

SLT wins ruling in \$1M attorneys' fees request

By Kathryn Reed

Instead of being granted more than \$1 million in attorneys' fees, the court did a 180 and is telling the lawyers who requested that sum that they have to pay more than \$2,000 for bring forward the "frivolous" request.

The case involves South Lake Tahoe and **Tahoe Pines Lodge**.

Both sides said they won and wanted the other to pay attorneys fees. Cyrus Sanai, lead attorney representing hotel owner Darren Cobrae, then asked the court for the city to be sanctioned more than \$1 million. He more than lost that request when the judge said he was awarding \$2,145 in attorneys' fees to the city.

El Dorado County Superior Court Judge Warren Stracener cited state code that says, "A trial court may order a party, the party's attorney, or both to pay the reasonable expenses, including attorney's fees, incurred by another party as a result of bad-faith actions or tactics that are frivolous or solely intended to cause unnecessary delay."

What the Aug. 15 decision doesn't say is who is supposed to pay that money – the attorneys of record or Cobrae.

"They have to say what the sanctionable conduct was and who is supposed to pay," Sanai told *Lake Tahoe News*.

He has 10 days to respond to the decision.

If an attorney in California is sanctioned \$1,000 or more by a judge, this must be reported to the State Bar.

South Lake Tahoe attorney Jacqueline Mittelstadt was first

contacted by Cobrae, but then Sanai took over because he had a prior relationship with the hotel owner.

"I will hopefully be getting them to sign a substitution of attorney to get me off the case," Mittelstadt told *Lake Tahoe News*. "I'm not lead counsel; I'm local counsel to handle any hearing at which Cyrus was not available."

City Attorney Tom Watson told *Lake Tahoe News*, "The outrageous request for attorney's fees by Jacqueline Mittelstadt and Cyrus Sanai was properly denied by the court. The fact that the defendant and his attorneys were sanctioned over \$2,000 in favor of the city by the court speaks for itself."

Sanai said he is ready to ask for the original agreement to be dismissed and to go to trial. He said the judge has ignored facts presented, and did not take into account how his client was essentially being denied due process and other rights.

The original case was about whether the hotel was complying with city ordinances in terms of health and safe codes as well as other rules. Both sides admit what needed to be fixed has been.

"The city is delighted that this code enforcement lawsuit achieved the owner's rehabilitation of the Tahoe Pines. The city will continue to challenge landlords who are providing unfit places for our residents to live," Watson said.