

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN RE: D.O.T. LITIGATION.

No. 85314

WELLNESS CONNECTION OF
NEVADA, LLC,

Appellant,

vs.

CLARK NATURAL MEDICINAL
SOLUTIONS LLC, D/B/A NUVEDA;
NYE NATURAL MEDICINAL
SOLUTIONS LLC, D/B/A NUVEDA;
CLARK NMSD, LLC, D/B/A NUVEDA;
INYO FINE CANNABIS DISPENSARY
LLC, D/B/A INYO FINE CANNABIS
DISPENSARY; TGIG, LLC; NEVADA
HOLISTIC MEDICINE, LLC; GBS
NEVADA PARTNERS, LLC; FIDELIS
HOLDINGS, LLC; GRAVITAS NEVADA,
LLC; NEVADA PURE, LLC;
MEDIFARM, LLC; MEDIFARM IV LLC;
RURAL REMEDIES LLC; THC
NEVADA LLC; HERBAL CHOICE INC.;
NULEAF INCLINE DISPENSARY, LLC;
GREEN LEAF FARMS HOLDINGS,
LLC; GREEN THERAPEUTICS LLC;
NEVCANN LLC; AND RED EARTH
LLC,

Respondents.

FILED

APR 16 2025

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY *[Signature]*
DEPUTY CLERK

ORDER OF AFFIRMANCE

Appeal from a district court order denying a motion for attorney fees. Eighth Judicial District Court, Clark County; Elizabeth Gonzalez, Sr. Judge.

Respondents are various business entities who unsuccessfully applied for recreational marijuana licenses in 2018. Dissatisfied with the

results of the license-granting process, respondents sued the grantor of the licenses, the Nevada Department of Taxation (DOT). Respondents alleged arbitrary scoring, partiality, and favoritism in the license-granting process; and, relevant here, respondents sought declaratory relief that would result in the revocation of already-issued licenses. Appellant Wellness Connection of Nevada, LLC (Wellness), which had successfully applied for and received a license, was named as a defendant party in the district court proceedings, along with every other successful licensee. After the district court granted respondents limited injunctive relief against only the DOT, Wellness sought attorney fees in the proceedings below pursuant to NRS 18.010(2)(b), which allows for an award in favor of the prevailing party when a claim is brought or maintained without reasonable grounds. The district court denied the motion, finding that respondents' claims were brought with a reasonable basis because Wellness was brought in as a party due to joinder requirements.

Wellness appeals the district court's denial of its motion for attorney fees. Wellness principally argues that it is entitled to attorney fees under NRS 18.010(2)(b) because respondent's claims were brought without reasonable grounds given that Wellness' application was complete and compliant. We disagree and affirm.

"We review a district court's decision regarding an award of attorney fees . . . for an abuse of discretion." *Las Vegas Metro. Police Dep't v. Blackjack Bonding*, 131 Nev. 80, 89, 343 P.3d 608, 614 (2015). An abuse of discretion occurs "when the district court bases its decision on a clearly erroneous factual determination or it disregards controlling law." *MB Am., Inc. v. Alaska Pac. Leasing*, 132 Nev. 78, 88, 367 P.3d 1286, 1292 (2016). When an award of attorney fees implicates a question of law, we review de

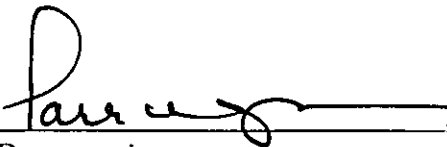
novo. *Thomas v. City of North Las Vegas*, 122 Nev. 82, 90, 127 P.3d 1057, 1063 (2006).

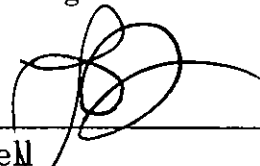
Under NRS 18.010(2)(b), the court may award attorney fees to a prevailing party “[w]ithout regard to the recovery sought, when the court finds that the claim . . . of the opposing party was brought or maintained without reasonable ground or to harass the prevailing party.” A party must be joined in the proceedings if the court could not provide complete relief without joinder. NRCP 19(a)(1)(A). When a party is seeking declaratory relief, any party with a claim or interest which could be affected by the declaration must be joined. NRS 30.130; *see also Crowley v. Duffrin*, 109 Nev. 597, 602, 855 P.2d 536, 540 (1993) (explaining that when a declaratory judgment could prejudice or otherwise affect the rights of a party, that party should be joined in the proceedings).


We are unpersuaded by Wellness’ contention that because its application was complete and compliant, any complaint against it was groundless. Respondents alleged various systemic issues with the licensing process and sought relief—including the revocation of all licenses issued via an allegedly flawed process—that put Wellness’ license at risk. Indeed, throughout its briefing, Wellness emphasizes that respondents sought a do-over of the license-granting process and “sought to strip Wellness and every other successful applicant of their licenses and to throw those licenses back in the pot to be divvied up (hopefully differently) after a second round of reviews and scoring.” If respondents were to obtain this relief—a do-over of the entire licensing process—all license holders needed to be joined as parties under NRCP 19(a)(1)(A), including Wellness. It thus follows that, Wellness was a necessary party because the district court could not have provided the requested relief without the joinder of all entities whose licenses would have been revoked. Considering the same issue, other courts

have come to the same conclusion. *See, e.g., Nolan v. 2600 Holdings, LLC*, 686 S.W.3d 499, 503-04 (Ark. 2024) (holding that when an unsuccessful applicant sued to strip a successful applicant of their cultivation license, a successful license holder was an indispensable party under an analogous Arkansas rule of civil procedure, Ark. R. Civ. P. 19(a), because such relief would impair the license holder's ability to protect their interest). In this case, Wellness had an interest in the outcome of the proceeding—i.e. an interest in retaining its license. And because respondents sought declaratory relief, Wellness was required to be named under NRS 30.130. Therefore, we conclude that joining Wellness was reasonable and the district court properly declined to award attorney fees under NRS 18.010(2)(b).¹ Accordingly, we

ORDER the judgment of the district court AFFIRMED.


Parraguirre


Bell


Stiglich

¹Given our conclusion that respondents' claims were brought with reasonable grounds, we need not address the parties' arguments surrounding the prevailing party provision within the statute.

cc: Hon. Jerry A. Wiese, Chief Judge
Eleissa C. Lavelle, Settlement Judge
Greenberg Gross LLP
Howard & Howard Attorneys PLLC/Las Vegas
Flynn Giudici, PLLC
Sugden Law
Strategies 360 - Nevada
Ramos Law
Luh & Associates
Clark Hill PLLC
N.R. Donath & Associates PLLC
Conant Law Firm
Chattah Law Group
Eighth District Court Clerk