

SUPREME COURT OF NEVADA

Willis of Arizona, Inc. v. Hakkasan USA, Inc.

Willis · No. Nos. 82829 and 82833 · Decided August 4, 2022

SUMMARY

The Nevada Supreme Court consolidated an appeal concerning a motion to compel arbitration with a petition for a writ of mandamus challenging the denial of a motion to strike a jury demand. The court held that the parties' broker terms and conditions did not apply to Hakkasan's tort claims concerning Willis's alleged interference with an insurance claim because those allegations fell outside Willis's insurance-placement services. The court denied the writ petition in Docket No. 82833 and affirmed the denial of the motion to compel arbitration in Docket No. 82829.

CASE DETAILS

COURT	Supreme Court of Nevada
WRITING FOR THE COURT	Chief Justice Parraguirre; Justice Hardesty; Justice Stiglich; Justice Cadish; Justice Silver; Justice Pickering; Justice Herndon
JURISDICTION	Nevada
DECIDED	August 4, 2022
DOCKET	Nos. 82829 and 82833
DISPOSITION	affirmed
PROCEDURAL POSTURE	In Docket No. 82829, Willis appealed the denial of its motion to compel arbitration. In Docket No. 82833, Willis petitioned for a writ of mandamus challenging the district court's refusal to strike Hakkasan's jury demand. The matters were consolidated.
STANDARD OF REVIEW	The court reviews issues of law, including contract and statutory interpretation, de novo. A writ of mandamus may issue to compel performance of a legally required duty or to control an arbitrary or capricious exercise of discretion.
PRECEDENTIAL VALUE	Published Nevada Supreme Court opinion
PARTIES	Willis of Arizona, Inc., Willis Towers Watson Insurance Services West, Inc. v. Hakkasan USA, Inc.

TOPICS

arbitration

contract interpretation

insurance

appellate procedure

commercial litigation

PRACTICE AREAS

Contract law

Arbitration

Insurance

Civil procedure

Appellate procedure

Commercial litigation

QUESTIONS PRESENTED

1. Whether the district court acted arbitrarily or capriciously by refusing to strike Hakkasan's jury demand because Hakkasan's claims were outside the scope of the Broker Terms, Conditions and Disclosures.
2. Whether the Nevada Supreme Court had appellate jurisdiction over an appeal from an order that expressly denied a motion to strike a jury demand but necessarily denied a motion to compel arbitration.
3. Whether the Broker Terms, Conditions and Disclosures required arbitration of Hakkasan's underlying tort claims.

HOLDINGS

1. The dispute-resolution provision did not apply because Hakkasan's tort claims did not arise out of or relate to services Willis provided under the Broker Terms, Conditions and Disclosures. The district court therefore did not act arbitrarily or capriciously in refusing to strike the jury demand.
2. The court had jurisdiction because the district court's conclusion that Hakkasan's claims fell outside the terms, together with its denial of Willis's motion, necessarily denied the request to compel arbitration.
3. The district court properly denied the motion to compel arbitration because the Broker Terms, Conditions and Disclosures did not govern Hakkasan's underlying claims.

KEY QUOTATIONS

“This court initially determines whether the language of the contract is clear and unambiguous; if it is, the contract will be enforced as written.” (at 2)

“Thus, Willis's actions thereafter in allegedly disclosing Hakkasan's upcoming Covid-19 claim to Sompco fell outside of its services in assisting Hakkasan with purchasing insurance for 2019-2020.” (at 3)

FACTUAL BACKGROUND

Hakkasan purchased an insurance policy for April 2019 through April 2020 through Willis. The parties' relationship was governed by Willis's Broker Terms, Conditions and Disclosures, which contained a jury-trial waiver and an arbitration provision that applied if the waiver was unenforceable. After the COVID-19 pandemic affected Hakkasan's business, Hakkasan alleged that Willis disclosed its anticipated claim to the insurer and worked with the insurer to adopt and postdate a limit on Hakkasan's recovery. Hakkasan sued Willis in tort, asserting that the alleged conduct occurred after Willis's insurance-placement services were complete.

PROCEDURAL HISTORY

Hakkasan sued Willis in tort and demanded a jury trial. Willis moved to strike the jury demand or, alternatively, to compel arbitration under dispute-resolution provisions in Willis's Broker Terms, Conditions and Disclosures.

The district court denied the motion after concluding that Hakkasan's claims fell outside the scope of those terms. The Nevada Supreme Court denied the mandamus petition and affirmed the denial of the motion to compel arbitration.

DISPOSITION

affirmed

CASES CITED

- Int'l Game Tech., Inc. v. Second Judicial Dist. Court, 124 Nev. 193, 197, 179 P.3d 556, 558 (2008)
- Lowe Enters. Residential Partners, L.P. v. Eighth Judicial Dist. Court, 118 Nev. 92, 97, 40 P.3d 405, 408 (2002)
- State, Dep't of Transp. v. Eighth Judicial Dist. Court, 133 Nev. 549, 553, 402 P.3d 677, 681 (2017)
- Nev. State Educ. Ass'n v. Clark Cty. Educ. Ass'n, 137 Nev. 76, 83, 482 P.3d 665, 673 (2021)