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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

## IDENTITIES OF THE PARTIES

1  
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. 4<sup>th</sup> 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 4. Defendant STEVEN INYOUÉ is a resident of California, an employee and agent of  
13 GSRM, and has committed tortious acts that have proximately caused damage within the  
14 County of Douglas, State of Nevada, to wit, intentional interference with contract as set forth  
15  
16 *Infra*

17  
18 5. Defendant ROBERT S. SCHUMACHER is a resident of Nevada a partner of  
19 GSRM, and therefore is individually liable for the acts and omissions of GSRM alleged herein.  
20 including but not limited to the deceptive trade practices complained of. It should be noted that  
21 though GSRM, INYOUÉ, and SCHUMACHER engaged in acts of insurance bad faith, under  
22 the present case law they are not liable for the same but their unreasonable litigation tactics as  
23 agents of Farmers has made Farmers liable for same. *White v. Western Title Company*, 40 Cal3<sup>rd</sup>  
24 870 (1985)

## JURISDICTION AND VENUE

25  
26  
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 9<sup>th</sup> 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 8<sup>th</sup>, 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 policy<sup>1</sup>  
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

<sup>1</sup> 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 fire<sup>2</sup>) 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)<sup>3</sup>.

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

28 <sup>3</sup> 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'<sup>4</sup>  
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 <sup>4</sup> 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>

1  
2 20. Plaintiff Edna Gleason substantially performed every material condition of said insurance  
3 contract. After the fire, Edna Gleason moved to Douglas County, and the breaches of said  
4 contact occurred in Douglas County,

5 21. In 2018, after the Camp Fire, Farmers breached said written contract by failing to pay for  
6 lost and/or destroyed business property located in the structures of the residence.

7  
8 22. Within 30 (thirty) days of the Camp Fire, Plaintiff Liza Sims, on behalf of herself and  
9 her mother, notified agents of Farmers of the loss of said business property and demanded  
10 payment therefore.

11 23. As a proximate result of said breach, Plaintiff Liza Sims has been damaged  
12 in the amount of \$300,000.00 (Three hundred thousand dollars) and prays that Farmers be  
13 ordered to pay the same.  
14

15  
16 **BAD FAITH AND UNFAIR TRADE PRACTICES**  
17 **N.R.S. 686A ON BEHALF OF PLAINTIFF EDNA GLEASON**  
18 **ASSERTED AGAINST FARMERS**

19 24. Plaintiff Edna Gleason incorporates by reference herein allegations 1 through 23.

20 25. After concealing the benefits under the so-called 'Landlord Protector' policy, and  
21 failing to pay the benefits thereunder, Farmers violated N.R.S. 686A 310 a through e, inclusive.

22 26. Farmers perpetuated its violation of N.R.S. 686A 310 e. by directing its agents GRSM to  
23 file a sham motion to disqualify Plaintiff Edna Gleason's counsel, which had the effect  
24 of failing to effectuate prompt settlement of the claim previously made by her daughter, Liza  
25 Sims.

26  
27 27. As a proximate result of said violations, Plaintiff Edna Gleason suffered grave emotional  
28 damages, consequential damages and sustained attorney's fees and prays that Farmers be ordered



1 to pay the same.  
2

3 28. In addition to recovering these damages, Plaintiff Edna Gleason prays that the Court and  
4 or jury in this matter assess a fair measure of damages against Farmers by way of punishment  
5 and example pursuant to N.R.S. 42.005 2 (b)  
6

7 **BREACH OF THE COVENANT OF GOOD FAITH**  
8 **AND FAIR DEALING ON BEHALF OF PLAINTIFF**  
9 **EDNA GLEASON ASSERTED AGAINST FARMERS**

10 29. Plaintiff Edna Gleason incorporates by reference herein allegations 1 through 28.

11 30. The policy in this matter was engrafted with a covenant of good faith and fair dealing.

12 31. Farmers breached the covenant of good faith and fair dealing engrafted on this policy  
13 by engaging in the conduct set forth *supra*, and by directing its agents GSRM to delay and  
14 perpetuate the Butte County litigation by filing a spurious motion to disqualify attorney William  
15 D. McCann, Esq., and deprive her of her chosen counsel against both Farmers and PG and E.  
16

17 32. As a proximate result of said violations, Plaintiff Edna Gleason suffered grave emotional  
18 damages, consequential damages and sustained attorney's fees and prays that Farmers be ordered  
19 to pay the same.

20 33. In addition to recovering these damages, Plaintiff Edna Gleason prays that the Court and  
21 or jury in this matter assess a fair measure of damages against Farmers by way of punishment  
22 and example pursuant to N.R.S. 42.005 2 (b)  
23  
24  
25

26 **BREACH OF CONTRACT DAMAGES**  
27 **ON BEHALF OF PLAINTIFF LIZA SIMS**  
28 **INTENDED THIRD PARTY BENEFICIARY**  
**OF THE FARMERS INSURANCE AGREEMENT**

1  
2 34. Plaintiff Liza Sims incorporates by reference herein allegations 1 through 33.

3 35. By virtue of the change of the homeowner's policy to a 'Landlord Protector' policy in  
4 2017, agent Dawn Foster, aware of the storage of Plaintiff Liza Sims business property in the  
5 Magalia Residence, made Plaintiff Liza Sims an 'intended beneficiary' of Coverage E. of the  
6 policy.

7 36. Plaintiff Edna Gleason substantially performed her duties and obligations under the  
8 underlying insurance policy by paying the premium therefor.

9 37. Farmers breached the insurance contract as to Liza Sims when it failed to make payment  
10 for the value of her business property lost in the Camp Fire. The breach of the obligation  
11 occurred in Douglas County, Nevada

12 38. As a proximate result of Farmers breach, Plaintiff Liza Sims has been damaged in the  
13 amount of \$300,000.00 (Three hundred thousand dollars) under Coverage E of the noted policy.  
14

15  
16  
17 **TORTIOUS INTERFERENCE WITH CONTRACT**  
**AGAINST FARMERS AND GRSM**

18 39. Plaintiffs Liza Sims and Edna Gleason incorporate by reference herein allegations 1-38.

19 40. Defendants Farmers and GSRM at all times were aware of the existence of a valid  
20 attorneys fee contract between William D. McCann, Esq. and Plaintiffs and intended to induce  
21 breach of the contract and/or render it void and unenforceable by their spurious motion.

22 41. Defendants Farmers and GSRM intentionally interfered with said contract by attempting  
23 -illegally and spuriously - to disqualify William D. McCann, Esq. from representing Plaintiffs  
24 in the Butte County. The disqualification motion was without legal or moral justification, was  
25 unreasonable, and as stated *supra*, was engaged in for improper purposes.  
26

27 42. The contract was breached *ipso facto* by the very filing of the motion, because the very  
28

1 filing of the motion undermined the credibility and, potentially the effectiveness, of counsel  
2 sought to be disqualified. The contract with which Farmers and GRSM intentionally interfered  
3 with was entered into in Douglas County, Nevada, between residents of Douglas County Nevada,  
4 pursuant to the laws of the State of Nevada, and was to be performed, in part, in Douglas  
5 County, Nevada.  
6

7  
8 43. The breach was proximately caused by the conduct of defendants, which was  
9 wrongful and unjustified.

10 44. The interference with contract was a species of insurance bad faith practiced by  
11 Farmers and its agents, GRSM, and specifically intended to effectuate the violation of  
12 N.R.S. 686A 310 c. There is no case on point – yet – that charges an insurer with bad faith  
13 because of a spurious motion to disqualify plaintiff's counsel. But it is respectfully advanced  
14 that such should be the case. See, Alex B. Long, *Attorney Liability for Tortious Interference:*  
15 *Interference with Contractual Relations or Interference with the Practice of Law*, 18 Geo. J.  
16 Legal Ethics 471, 518 (2005).  
17

18 45. Plaintiffs suffered severe emotional damage as a result, as set forth, *supra*.  
19

20 **CLASS ACTION FOR FALSE ADVERTISING/  
21 DECEPTIVE TRADE PRACTICES  
22 N.R.S. 598.0915**

23 46. Plaintiff Liza Sims and Edna Gleason incorporate by reference herein allegations 1-45.  
24

25 47. This cause of action is brought under N.R.C.P. 23 by Plaintiff Liza Sims on behalf of the  
26 class of *individual insureds of and or plaintiffs against Farmers by the so called Tubbs and*  
27 *Camp fires which occurred, respectively, in the counties of Santa Rosa and Butte,*  
28 *California, wherein Farmers was defended or represented by GRSM.*

1  
2 48. These individuals now live in multiple states, including but not limited to California,  
3 Oregon, Washington, Arizona, Utah, Nevada, Texas, Florida, and Iowa. The class is so  
4 numerous that joinder of all members is impracticable.

5 49. There are questions of law and fact common to the class, since each class member  
6 suffered the effects of false advertising and/or deceptive trade practices of GRSM, as set forth  
7 *supra*, GRSM's false advertising/deceptive trade parties violated N.R.S. 598.0915 as well as  
8 parallel and contemporaneous statutes in each state jurisdiction set forth in 46., *supra*, and each  
9 class member, factually suffered the same kind of damages as set forth *infra*.

10  
11 50. The claims of class representative Liza Sims are typical of the claims or defenses of  
12 the class.

13  
14 51. Class representative Liza Sims will fairly and adequately represent the interests of the  
15 class.

16 52. One or more of the class members are residents of Nevada and qualify as "elders"  
17 pursuant to N.R.S. 598.0977, and the class representative will represent their interests in  
18 pursuing the special remedies available to them under the Nevada Deceptive Trade Practices  
19 statute.

20  
21 53. Defendants violated N.R.S. 598.0915 (7) and (15) in its use of the service marks as  
22 set forth *supra*. The 'facts' contained in the service marks are false.

23 54. Though class plaintiffs were not 'solicited' as clients, they were damaged by the false  
24 advertising<sup>5</sup> in so far as they were intimidated, oppressed, emotionally damaged, and otherwise  
25 nauseated by GRSM's barrage of bragadocio contained in its service marks. *Leoni v. State Bar*,

26  
27  
28 <sup>5</sup> It is outrageous that fire victims are made to suffer under the aegis of opponent/combatant lawyers who style themselves as having 'legal firepower.' Lawyers are not supposed to have 'fire power'. They are supposed to have ethics.

1 39 Cal. 3<sup>rd</sup> 609 (Cal. App. 1985). Such conduct is 'oppressive' pursuant to N.R.S. 42.005.  
2

3 55. Class plaintiffs therefore pray for an injunction requiring GRSM to withdraw such  
4 deceptive characterization of its services from its website and emails.  
5

6 WHEREFORE PLAINTIFF PRAYS:

- 7 1. For an award of damages arising from breach of contract.  
8 2. For an award of special damages for medical, prescriptions, and legal bills proximately  
9 caused by defendants' conduct.  
10 3. For an award of compensatory damages for emotional distress arising from  
11 Acts of insurance bad faith  
12 4. For an award of punitive damages by way of punishment and example for  
13 acts of fraud, oppression, and malice.  
14 5. That the class identified in allegations 45 through 55 be certified.  
15 6. For a temporary restraining order, preliminary injunction, and permanent injunction  
16 forbidding such false advertising on behalf of the class representative and the class.  
17  
18  
19  
20  
21

22  
23 May 8, 2021  
24

Respectfully submitted



25  
26  
27  
28  
WILLIAM D. McCANN  
Attorney for Plaintiffs