on the proposed causes of action asserted. These reasons are discussed in
25 turn below.

26 ...
27 ...
28 ...

1 1. This Court Should Deny Leave to Assert Counterclaims Where There has Been
2 Undue Delay, Where the Amendment is Sought in Bad Faith, and Where
3 Permitting Such Counterclaims Would be Prejudicial to Plaintiffs

4 This Court should deny leave to amend to assert counterclaims where Defendants have unduly
5 delayed in seeking to assert these claims, where the claims appear to be brought in bad faith, and where
6 allowing the claims to proceed would be prejudicial to Plaintiffs.

7 First, permitting the counterclaims so late would be improper where there has been undue delay.
8 “In assessing timelines, we do not merely ask whether a motion was filed within the period of time allotted
9 by the district court in a Rule 16 scheduling order. Rather, in evaluating undue delay, we also inquire
10 whether the moving party knew or should have known the facts and theories raised by the amendment in the
11 original pleading.” *See LT Intern. Ltd. v. Shuffle Master, Inc.*, 8 F. Supp.3d 1238 (D. Nev. 2014), quoting
12 *AmerisourceBergen Corp. v. Dialysist West, Inc.*, 465 F.3d 946, 953 (9th Cir.2006); *see Texaco, Inc. v.*
13 *Ponsoldt*, 939 F.2d 794, 799 (9th Cir.1991) (finding that an eight-month delay between the time a relevant
14 fact was obtained to the time that leave to amend was sought was unreasonable). Here, the causes of action
15 proposed are based primarily upon Plaintiffs’ filing of the complaint against Defendants. *See, e.g.*,
16 Proposed Counterclaim at ¶¶ 2-5 (the Tribe stopped engaging Defendants “as a result of the filing of this
17 litigation,” Defendants have had to “endure” many embarrassing conversations “regarding this lawsuit,”
18 Defendants lost a lucrative contract “as a direct result of this lawsuit.”). This suit was filed nearly two years
19 ago. The Defendants answered almost a half year ago and have known for many more months that the
20 Tribe was unhappy with these services. Apart from a bad faith intent to gain leverage late in the suit and
21 prejudice Plaintiffs, there is simply no reason for Defendants to wait until the final hour of litigation to assert
22 such claims. *See generally Morongo Band of Mission Indians v. Rose*, 893 F.2d 1074, 1079 (9th Cir.1990)
23 (upholding denial of leave to amend on the basis of dilatoriness and prejudice where party introduced
24 tenuous new legal theory well into the litigation); *American Society For The Prevention of Cruelty To*
25 *Animals v. Ringling Brothers and Barnum & Bailey Circus*, 244 F.R.D. 49 (D. D.C. 2007) (noting that the
26 length of delay between the last pleading and the amendment sought is a factor in considering bad faith and
27 dilatory motive).

1 Likewise, Plaintiffs would be prejudiced by the late addition of these theories. With ten weeks left
2 in discovery, Plaintiffs would have to shift gears, scrambling to research and obtain discovery on these new
3 theories and the purported damages therefrom. This case has been unnecessarily prolonged already;
4 Plaintiffs are “entitled to rely on a timely close of discovery and a near-term trial date.” *See McGlinchy v.*
5 *Shell Chemical Co.*, 845 F.2d 802 (9th Cir. 1988) (affirming denial of leave to amend where the “new
6 claims would have required additional research and rewriting of trial briefs. The resulting delay and
7 expense would have prejudiced [the defendants], who were entitled to rely on a timely close of discovery
8 and a near-term trial date.”).

9 Finally, the totality of the circumstances surrounding the proposed amendment to assert
10 counterclaims against Plaintiffs points to bad faith and dilatory motive. Defendants have already sought to
11 delay this lawsuit, and have succeeded. Further, as discussed below, the proposed claims are barred by the
12 litigation privilege. Even if they were not, however, they are conclusory allegations that fail to state a claim
13 upon which relief can be granted. It seems there is no motive for these counterclaims other than an attempt
14 to gain bargaining leverage by making this lawsuit more expensive for Plaintiffs.

15 2. This Court Should Deny Leave to Assert Counterclaims Where the Proposed
16 Amendment is Futile.

17 This Court may also deny leave to assert counterclaims where the proposed amendment is futile. A
18 proposed amendment is futile where the claims asserted in the proposed amended pleading are not valid.
19 This standard is akin to the 12(b)(6) standard; the court must accept as true all well-plead factual allegations
20 in the complaint, but legal conclusions are not entitled to the assumption of truth. *Sequoia Elec., LLC v.*
21 *Trustees of the Laborers Joint Trust Fund*, 2013 WL 321661, *3 (D. Nev. 2013).² “When the claims in a
22 proposed complaint have not crossed the line from conceivable to plausible, plaintiff’s motion to amend
23 must be denied.” *Id.*, citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555, 127 S.Ct. 1955, 167
24 L.Ed.2d 929 (2007). Similarly, although detailed factual allegations are not required, a claim must contain

25
26 ² Although this is akin to the 12(b)(6) standard, and Plaintiffs are therefore addressing some of the deficiencies in the
27 proposed amended counterclaim in this motion, if Defendants are permitted to amend, Plaintiffs reserve the right to file a
28 more comprehensive motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) on any grounds, including
those stated in this motion. Plaintiffs likewise reserve the right to file a special motion to dismiss under Nevada’s SLAPP
statute.

1 “more than labels and conclusions” or a “formulaic recitation of the elements of a cause of action.” *See,*
2 *e.g., Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S.Ct. 1937, 173 L.Ed.2d 868 (2009) (citations omitted).

3 Here, Defendants assert two proposed counterclaims against Plaintiffs, both of which fail as a matter
4 of law. These claims are barred by the litigation privilege, but even if they were not, they do not cross the
5 line from conceivable to plausible. It would be futile for this Court to permit amendment to add them.

6 ***a. Both Proposed Counterclaims Fail Under Nevada’s Litigation Privilege***

7 As an initial matter, both claims fail under Nevada’s litigation privilege. Nevada has an absolute
8 privilege for pleadings made in the course of judicial proceedings. *Sahara Gaming Corp. v. Culinary*
9 *Workers Union Local 226*, 115 Nev. 212 (Nev. 1999) (“Certainly, the pleading in this case, a formal
10 complaint, is covered under the rule of absolute privilege.”). This privilege applies not only to prevent
11 liability for defamation based on the filing of a complaint or other statements during litigation, but also to
12 other similar causes of action. *See, e.g., Randazza v. Cox*, 2014 WL 2123228, *4 (D. Nev. 2014)
13 (“Absolute privilege is a defense to abuse of process.”); *Grange Consulting Group v. Bergstein*, 2014 WL
14 5308188, *2 (D. N.J. 2014) (noting that the privilege has been applied to prevent a variety of legal theories,
15 including abuse of process and interference with contractual or advantageous business relations, stating that
16 “[i]f the policy...is really to mean anything then we must not permit its circumvention by affording an
17 almost equally unrestricted action under a different label”); *Pacific Gas & Electric Co. v. Bear Stearns &*
18 *Co.*, 50 Cal.3d 1118, 1135 (Cal. 1990) (explaining that a litigant is protected from liability “for
19 undertaking to bring a colorable claim to court”); *Salma v. Capon*, 161 Cal.App.4th 1275, 1290 (Cal.
20 App. 2008) (noting that a party’s filing of a notice of *lis pendens* was protected under the litigation privilege
21 from liability for the tort of intentional interference with prospective economic advantage “or any other tort
22 except malicious prosecution”). Other policies, such as the *Noerr-Pennington* doctrine and the anti-SLAPP
23 laws, echo this sentiment.

24 This makes sense, as “[o]bviously if the bringing of a colorable claim were actionable, tort law
25 would inhibit free access to the courts and impair our society’s commitment to the peaceful, judicial
26 resolution of differences.” *See Pacific Gas & Electric Co. v. Bear Stearns & Co.*, 50 Cal.3d 1118, 1131.
27 Here, Defendants seek to bring counterclaims based entirely on Plaintiffs’ filing and maintenance of a
28 lawsuit for defamation. For example, Defendants assert that the Tribe stopped engaging Defendants “as a

1 result of the filing of this litigation,” Defendants have had to “endure” many embarrassing conversations
2 “regarding this lawsuit,” Defendants lost a lucrative contract “as a direct result of this lawsuit.” *See, e.g.*,
3 Proposed Counterclaim at ¶¶ 2-5. Filing and maintaining a lawsuit is protected activity in American
4 jurisprudence and cannot be the basis for liability. The Court should deny Defendants’ motion for leave to
5 assert these counterclaims.

6 ***b. Defendants’ Proposed Abuse of Process Counterclaim Fails***

7 Defendants’ proposed abuse of process claim fails. Nevada law requires that a plaintiff prove two
8 elements to show abuse of process. These are (1) an ulterior purpose by the defendants other than
9 resolving a legal dispute, and (2) a willful act in the use of the legal process not proper in the regular
10 conduct of the proceeding. *See LaMantia v. Redisi*, 118 Nev. 27,30, 38 P.3d 877 (Nev. 2002). The
11 mere filing of the complaint is insufficient to establish the tort of abuse of process. *Laxalt v.*
12 *McClatchy*, 622 F.Supp. 737, 752 (D. Nev.1985). A claim for abuse of process may be dismissed
13 where a plaintiff simply alleges that a party filed a complaint with malicious intent, and does not
14 include an allegation of abusive measures taken *after* the filing of the complaint. *See Karony v. Dollar*
15 *Loan Center, LLC*, 2010 WL 5186065, 5 (D. Nev. 2010), citing *Laxalt v. McClatchy*, 622 F.Supp.
16 737, 752 (D. Nev.1985) (“Although Karony alleges an ulterior purpose to the Underlying Lawsuit, he
17 alleges no facts occurring subsequent to the filing of the Underlying Lawsuit in support of the second
18 element to this claim. Accordingly, Karony alleges insufficient facts to support a claim for abuse of
19 process. Therefore, the Court dismisses this claim.”). Similarly, the mere maintenance of a suit is
20 insufficient to state a claim for abuse of process. *Rashidi v. Albright*, 818 F.Supp. 1354, 1359 (D.
21 Nev. 1993).

22 Here, Defendants have plead no facts in their proposed counterclaim that would support these
23 elements. In their abuse of process allegations, S&C claims that Plaintiffs filed the instant lawsuit, *see*
24 Proposed Counterclaim, at ¶ 10; Plaintiffs sued the owners individually as well as the business, and
25 refuse to dismiss them *see id.*, at ¶¶ 11, 13; Plaintiffs excluded Defendants from settlement
26 negotiations, *see id.*, at ¶ 12; and that Plaintiffs have been maintaining the suit despite knowing of an
27 indemnity provision as between the Defendants and the Tribe, *see id.* at ¶ 16.
28

1 None of these allegations support an abuse of process claim; instead, they are the mere filing
 2 and maintenance of a lawsuit, which does not amount to abuse of process under Nevada law. There is
 3 no rule stating that all defendants must participate in settlement negotiations; indeed, cases partially
 4 settle all the time. Further, this Court has considered the adequacy of Plaintiffs' complaint via a
 5 motion to dismiss and found the complaint sufficient to withstand a 12(b)(6) challenge. *See* Doc. No.
 6 66. Finally, the fact that Defendants may someday be entitled to indemnity or contribution from a
 7 third party has no bearing whatsoever on Defendants' liability to Plaintiffs.³ Accordingly, this Court
 8 should deny Defendants' motion to amend to assert the abuse of process counterclaim.

9 *c. Defendants' Proposed Intentional Interference With Prospective Economic*
 10 *Advantage Counterclaim Fails*

11 Defendants' proposed claim for intentional interference with prospective economic advantage
 12 does not state a prima facie case. A plaintiff must allege: (1) a prospective contractual relationship
 13 between the plaintiff and a third party; (2) the defendant's knowledge of this prospective relationship;
 14 (3) the intent to harm the plaintiff by preventing the relationship; (4) the absence of privilege or
 15 justification by the defendant; and, (5) actual harm to the plaintiff as a result of the defendant's
 16 conduct. *Leavitt v. Leisure Sports Inc.*, 103 Nev. 81, 88, 734 P.2d 1221, 1225 (1987). To show intent,
 17 a plaintiff must show that "the interference with the contractual relation was either desired by the
 18 defendant or known to the defendant to be a substantially certain result of his or her conduct." *See*
 19 *Burson v. State of Nevada*, 1992 WL 246915 (D. Nev. 1992).

20 Here, Defendants allege in their proposed counterclaim that Plaintiffs have interfered with
 21 prospective economic advantage by filing a lawsuit against them and continuing to maintain this lawsuit
 22 despite knowledge that the statements were authorized by the Tribe or its attorneys. *See, e.g.*, Proposed
 23 Counterclaim, at ¶ 25. As noted above, filing of a lawsuit is privileged and does not give rise to such a
 24

25 ³ Defendants appear to misunderstand the nature of indemnity. Indemnity or contribution allows for payment to a
 26 defendant from a third party *after* the defendant pays a judgment to a plaintiff. Although it may be that Defendants will
 27 someday be indemnified by a third party pursuant to a contract, the possibility of indemnification has no bearing on
 28 Defendants' liability to Plaintiffs or Defendants' payment of any judgment to Plaintiffs. *See, e.g., Hanson v. Johnson*,
 2011 WL 3847203, *3 (D. Nev. 2011) (explaining that a federal court in Nevada may permit a cause of action for
 indemnity, *so long as* any judgment against the indemnifying third party is made contingent upon the defendant's payment
 to the plaintiff or stayed until the defendant pays the plaintiff).

1 claim. Further, even taking the allegation that every statement was authorized by the Tribe or its attorneys
2 as true, the claim still fails. Presumably this is another variation on the indemnity argument, which, as
3 discussed above, does not bear on Defendants' liability to Plaintiffs. Moreover, Defendants are the ones
4 that proposed telling the Tribe and the public at large that David Jin was Arizona's version of Bernie
5 Madoff and Leona Helmsley, two convicted felons.⁴ Just because the Tribe and/or its attorney went along
6 with this or other disparaging and defamatory statements does not release the Defendants from liability.

7 Finally, Defendants do not allege a prima facie case. Defendants' proposed counterclaim does not
8 allege the elements with anything other than legal conclusions. *See, e.g.*, ¶ 25. Further, although
9 Defendants attempt to allege harm, the elements require that the harm be a **result** of the defendant's (in this
10 case, the Plaintiffs') conduct. The only specific harm alleged in the proposed counterclaim is that the Tribe
11 is no longer doing business with Defendants.⁵ More precisely, the proposed counterclaim alleges that
12 Defendants had a relationship with the Hualapai Tribe since April of 2011, but the Hualapai "abruptly
13 stopped engaging Counterclaimants for public relations services in November 2014 as a result of the filing
14 of this litigation." *See Proposed Counterclaim*, at ¶ 2. The proposed counterclaim also alleges that
15 Defendants lost a "lucrative Government Relations contract with the Hualapai Tribe as a direct result of this
16 lawsuit." *See id.*, at ¶ 4. However, Defendants' own counterclaim belies this narrative. As noted above,
17 Plaintiffs filed their complaint against Defendants in April of 2013. For various reasons, including a failed
18 mediation and motion practice, the suit was delayed until October of 2014. In October of 2014, Defendants
19 finally answered the complaint, **and filed a third-party complaint against the Hualapai Tribe**. If the Tribe
20 "abruptly" stopped doing business with Defendants a few weeks later, in November of 2014, the logical
21 inference is that it was because **the Tribe was being sued by Defendants**, not because of a lawsuit Plaintiffs
22 had filed a year and a half prior. A claim must be "plausible on its face," and this one is not. Defendants'
23 proposed counterclaim should not be permitted, as amendment to add this claim would be futile.

24
25
26 ⁴ *See* Scutari & Cieslak outline to the Hualapai Tribe entitled Hualapai Nation: Skywalk and Beyond, attached hereto as
27 **Exhibit 1**.

28 ⁵ It is worth noting that by the very terms of the contract, attached as Exhibit A to Defendants' motion, the Tribe is not
obligated to provide **any** public relations work to Defendants. Instead, the contract simply provides for "a fee of \$250 per
hour with a **maximum** amount of \$12,500 per month." (emphasis added).

1 **IV. CONCLUSION**

2 In light of the foregoing, Plaintiffs respectfully request that this Court DENY Defendants'
3 motion for leave to amend their answer to assert counterclaims.

4 Dated this 6th day of March, 2015.

5
6 GREENBERG TRAURIG LLP

7
8 By: /s/ Mark G. Tratos

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13 Las Vegas, Nevada 89169
14 *Attorneys for Plaintiffs*

1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of Greenberg Traurig, LLP, and that on this 6th day of March,
3 2015, I served a true and correct copy of the foregoing **OPPOSITION TO DEFENDANTS’**
4 **MOTION FOR LEAVE TO AMEND COMPLAINT** via the Court’s CM/ECF system to the parties
5 and their counsel identified below:

6 Nicholas M. Wieczorek
7 Suzette P. Ang
8 Morris Polich & Purdy, LLP
9 500 South Rancho Drive, Suite 17
10 Las Vegas, Nevada 89106
11 *Attorneys for Defendants David John Cieslak,*
12 *Nicholas Peter “Chip” Scutari and*
13 *Scutari & Cieslak Public Relations, Inc.*

14 /s/ Cynthia L. Ney
15 An employee of Greenberg Traurig, LL

Exhibit 1



HUALAPAI NATION: SKYWALK AND BEYOND

The Hualapai Nation has a fascinating and important story to tell, and we're honored that the tribe has chosen us to help in that endeavor. The Hualapai people have a proud history of perseverance which serves at the core of their existence. They are now facing a significant public relations opportunity – and some considerable challenges – with their planned legal action against David Jin. It's imperative that we immediately establish the tribe's public brand with key messages, offer communications coaching to tribal spokespeople, and engage newspaper, TV and radio media outlets within the next 4-6 weeks. The following is a brief outline based on our initial knowledge of the project, and the information will be revised following our meeting with the Tribal Council.

Narrative

Based on our initial observations and meetings with the Gallagher & Kennedy team, we have developed a narrative to guide our communications strategy. This is simply a draft that will be updated immediately following our first meeting with tribal leaders. Keywords and phrases that should be incorporated into our talking points have been underlined.

The Hualapai Nation is a community of proud, hard-working Native Americans who value their rich history and legacy. For many years, the Hualapai endured financial challenges and suffered from a lack of tourism on their magnificent but very remote land along the Grand Canyon. Still, this resilient tribe built a strong community for its people and embraced opportunities to grow.

About 10 years ago, Las Vegas businessman David Jin strolled into Peach Springs with a clever idea: build a glass-bottom walkway over the Hualapai's land along the Grand Canyon and create an internationally renowned tourist attraction. The deal seemed straightforward and genuine enough: Jin would finance construction of the Skywalk, a visitors' center and gift shop. In exchange, the Hualapai Nation would award Jin the management contract for Skywalk and the surrounding facilities. Revenue generated by the Skywalk and the gift shop would benefit the Hualapai Nation's elementary school, police and fire departments, and help the tribe improve the quality of life for its members. In 2007, the Skywalk opened to much fanfare and large crowds that flocked to the site.

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When something seems too good to be true, it usually is. Sadly, the Hualapai people have learned that lesson the hard way - at the hands of David Jin.

Now four years after the Skywalk's grand opening, Jin has failed to abide by his contractual obligations and keep even the most basic promises he made to the Hualapai. The visitors' center is an empty shell - a ramshackle building that sits idle with exposed wiring hanging from the ceilings and holes in the floor. There are abysmal port-a-johns, not luxurious bathrooms, as Jin promised for the thousands of tourists who visit from around the world. Worse yet, there is no electricity, water or sewer utilities running to the attraction at all. It's an appalling breach of the contract's most critical terms, and tourists from around the world get a front-row view of this debacle every single day.

The Hualapai have begged Mr. Jin to keep his promises and complete the work. Instead, Jin and his various subsidiaries have behaved like Arizona's version of Leona Helmsley and Bernie Madoff, leaving uninhabitable buildings in his wake and ignoring the pleas of those who trusted him. The tribe has simply asked Jin to uphold his end of the bargain. Now, the Hualapai are forced to seek the court's assistance to protect what's left of their investment.

Timeline of Next Steps

Week of April 6

- Meet with Hualapai Tribal Council
 - Review and approve letters to public, tribal members
- Tour Skywalk and facilities
- Finalize key messages to be used in media interviews, speeches
- Schedule communications coaching/media training session for week of 4/11

Week of April 11

- On-camera, advanced communications coaching/media training
- Shoot photos, video of visitors' center, port-a-johns, other incomplete areas
- Film amateur-style, flip cam videos of incomplete areas for potential YouTube postings
- Contact correspondent Marc Lacey with the New York Times (after initial meeting with Hualapai Tribal Council)

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- Tape testimonials with Tribal Council and members expressing their disappointment with Jim's incomplete buildings. (Testimonials will be edited/reviewed and considered for posting on YouTube)
- After media training, pitch key reporters from:
 - Arizona Republic
 - Las Vegas Review Journal
 - Las Vegas Sun (editorial writer)
 - Associated Press
 - Arizona Daily Sun

Week of April 11

- Assist Hualapai Tribal Council with improving communications to members, including discussion of enhancing newsletter, blog and website.
- Pitch media outlets including:
 - KIZZ-FM (Phoenix NPR affiliate)
 - KNPR-FM (Las Vegas NPR affiliate)
 - Las Vegas Weekly
 - Reuters
 - Los Angeles Times
- Write op-ed for Hualapai President Wilfred Whatoname Sr. that will be submitted to Las Vegas Review Journal, Arizona Republic and rural newspapers

Week of April 18

- Pitch media outlets including:
 - KVBC-TV (Las Vegas NBC affiliate)
 - KTNV-TV (Las Vegas ABC affiliate)
 - KLAS-TV (Las Vegas CBS affiliate)
 - KVUU-TV (Las Vegas Fox affiliate)
 - KNXV-TV (Phoenix ABC affiliate)
 - KPNX-TV (Phoenix NBC affiliate)
 - KPHO-TV (Phoenix CBS affiliate)
 - KSAZ-TV (Phoenix Fox affiliate)
- Write and coordinate letters to newspaper editors from Hualapai tribal members

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