

Nominal Settlement Offers Get Boost in Jumping Horse Case

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Carlton Fields represented Wellington horse owner Eugenie Redman in a U.S. district court case that could have implications far beyond the equestrian world. Plaintiff, Mexican businessman Alejandro Zendejas, bought a show jumper horse, Vorst, from Eugenie Redman for \$250,000. The sale was coordinated by Redman's trainer, Colin Syquia, and plaintiff's trainer, Simon Nizri. Shortly after the purchase, Vorst was shown in several prestigious international equestrian events but did not perform in the same manner as he had prior to purchase. Plaintiff filed suit in federal court against Redman and Syquia, claiming breach of contract, breach of express warranties, breach of implied warranty of fitness, breach of implied warranty of merchantability, violation of Magnuson Moss Warranty Act, unjust enrichment, respondeat superior, rescission, fraud, negligent misrepresentation, and violations of Florida's Deceptive and Unfair Trade Practices Act. At trial, plaintiff was also permitted to bring a claim for punitive damages against Redman and Syquia. In August 2017, after a two-week trial, a federal jury ruled against Zendejas on all counts, clearing Syquia and Redman of all claims. However, a dispute over attorney's fees remained. During the course of the case, after discovery had commenced but before it concluded, Redman made an offer of judgment pursuant to Florida Statute § 768.79 to plaintiff in the amount of \$5,000. Earlier in the case, Syquia made an offer of judgment to plaintiff for \$500. Plaintiff declined both offers. Following the jury verdict, Redman and Syquia filed motions for entitlement to their attorneys' fees based on the offer of judgment statute. Zendejas responded to the motions for fees by claiming these offers of judgment for "nominal" sums were made in bad faith (a bad faith settlement offer bars entitlement to attorney's fees). As a result, plaintiff's counsel contended, defendants were not entitled to attorney's fees. In a September 2018 post-verdict order, U.S. District Judge Kenneth Marra entered a lengthy opinion which denied plaintiff's motion for judgment as a matter of law and denied plaintiff's alternative motion for a new trial. The order also granted defendants' motions to entitlement of their attorney's fees and costs, a significant amount for both Redman and Syquia because of the jury trial. Most notably, in his opinion Judge Marra addressed each of the plaintiff's objections to the defendants' entitlement to fees, and carefully articulated Florida's standard for determining whether nominal settlement offers were made in good faith. "The correct standard under Florida law is whether the offerors had 'a reasonable basis at the time of the offer to conclude that their exposure [to liability] was nominal,'"

he wrote. In this case, both Redman and Syquia had a reasonable basis for their offers. This standard on nominal offers of judgment will prove useful to litigants in a variety of cases going forward.

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