

EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

* * *

James H. Hayes,

Plaintiff,

V.

City of Las Vegas, et al.,

Defendant.

Case No. 2:20-cv-02122-RFB-BNW

ORDER

Before the Court is Defendants Clark County and Steve Wolfson's Motion to Stay Discovery. ECF No. 71. Defendants City of Las Vegas and James McGroth joined. ECF Nos. 73 and 74. Plaintiff opposed the motion. ECF No. 76. Defendants Clark County and Steve Wolfson replied. ECF No. 78. Plaintiff filed a sur-reply. ECF No. 79.¹

I. Background

Mr. Hayes' amended complaint alleges that on January 26, 2019, he was arrested for burglary based on an incident involving the near entry into the room of James McGrath at the Mirage Hotel and Casino. The amended complaint also alleges Mr. McGrath had provided Mr. Hayes the key to enter the room. Nevertheless, according to the amended complaint, Mr. McGrath and Mirage security officers gave false information to the police resulting in burglary charges. Mr. Hayes alleges that during the preliminary hearing in justice court, Mr. McGrath testified that Hayes was not involved in the January 26, 2019, incident. Despite this testimony, the case was bound over to district court. Based on these facts, Mr. Hayes named several defendants and asserted the following claims: (1) malicious prosecution, (2) false arrest and false

¹ LR 7-2(b) does not permit the filing of surreplies without leave of Court. This Court will consider the substance of the surreply in this instance. Nevertheless, Plaintiff is warned that any such future filings will be stricken.

1 imprisonment, (3) Fourteenth Amendment denial of equal protection and due process, (4)
 2 intentional infliction of emotional distress, (5) failure to properly train and ratification of
 3 unconstitutional conduct, and (6) negligent hiring retention, supervision, and training.

4 Defendants have filed Motions to Dismiss the Amended Complaint, which are currently
 5 pending. ECF Nos. 54, 55, and 57. Defendants now move to stay discovery pending the decision
 6 on the Motions to Dismiss.

7 **II. Legal Standard**

8 The Federal Rules of Civil Procedure do not provide for automatic or blanket stays of
 9 discovery because a potentially dispositive motion is pending. *Skellerup Indus. Ltd. v. City of*
 10 *L.A.*, 163 F.R.D. 598, 600-01 (C.D. Cal. 1995).

11 A court may, however, stay discovery under Federal Rule of Civil Procedure 26(c). Fed.
 12 R. Civ. P. 26(c)(1); *Clardy v. Gilmore*, 773 F. App'x 958, 959 (9th Cir. 2019) (affirming stay of
 13 discovery under Rule 26(c)). The standard for staying discovery under Rule 26(c) is good cause.
 14 Fed. R. Civ. P. 26(c)(1) (the court "may, for good cause, issue an order to protect a party or
 15 person from annoyance, embarrassment, oppression, or undue burden or expense," including
 16 forbidding discovery or specifying when it will occur).

17 The Ninth Circuit has not provided a rule or test that district courts must apply to
 18 determine if good cause exists to stay discovery. *Salazar v. Honest Tea, Inc.*, 2015 WL 6537813,
 19 at *1 (E.D. Cal. Oct. 28, 2015) ("The Ninth Circuit has not provided guidance on evaluating a
 20 motion to stay discovery pending resolution of a potentially dispositive motion, other than
 21 affirming that district courts may grant such a motion for good cause."); *Mlejnecky v. Olympus*
 22 *Imaging Am., Inc.*, 2011 WL 489743, at *6 (E.D. Cal. Feb. 7, 2011) ("The Ninth Circuit Court of
 23 Appeals has not announced a clear standard against which to evaluate a request or motion to stay
 24 discovery in the face of a pending, potentially dispositive motion.").

25 The Ninth Circuit has, however, identified one scenario in which a district court may stay
 26 discovery and one scenario in which a district court may *not* stay discovery. The Ninth Circuit has
 27 held that a district court *may* stay discovery when it is convinced that the plaintiff will be unable
 28 to state a claim upon which relief can be granted. *See Wood v. McEwen*, 644 F.2d 797, 801 (9th

1 Cir. 1981) (“A district court may limit discovery ‘for good cause’, Rule 26(c)(4), Federal Rules of
 2 Civil Procedure, and may continue to stay discovery when it is convinced that the plaintiff will be
 3 unable to state a claim for relief.”); *B.R.S. Land Invs. v. United States*, 596 F.2d 353, 356 (9th Cir.
 4 1979) (“A district court may properly exercise its discretion to deny discovery where, as here, it is
 5 convinced that the plaintiff will be unable to state a claim upon which relief can be granted.”).²
 6 The Ninth Circuit has also held that a district court may *not* stay discovery when discovery is
 7 needed to litigate the dispositive motion. *Alaska Cargo Transp., Inc. v. Alaska R.R. Corp.*, 5 F.3d
 8 378, 383 (9th Cir. 1993) (district court would have abused its discretion in staying discovery if
 9 the discovery was necessary to decide the dispositive motion); *Kamm v. Cal. City Dev. Co.*, 509
 10 F.2d 205, 210 (9th Cir. 1975) (same).

11 Based on this Ninth Circuit law, district courts in the District of Nevada typically apply a
 12 three-part test to determine when discovery may be stayed.³ See, e.g., *Kor Media Group, LLC v.*
 13 *Green*, 294 F.R.D. 579 (D. Nev. 2013). This Court will refer to this test as the “preliminary peek
 14 test.” The preliminary peek test asks whether (1) the pending motion is potentially dispositive, (2)
 15 the potentially dispositive motion can be decided without additional discovery, and (3) after the
 16 court takes a “preliminary peek” at the merits of the potentially dispositive motion, it is
 17 “convinced” that the plaintiff cannot state a claim for relief. *Id.* at 581. If all three questions are
 18 answered affirmatively, the Court may stay discovery. *Id.* The point of the preliminary peek test
 19 is to “evaluate the propriety of an order staying or limiting discovery with the goal of
 20 accomplishing the objectives of Rule 1.” *Tradebay, LLC v. eBay, Inc.*, 278 F.R.D. 597, 603 (D.
 21 Nev. 2011). Rule 1 provides that the Federal Rules of Civil Procedure should be construed “to
 22 secure the just, speedy, and inexpensive determination of every” case. Fed. R. Civ. P. 1.

23 This Court, however, has found the preliminary peek test to be problematic because it is
 24 often inaccurate and inefficient.

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26 ² The Court interprets both these Ninth Circuit cases as providing one scenario in which it is appropriate to stay
 27 discovery but not the only scenario. See also *Jarvis v. Regan*, 833 F.2d 149, 155 (9th Cir. 1987) (affirming stay of
 28 discovery without discussing whether court was convinced plaintiff could not state a claim before entering stay); *Rae v. Union Bank*, 725 F.2d 478, 481 (9th Cir. 1984) (same); *Clardy v. Gilmore*, 773 F. App’x 958, 959 (9th Cir. 2019) (same).

³ The Court notes that these District of Nevada cases are persuasive authority, and the Court is not bound by them.

1 First, applying the preliminary peek test does not always lead to “accurate results” in
 2 which the cases that will ultimately be dismissed are stayed and vice versa. This is so for two
 3 primary reasons. In the District of Nevada, a magistrate judge applies the preliminary peek test
 4 and decides whether discovery should be stayed; however, a district judge decides the dispositive
 5 motion. These judges sometimes have different views on the merits of the dispositive motion,
 6 leading to discovery being stayed in some cases it should not have been stayed in and vice versa.
 7 *See also* Kevin J. Lynch, *When Staying Discovery Stays Justice: Analyzing Motions to Stay*
 8 *Discovery When A Motion to Dismiss Is Pending*, 47 Wake Forest L. Rev. 71, 97 (2012)
 9 (identifying same issue). Additionally, the test requires the magistrate judge to take a
 10 “preliminary peek” (i.e., a superficial look) at the dispositive motion and be *convinced* that the
 11 plaintiff cannot state a claim for relief before staying discovery. *Kor Media*, 294 F.R.D. at 583-84
 12 (discovery stay inappropriate when there is only “a possibility” defendant will succeed on its
 13 dispositive motion; “[g]enerally, there must be *no question* in the court’s mind that the dispositive
 14 motion will prevail . . .”). When the preliminary peek test is applied as written, it leads to
 15 discovery being stayed in only the simplest, legally baseless cases. For most cases, and certainly
 16 complex cases, it is impossible for the Court to do a “preliminary peek” and be *convinced* that the
 17 plaintiff cannot state a claim. This is problematic because complex cases, in which discovery will
 18 be extremely costly, are the types of cases where discovery stays may be particularly appropriate
 19 while a dispositive motion is pending (to accomplish the goals of Rule 1). Nevertheless, the
 20 preliminary peek test, applied as written, leads to most motions to stay discovery being denied.
 21 Accordingly, the preliminary peek test is not well-suited for sorting which cases will be dismissed
 22 (and thus should have discovery stayed) from those cases that will proceed (and thus should *not*
 23 have discovery stayed).

24 Second, the preliminary peek test is inefficient. As just explained, if the preliminary peek
 25 test is applied as written (i.e., the Court must be *convinced* after a superficial look at the
 26 dispositive motion that the plaintiff cannot state a claim), it often fails to accurately sort those
 27 cases that will be dismissed (and should have discovery stayed) from those cases that will proceed
 28 (and should not have discovery stayed). To improve the accuracy of the preliminary peek test

(and allow discovery stays in cases in which this Court believes the dispositive motion will be granted), this Court has in the past engaged in a full analysis of the dispositive motion. This takes considerable time and delays providing the parties with a decision on the motion to stay discovery.⁴ It is also an inefficient use of judicial resources because both the magistrate judge and the district judge fully analyze the same dispositive motion. And, even after all this effort, the magistrate judge and district judge may still have different views on the merits of the dispositive motion. *See also* Kevin J. Lynch, *When Staying Discovery Stays Justice: Analyzing Motions to Stay Discovery When A Motion to Dismiss Is Pending*, 47 Wake Forest L. Rev. 71, 101 (2012) (noting that having two different judges decide the dispositive motion and the motion to stay discovery introduces burden and error into the preliminary peek test). In short, doing a full analysis of the dispositive motion may improve the accuracy of the preliminary peek test but it takes significant time, duplicates effort, delays providing the parties a decision on whether discovery is stayed, and may still lead to discovery being inappropriate stayed or allowed to proceed.

This Court believes a better analytical framework exists for determining when motions to stay should be granted. As the Court previously discussed, the Court may grant motions to stay discovery when a dispositive motion is pending if (1) the dispositive motion can be decided without further discovery; and (2) good cause exists to stay discovery. *See Alaska Cargo Transp.*, 5 F.3d at 383 (district court would have abused its discretion in staying discovery if the discovery was necessary to decide the dispositive motion); *Kamm*, 509 F.2d at 210 (same); Fed. R. Civ. P. 26(c)(1) (the Court “may, for good cause, issue an order to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense,” including forbidding discovery or specifying when it will occur). “The burden is upon the party seeking the order to ‘show good cause’ by demonstrating harm or prejudice that will result from the discovery.” *Rivera v. NIBCO, Inc.*, 364 F.3d 1057, 1063 (9th Cir. 2004). As the Court will discuss in more detail below, good cause may be established using the preliminary peek test, but it may also be established by other factors, not related to the merits of the dispositive motion.

⁴ This delay often also creates a *de facto* stay of discovery, which is problematic in and of itself.

1 The Ninth Circuit has held that good cause to stay discovery may exist when the movant
 2 can convince the Court that plaintiff cannot state a claim. *See Wood*, 644 F.2d at 801 (district
 3 court may stay discovery when it is convinced that plaintiff will be unable to state a claim); *B.R.S.*
 4 *Land Invs.*, 596 F.2d at 356 (same). These cases remain valid authority, and litigants may still
 5 move for a discovery stay under the preliminary peek test. However, as previously discussed, this
 6 will only result in discovery stays in the simplest, legally baseless cases.

7 That said, good cause may exist based on other factors unrelated to the merits of the
 8 dispositive motion. In many cases, the movant seeks a stay of discovery to prevent “undue burden
 9 or expense.” *See Fed. R. Civ. P. 26(c)(1)*. Accordingly, the movant must establish what undue
 10 burden or expense will result from discovery proceeding when a dispositive motion is pending.
 11 Movants are encouraged to be specific about the realistically anticipated costs of discovery (based
 12 on factors such as the complexity of the claim(s) at issue, the number of claims asserted, the
 13 number of parties involved in the litigation, the number of witnesses including experts, the
 14 volume of documents at issue, etc.). Non-movants opposing a stay of discovery should discuss
 15 their position on these same factors. Additionally, though parties opposing a motion to stay
 16 discovery carry no burden to show harm or prejudice if discovery is stayed, they are encouraged
 17 to discuss any specific reasons why a discovery stay would be harmful (e.g., the case is old and
 18 evidence is getting stale, a witness is sick and may die before discovery begins, the public has an
 19 interest in the speedy resolution of the issues presented, the claimant’s resources and ability to
 20 wait for a judgment, etc.). Ultimately, guided by Rule 1 of the Federal Rules of Civil Procedure,
 21 the Court is trying to determine “whether it is more just to speed the parties along in discovery
 22 and other proceedings while a dispositive motion is pending, or whether it is more just to delay or
 23 limit discovery and other proceedings to accomplish the inexpensive determination of the case.”
 24 *Tradebay*, 278 F.R.D. at 603.

25 **III. Analysis**

26 Here, Defendants argue the motion to dismiss is dispositive and that it can be resolved
 27 without the need for additional discovery. Defendants also argue the case will involve expensive
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1 and prolonged discovery, given the number of named defendants, the differing percipient
 2 witnesses, and the temporal differences between claims.

3 Plaintiff takes the position that the motions are not dispositive and that motions to dismiss
 4 should not be determined without initial discovery but does not substantiate his position. At the
 5 outset, the pending motions to dismiss are potentially dispositive of all claims. Starting with
 6 Defendants Clark County and Wolfson, if the Court finds these defendants are immune from
 7 prosecution all claims against them would be dismissed. As to Defendant McGrath, the claims
 8 against him would be dismissed if the Court does not have personal jurisdiction over him and/or
 9 there has been a failure to state a claim under FRCP 12(b)(6). Lastly, the claims against the City
 10 of Las Vegas would be dismissed if the Court finds, as a matter of law, that the City of Las Vegas
 11 cannot be held responsible for the acts of METRO.

12 Next, the Court notes that Plaintiff does not take the position that discovery is needed to
 13 resolve the pending motions to dismiss. Instead, he argues such motions should not be decided
 14 without initial discovery. Here, discovery would serve no purpose as the motions to dismiss
 15 present purely legal arguments.

16 Defendants argued that the case, should it not be dismissed, will likely be complicated and
 17 involve expensive and prolonged discovery. ECF No. 71. This is due to, according to Defendants,
 18 the number of claims and the number of defendants involved. *Id.* In this vein, Defendants argue
 19 Plaintiff has made allegations against several defendants, “which are distinct, involve differing
 20 percipient witnesses, and, in some instances, are temporally unrelated to each other.” *Id.* Lastly,
 21 Defendants argue that, should “any of Plaintiff’s actions endure, the Court and remaining parties
 22 will be better able to tailor and streamline discovery to effectively facilitate final adjudication of
 23 the case.” *Id.*

24 The Court finds Defendants have met their burden of showing good cause to stay
 25 discovery. Here, a decision on the motions to dismiss will clarify which defendants will remain
 26 and which claims they will need to defend. In turn, a stay will conserve the parties’ time and
 27 funds and allow for a clearer picture of which claims, if any, will require discovery. Ultimately,
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1 guided by Rule 1 of the Federal Rules of Civil Procedure, this Court finds it is more just to delay
2 discovery to accomplish the inexpensive determination of the case. *Tradebay*, 278 F.R.D. at 603.

3 **IV. Conclusion**

4 **IT IS THEREFORE ORDERED** that Defendants' motions to stay discovery (ECF No.
5 71) is **GRANTED**.

6 **IT IS FURTHER ORDERED** that the parties are to file a joint, proposed discovery plan
7 and scheduling order within 14 days after the Motion to Dismiss is decided.

8 DATED: January 22, 2024

9 
10 BRENDAG WEKSLER
11 UNITED STATES MAGISTRATE JUDGE

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