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2021 MAY 10 AM 11:46

COMPLAINT

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IN THE NINTH JUDICIAL DISTRICT COURT FOR THE COUNTY OF
DOUGLAS, STATE OF NEVADA

LIZA SIMS, individually
and as Guardian Ad Litem, for EDNA GLEASON
Plaintiffs

v.

COMPLAINT

FARMERS GROUP INC., dba FARMERS INSURANCE
EXCHANGE dba FARMERS EXCHANGES

a Delaware Corporation

GORDON REES SCULLY MANSUKHANI LLP

a law partnership

STEVEN INOUYE, an individual

ROBERT S. SCHUMACHER, an individual

INDIVIDUAL DOES 1 THROUGH 20

CORPORATE DOES 1 THROUGH 20

1 **IDENTITIES OF THE PARTIES**

2 1. Plaintiff LIZA SIMS is a resident of Douglas County and is Guardian ad Litem for
3 her Mother, plaintiff EDNA GLEASON, a senior in excess of 90 (ninety) years of age.
4

5 2. Defendant FARMERS INSURANCE GROUP, INC. dba FARMERS INSURANCE
6 COMPANY dba FARMERS EXCHANGE (hereinafter FARMERS) is a Delaware corporation
7 authorized to do business in the State of Nevada and is doing business in the state of Nevada.

8 3. Defendant GORDON REES SCULLY and MANSUKHANI (GRSM) is a foreign law
9 partnership registered with the Secretary of the State of Nevada, is doing business in Nevada,
10 has a principle place of business in Nevada at 300 S. 4th Street, Suite 1550, Las Vegas, NV
11 89101, and is a 'citizen' of the State of Nevada for purposes of 28 U.S.C. 1332.
12

13 4. Defendant STEVEN INYOUÉ is a resident of California, an employee and agent of
14 GSRM, and has committed tortious acts that have proximately caused damage within the
15 County of Douglas, State of Nevada, to wit, intentional interference with contract as set forth
16 *Infra*.

17 5. Defendant ROBERT S. SCHUMACHER is a resident of Nevada a partner of
18 GSRM, and therefore is individually liable for the acts and omissions of GSRM alleged herein.
19 including but not limited to the deceptive trade practices complained of. It should be noted that
20 though GSRM, INYOUÉ, and SCHUMACHER engaged in acts of insurance bad faith, under
21 the present case law they are not liable for the same but their unreasonable litigation tactics as
22 agents of Farmers has made Farmers liable for same. *White v. Western Title Company*, 40 Cal3rd
23 870 (1985)
24
25

26 **JURISDICTION AND VENUE**

27 6. This court has jurisdiction of the subject matter of this litigation because defendants
28

1 have violated one or more provisions of Nevada State Law, and venue is properly laid in the
2 9th Judicial District, State of Nevada, by virtue of NRS 13.010 (1) because the contract in suit
3 was breached in Douglas County. In addition, the contract interfered with was made in Douglas
4 County under Nevada State law and intended to be performed, in part, in Douglas County.
5 Defendants are doing business in all counties in the State of Nevada, and are residents thereof
6 by virtue of NRS 13.040. Transfer pursuant to NRS 13.050 2 c is inapplicable because plaintiff
7 Edna Gleason is in excess of 90 years of age and trial other than in Douglas County would be,
8 for her, a marked inconvenience.
9

10
11
12 **INAPPLICABILITY OF N.R.S. 41.650**

13 7. The acts and/or omissions complained of herein are not subject to a 'special motion' to
14 Strike pursuant to N.R.S. 41.650 because their either constitutes acts of 'insurance bad faith'
15 which are exempted from coverage by ANTI-Slapp laws (see, *Miller Marital Deductible Trust*
16 *v. Miller*, 2019 WL 5304862 (Cal. App. 2019), and or, said acts and/or omissions are not
17 'communications' made either in 'good faith' and/or were untrue and made with knowledge of
18 their falsity within the exception provided by N.R.S. 41.637. Any so-called 'free speech'
19 engaged in by Farmers and or GRSM was 'commercial speech' and exempted from anti-
20 SLAPP coverage.
21

22
23 **GENERAL ALLEGATIONS**

24
25 8. Plaintiffs are victims of the so-called 'Camp' fire which occurred in Paradise/McGalia
26 California on November 8th, 2018.

27 9. Plaintiff Edna Gleason was the owner of residential real property located at
28

1 13854 Andover Place Magalia California and the primary insured under a homeowners policy¹
2 covering the premises and its contents written by Farmers. That policy had been in place for
3 many years pre years preceding the fire. Farmers was aware, due to a 2013 meeting between
4 Plaintiff Liza Sims, Plaintiff Edna Gleason, and Farmer's local agent Dawn Foster, that Plaintiff
5 Liza Sims was occupying this dwelling. Dawn Foster, and therefore Farmers, was made aware
6 that the home and garage contained valuable business property (hereinafter the 'business
7 property') of Liza Sims. In 2013, when she assumed occupancy of this dwellings Liza Sims
8 asked Dawn Foster whether this property was covered by the noted policy and was told that
9 indeed it was covered.
10

11
12 10. Sometime in 2017, the year before the 'Camp' fire, Dawn Foster and Farmers materially
13 changed the homeowners policy to a so-called 'Landlord's Protector' policy but did not notify
14 the occupant of the premises covered, Plaintiff Liza Sims, of this change in coverage.

15
16 11. During the fire Edna Gleason became totally mentally incapacitated as a result of the
17 trauma sustained during her attempt to escape the fire.. Ms. Sims, who rescued her mother, was
18 barely able to prevent both her Mother and herself from being burned alive. Both Mother and
19 Daughter took refuge in a church building nearby their incinerated home, because they could not
20 otherwise out run the fire storm, which engulfed the surrounding forest.

21
22 12. Since all of the Farmers insurance documents were destroyed in the fire, Ms. Sims,
23 on behalf of herself and on behalf of her incapacitated mother, dialed a Farmers claims telephone
24 number and made claim for all the damages and losses available under the homeowners' policy
25 as she understood it. This call was made in November 2018 after the fire. The Farmers agent
26 advised her that the policy had been cancelled for nonpayment. This proved to be untrue.
27 After this call, Farmers never sent a copy of the 'Landlord Protector' policy
28

¹ Policy Number 30723-03-47 (hereinafter "the policy")

1 to Ms. Sims. though it was told - and knew or should have known - that she was the occupant of
2 the property at the time of the fire, and that she was an agent for her incapacitated mother. The
3 Farmers agent stated that there was no coverage under the then existing policy (not identifying
4 it as a so called 'Landlord Protector' policy) because Liza Sims was a tenant and that there was
5 no 'personal property' coverage for a tenant under the noted policy.
6

7
8 13. Since Farmers stated that 'personal property' was not covered under the
9 'Landlord Protector' policy, yet agent Dawn Foster had assured Ms. Sims that her business
10 Property was indeed covered, Liza Sims sued PG and E for damages arising from negligence
11 and/or willful conduct eventually conceded liability for causing the fire²) on behalf of herself and
12 her Mother, and on behalf of herself, sued Farmers for damages arising from negligence in
13 failing to provide coverage for her business property.
14

15 See, *Liza Sims, individually, and as guardian ad litem Edna Gleason v. PG & E, Farmers*
16 *19-cv-00110* (Butte County Superior Court 2019)³.

17
18 14. Defendant Farmer's hired GSRM to defend it. GSRM filed a demurrer and in its
19 pleadings referred to the policy as a homeowner's policy, characterized Plaintiff Liza Sims as
20 a 'tenant', made no mention of the so-called 'Landlord Protector' policy. The first time
21 Plaintiff or Plaintiff's counsel heard of a so-called 'Landlord Protector' policy was on or about
22 February 22nd, 2021, when Farmers finally produced such document.
23

24 15. Farmers and GSRM's demurrer was overruled. GSRM then filed a motion to disqualify
25 counsel William D. McCann on spurious grounds. William D. McCann, a member in good
26

27 ² PG and E pled guilty to 84 (eighty-four) felony counts of involuntary manslaughter in Butte County Superior
Court on January 16, 2020

28 ³ Plaintiff asks this Court to take Judicial Notice of all of the Pleadings in the Butte County case, which can be
Viewed at <https://cabutteodyprod.tylerhost.net/Portal/Home/WorkspaceMode?p=0>

1 standing of the State Bar of Nevada, with an office in Douglas County, the adopted residence
2 of the Plaintiffs, had filed an application to appear in the Butte County case *pro haec vice*.
3 He did not disclose – nor was he required to disclose - the fact that he had resigned from the
4 State Bar of California over a decade earlier. GSRM accused William D. McCann of deceit,
5 of misleading the court, and of lying. None of this was true. At the time of filing
6 Steven Inyoue - specifically– knew that Ms. Sims had sustained severe losses as a result of
7 the Camp Fire and was suffering from severe post-traumatic stress disorder (hereinafter PTSD),
8 knew that McCann was obligated to reveal to his clients the fact of this filing, and what it
9 contained. GSRM and Inyoue knew – or should have known - that both Plaintiff Liza Sims and
10 her mother Edna Gleason were residents of the County of Douglas, State of Nevada, that
11 William D. McCann Esq. was a licensed attorney in the State of Nevada and represented their
12 interests against Farmers and PG and E, and Ms. Sims would suffer grave mental distress as a
13 result of reading the allegations made against McCann, and, if the motion were granted, would
14 be deprived of his counsel. Ms. Sims indeed suffered grave mental distress as a result of the
15 allegations made against Mr. McCann.
16

17
18
19 The standard for foreign counsel disqualification in California is proof that counsel sought to
20 be disqualified would disrupt or otherwise compromise the proceedings from which removal is
21 sought. Neither GSRM nor Farmers offered a scintilla of proof that Mr. McCann would
22 disrupt the Butte County Proceedings, and the Court denied the motion.
23

24 16. It became apparent to Plaintiff and her counsel that GSRM had filed the disqualification
25 motion in bad faith, and for improper purposes: to wit, to further damage the Plaintiff Liza Sims
26 and deprive her and her Mother of Mr. McCann's counsel, but worse, to attempt to deprive her of
27 Martindale Hubbell AV Rated Counsel. Had GSRM been successful, it is possible that Ms. Sims
28

1 would never have discovered that Farmers had changed the coverage under the policy to a
2 a so-called 'Landlord Protector' policy, which provided \$300,000.00 (Three hundred thousand
3 dollars) in renter property damage pursuant to Coverage E of such policy. So Plaintiff believes,
4 and on such information and believe alleges, that GSRM filed the disqualification for the
5 additional improper purpose of concealing the availability of this coverage from Ms. Sims.
6

7 17. GSRM extensively advertises itself in the State of Nevada as having 'Legal Firepower'⁴
8 and as 'Your 50 State Partner'. . . *The use of such advertisements is extensive, because they are*
9 *contained in each email the partners and associates of this law firm disseminates and in the*
10 *firm's website.*
11

12 The facts stated or implied in these advertisements are false: GSRM has no 'legal firepower', nor
13 does it maintain ad office or have 'partners' in all 50 states. The advertisement is intended to
14 make GSRM look 'big', cow its opponents, aggregate insurance defense dollars unto its coffers,
15 and thereby damage the consuming public. The use of these advertisements replicates the same
16 form of bullying tactic used in the Butte County litigation.
17

18
19 **BREACH OF WRITTEN CONTRACT**
20 **ON BEHALF OF PLAINTIFF EDNA GLEASON**

21 18. Plaintiff Edna Gleason incorporates herein allegations 1 through 17.

22 19. In or about 2017 Farmers entered into a written insurance contract with Plaintiff Edna
23 Gleason whereby Farmers, by virtue of Coverage E, thereof, agreed to pay for third party losses
24 of business property located in Ms. Gleason's residence in Magalia, California in exchange for
25 insurance premiums.
26

27 ⁴ GSRM thinks so highly of this advertisement that it has registered it as a service mark with the United States
28 Patent and Trademark Office under Registration 7861708. It also has a registration for 'Your 50 State Partner'
Yet, according to Public Legal, it is not included in the 350 largest law firms in the United States.
<https://www.ilrg.com/nlj250?page=7>

