

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
WASHINGTON

Stoddard Brothers LLC v. PNWCM LLC et al.

Stoddard Brothers · No. 2:25-CV-448-TOR · Decided March 16, 2026

SUMMARY

The United States District Court for the Eastern District of Washington denied Stoddard Brothers LLC’s motion for default judgment against PNWCM LLC, Douglas Konold, and Angela Konold, with leave to renew. The court found that additional evidence was needed to support the alleged loans, joint venture, payments, correspondence, and damages before entering a judgment involving approximately \$1.99 million.

CASE DETAILS

COURT	United States District Court for the Eastern District of Washington
JURISDICTION	United States District Court for the Eastern District of Washington
DECIDED	March 16, 2026
DOCKET	2:25-CV-448-TOR
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for entry of default judgment after the Clerk entered default against the defendants for failing to answer, plead, obtain counsel, or otherwise defend.
STANDARD OF REVIEW	The court applied the discretionary factors governing default judgment under Eitel v. McCool and considered whether additional evidence was necessary under Federal Rule of Civil Procedure 55(b)(2).
PRECEDENTIAL VALUE	Unknown
PARTIES	Stoddard Brothers LLC v. PNWCM LLC, Douglas Konold, Angela Konold

TOPICS

- default judgment
- default
- civil procedure
- breach of contract
- prejudgment interest

PRACTICE AREAS

- civil procedure
- contracts
- commercial litigation
- remedies

QUESTIONS PRESENTED

1. Whether the court should enter default judgment under Federal Rule of Civil Procedure 55 after the defendants failed to appear.
2. Whether the record and plaintiff's supporting evidence sufficiently established the merits of the claims and the amount of damages to justify default judgment.
3. Whether additional evidence was necessary before entering a default judgment for the substantial amount requested.

HOLDINGS

1. Default judgment was denied because, although several Eitel factors favored judgment, the requested award was substantial and the record required additional evidence concerning the alleged joint venture, loans, rental payments, and related transactions.
2. A party seeking default judgment under Rule 55 must first obtain entry of default and then apply for default judgment, satisfying the applicable declaration or affidavit requirements.

KEY QUOTATIONS

“Default judgment is “an extreme measure” and is generally disfavored because cases are preferably decided on the merits.” (at 3)

“The Court must consider specific factors when exercising discretion for entry of default judgment.” (at 3)

“requiring further evidence is in the interest of justice before entering a judgment of this large of a sum.” (at 10)

FACTUAL BACKGROUND

Plaintiff alleged that it loaned defendants approximately \$1,000,000 for a drill-related joint venture, provided an additional \$200,000 for a shop, and made further advances, including approximately \$350,000 for heavy equipment. Defendants allegedly executed a \$2,000,000 promissory note and personal guarantees, but made only a partial rental payment and then stopped paying. Plaintiff alleged that defendants had not purchased or sold the drill or equipment as represented and refused to repay the advances.

PROCEDURAL HISTORY

Stoddard Brothers filed this diversity action on November 7, 2025, asserting claims arising from alleged loans, a joint venture, a promissory note, and related representations. The Clerk entered default against the defendants on January 13, 2026. Plaintiff moved for default judgment on February 10, 2026. The court denied the motion with leave to renew and directed plaintiff to submit a memorandum and additional evidence supporting the alleged facts and claims by April 15, 2026.

DISPOSITION

other

CASES CITED

- Westchester Fire Ins. Co. v. Mendez, 585 F.3d 1183, 1189 (9th Cir. 2009)
- Cmty. Dental Servs. v. Tani, 282 F.3d 1164, 1170 (9th Cir. 2002)
- Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986)
- Liberty Mut. Ins. Co. v. Contractors Nw. Inc., 2020 WL 5848663, at *3 (E.D. Wash. Oct. 1, 2020)
- Curtis v. Illumination Arts, Inc., 33 F. Supp. 3d 1200, 1212-13 (W.D. Wash. 2014)
- Landstar Ranger, Inc. v. Parth Enter., Inc., 725 F. Supp. 2d 916, 921-22 (N.D. Cal. 2010)
- Microsoft Corp. v. Lopez, 2009 WL 959219, at *3 (W.D. Wash. Apr. 7, 2009)
- Derek Andrew, Inc. v. Poof Apparel Corp., 528 F.3d 696, 702 (9th Cir. 2008)
- Resol. Tr. Corp. v. First Am. Bank, 155 F.3d 1126, 1129 (9th Cir. 1998)
- In re Cardelucci, 285 F.3d 1231, 1235 (9th Cir. 2002)
- Crest Inc. v. Costco Wholesale Corp., 128 Wash. App. 760, 764 (2005)
- Bowers v. Transamerica Title Ins. Co., 100 Wash. 2d 581, 597 (1983)
- United States ex rel. Savage v. Washington Closure Hanford LLC, 2019 WL 13169887, at *5 (E.D. Wash. Aug. 27, 2019)
- Elliot v. Takhar Collection Servs., Ltd., 2013 WL 3884029, at *4 (E.D. Wash. July 26, 2013)

OPINION

1 2 3 4 5 UNITED STATES DISTRICT COURT EASTERN DISTRICT OF WASHINGTON 6 7
STODDARD BROTHERS LLC, an Idaho limited liability company NO. 2:25-CV-448-TOR 8
Plaintiff, ORDER ON PLAINTIFF'S MOTION 9 FOR ENTRY OF DEFAULT v. JUDGMENT 10
PNWCM LLC et al, a Washington 11 limited liability company; DOUGLAS KONOLD and
ANGELA 12 KONOLD, individually and the martial community comprised thereof, 13
Defendants.

14 15 BEFORE THE COURT is Plaintiff's Motion for Entry of Default Judgment 16 (ECF No.
11). This matter was submitted for consideration without oral argument. 17 The Court has
reviewed the record and files herein and is fully informed.

For the 18 reasons discussed below, Plaintiff's Motion for Entry of Default Judgment (ECF 19 No.
11) is DENIED with leave to renew. 20 1 BACKGROUND 2 This case arises out of claims of
fraudulent representation, breach of 3 contract, estoppel, and Quantum Meruit. ECF No. 1 at 8-15.
Plaintiff alleges the 4 following facts pursuant to their Complaint. Plaintiff agreed to form a joint 5
venture, Dig Deep Capital, to contribute to an Atlas Copco PV271 drill.

ECF No. 6 1 at 3-4. Plaintiff provided Defendant Douglas Konold with a loan of \$1,000,000 7 to
fund the purchase of any necessary parts and upgrades. Id. Additionally, after 8 Douglas Konold
requested, Plaintiff provided an additional \$200,000 for PNWCM 9 and Douglas Konold to
purchase a shop. ECF No. 1 at 4. 10 In either late fall or early winter of 2024, Douglas Konold

told Plaintiff that 11 a buyer was interested in the drill, but the buyer requested modifications and 12 upgrades in the estimated amount between \$300,000 and \$400,000.

ECF No. 1 at 13 4. Douglas Konold provided Plaintiff with an invoice exhibiting the amount of 14 \$2,650,000 from Defendant PNWCM to EPRIOC Canada SRD Surface 15 (“EPIROC”) dated January 1, 2025. ECF No. 1 at 4-5. 16 Plaintiff continuously provided additional loan amounts. ECF No. 1 at 5. 17 For example, Plaintiff provided Douglas Konold a loan for heavy equipment in 18 Panama for approximately \$350,000 to be resold in the United States for an 19 approximate profit of \$1,000,000.

Id. Plaintiff inquired about the EPIROC 20 payment. ECF No. 1 at 5-6. Douglas Konold indicated that it was delayed but that 1 he would make the \$55,000 monthly rental payments until the sale with EPIROC 2 was completed. ECF No. 1 at 5-6. 3 In July 2025, PNCWM executed a promissory note for \$2,000,000 including 4 the additional loan amounts for the shop, repair costs of the drill, the upgrades and 5 modifications to the drill, and purchase of heavy equipment from Panama.

ECF 6 No. 1 at 6. Donald and Konold personally guaranteed the full amount and labeled 7 it reflecting the purchases. Id. 8 However, in August 2025, Defendant PNWCM paid Plaintiff \$20,000 of the 9 \$55,000 monthly rent amount for the drill. ECF No. 1 at 6.

The next month, 10 Defendant PNWCM did not pay anything toward the rent. ECF No. 1 at 7. After 11 that, Plaintiff contacted a Business Line Manager for EPRIOC, Chris Graves, 12 inquiring whether EPRIOC had possession of the drill. ECF No. 1 at 7. Graves 13 confirmed that EPRIOC did not have possession of the drill. ECF No. 1 at 7. With 14 that knowledge, Plaintiff believes that Defendant PNWCM and Douglas Konold 15 never purchased the drill, intended to sell it to EPIROC, executed the 16 modifications and upgrades to the drill, purchased the shop, or bought or received 17 the heavy equipment from Panama to resell.

ECF No. 1 at 7. Defendants refuse to 18 repay Plaintiff. ECF No. 1 at 8. As a result, Plaintiff filed this suit. ECF No. 1. 19 The Clerk of Court entered an Order of Default regarding PNWCM, LLC, 20 Douglas Konold, and Angela Konold because they have failed to answer, plead, 1 obtain counsel, or otherwise defend their claim. ECF No. 8. This case was filed 2 on November 7, 2025.

ECF No. 1. It is March of 2026, and Defendants have not 3 responded to this lawsuit. On February 10, 2026, Plaintiff moved for entry of 4 default judgment against Defendants. ECF No. 11. 5 DISCUSSION 6 Under Federal Rule of Civil Procedure 55, default judgment may be 7 obtained by following a two-step process. FED. R. CIV. P. 55. Step one is entry of 8 default and step two is entry of default judgment.

Id. 9 First, a party must either file a motion for entry of default or obtain a Clerk’s 10 Order of Default. FED. R. CIV. P. 55. Second, the party must file a motion for 11 default judgment. FED. R.

CIV. P. 55; LCivR 55.

After that, to receive a default judgment, the moving party must either by declaration or affidavit “(A) specify whether the party against whom judgment is sought is an infant or an incompetent person and, if so, whether that person is represented by a general guardian, conservator, or other like fiduciary; and (B) attest that the Servicemembers Civil Relief Act, 50 U.S.C. App. §§ 501-597b, does not apply.” LCivR 55(b)(1).

Furthermore, under Rule 55(b), the clerk may enter default judgment “for a sum certain or a sum that can be made certain by computation” or in all other cases by the court after the party applies for default judgment. FED. R. CIV. P. 55(b). The Court may require additional evidence to ensure the award amount is appropriate and correct. FED. R. CIV.

P. 55(b)(2). Plaintiff completed both steps. After Plaintiff moved for an Entry of Default as to Douglas and Angela Konold, the Clerk of Court entered an Order of Default on January 13, 2026. ECF No. 10. Plaintiff filed a declaration in accordance with LCivR 55(b)(1). ECF No. 8 at 3.

On February 10, 2026, Plaintiff moved for entry of default judgment against Defendants Douglas and Angela Konold. ECF No. 11. Default judgment is “an extreme measure” and is generally disfavored because cases are preferably decided on the merits. *Westchester Fire Ins. Co. v. Mendez*, 585 F.3d 1183, 1189 (9th Cir. 2009); *Cnty. Dental Servs. v. Tani*, 282 F.3d 1164, 1170 (9th Cir.

2002). As a result, the Court must consider specific factors when exercising discretion for entry of default judgment. *Eitel v. McCool*, 13 F.2d 1470, 1471–72 (9th Cir. 1986). These factors include: (1) the possibility of prejudice to the plaintiff, (2) the merits of plaintiff's substantive claim, (3) the sufficiency of the complaint, (4) the sum of money at stake in the action; (5) the possibility of a dispute concerning material facts; (6) whether the default was due to excusable neglect, and (7) the strong policy underlying the Federal Rules of Civil Procedure favoring decisions on the merits.

Eitel, 782 F.2d at 1471–72. A. Possibility of Prejudice to the Plaintiff Plaintiff appropriately followed court procedures and demonstrated an intent to defend their rights. Without an entry of default judgment, Plaintiff may not be able to receive a fair remedy or justice. This factor weighs in favor of an entry of default judgment. B. Merits of Plaintiff's Substantive Claim After reviewing Plaintiff's Complaint, it appears that Defendants personally guaranteed a repayment of Plaintiff's loan, which Defendants have not paid back.

ECF No. 1. Additionally, Plaintiff alleges claims that Konold provided information and facts to Plaintiff that were fraudulent because there is no indication that Konold ever completed or intended to complete any of the agreed upon actions. ECF No. 1 at 7-8.

For example, Plaintiff alleges there is no indication that a sale to EPIROC was completed or that the drill or heavy equipment was obtained or purchased. ECF No. 1 at 7. Additionally, Plaintiff sufficiently alleges facts to exhibit Plaintiff provided Konold a loan, Defendants Douglas and Angela Konold personally agreed to pay this loan back with a promissory note and ultimately failed to repay.

ECF No. 1. Naturally, the Court only has Plaintiff's alleged events. However, based on the claims, this factor favors an entry of default judgment. C. Sufficiency of the Complaint The analysis of this factor falls closely to the analysis of the previous factor. See *Liberty Mut. Ins. Co. v. Contractors Nw. Inc.*, 2020 WL 5848663, at *3 (E.D. Wash. Oct.

1, 2020). Plaintiff alleges sufficient facts for the claims. Additionally, Plaintiff attached the promissory note and invoice alleging the sale of the drill to EPICOC. ECF No. 1 at 17-21. However, Plaintiff does not provide further evidence exhibiting his loan to Defendants, agreement of the joint venture, rental payments, etc. This does not weigh in favor or against an entry of judgment.

5 D. Sum of Money at Stake in the Action 6 This factor considers the amount of money at stake "in relation to the seriousness of the defendant's conduct, whether large sums of money are involved, 8 and whether 'the recovery sought is proportional to the harm caused by defendant's 9 conduct.'" *Curtis v. Illumination Arts, Inc.*, 33 F. Supp. 3d 1200, 1212 (W.D.

10 Wash. 2014) (quoting *Landstar Ranger, Inc. v. Parth Enter., Inc.*, 725 F.Supp.2d 11 916, 921 (N.D.Cal. 2010)). In short, "[i]f the amount of money is large or 12 disproportionate, this factor weighs against default judgment." *Curtis v. Illumination Arts, Inc.*, 33 F. Supp. 3d 1200, 1212 (W.D. Wash. 2014). 14 Plaintiff request \$1,986,803.57. ECF Nos. 11-13.

Based on the facts, the 15 principal amount based on Plaintiff's allegations is \$1,941,000.00. ECF Nos. 1; 16 11-1 at 2. The additional costs include prejudgment interest in the amount of 17 \$35,228.71, filing fees of \$405, service fees of \$429.30, attorneys' fees of \$9,563 18 and miscellaneous costs of \$177.56. ECF Nos. 11-1 at 2; 12; 13. 19 The prejudgment interest is calculated as stated in the Promissory Note.

ECF 20 No. 1 at 18-20; *Resol. Tr. Corp. v. First Am. Bank*, 155 F.3d 1126, 1129 (9th Cir. 1 1998) (recognizing that prejudgment interest is calculated as specified in a 2 contractual agreement if one exists). However, postjudgment interest is generally 3 calculated in accordance with federal law, 28 U.S.C. § 1961.

In *re Cardelucci*, 285 4 F.3d 1231, 1235 (9th Cir. 2002) ("In diversity actions brought in federal court a 5 prevailing plaintiff is entitled to pre-judgment interest at state law rates while post- 6 judgment interest is determined by federal law.") 7 Under RCW 4.84.330, reasonable attorneys' fees and costs shall be awarded to 8 the prevailing party for actions on contracts or leases.

The promissory note allows 9 for an award of reasonable attorneys' fees. ECF No. 1 at 18-20. "In determining 10 the amount of attorney fees to be awarded to the prevailing party, the proper 11 method for calculating a reasonable award of attorney fees is the lodestar method." 12 *Crest Inc. v. Costco Wholesale Corp.*, 128 Wash. App. 760, 764 (2005). This 13 approach "sets fees by multiplying a reasonable hourly rate by the number of hours 14 reasonably spent on the lawsuit." Id. "In addition to the usual billing rate, the 15 court may consider the level of skill required by the litigation, time limitations 16 imposed on the litigation, the amount of the potential recovery, the attorney's 17 reputation, and the undesirability of the case." *Bowers v. Transamerica Title Ins.*

18 Co., 100 Wash. 2d 581, 597 (1983). 19 Three attorneys worked on this case. ECF No. 12 at 8. Attorney Olivia 20 Johnston worked 6.2 hours with a rate of \$265.00/per hour totaling \$1,643.00, 1 Attorney Richard T. Wetmore worked 12.40 hours with a rate of \$500.000/per 2 hour totaling \$6,200.00 and Attorney Stephanie Wiley worked 8.6 hours with a 3 rate of \$200.00/per hour totaling \$1,720.00.

Id. Defendants did not oppose or 4 respond at all to this motion. After review, the Court finds these amounts 5 reasonable for an award of attorneys' fees. The hourly rates and hours worked 6 appear reasonable considering the length and merits of the case. See *United States 7 ex rel. Savage v. Washington Closure Hanford LLC*, 2019 WL 13169887, at *5 8 (E.D. Wash. Aug.

27, 2019) (\$600/per hour attorney fee was reasonable); *Elliot v. 9 Takhar Collection Servs., Ltd.*, 2013 WL 3884029, at *4 (E.D. Wash. July 26, 10 2013) (\$300/per hour attorney fee was reasonable). 11 Plaintiff allegedly provided and lost the alleged principal amount of 12 \$1,931,000.00 which is a large sum loss to Plaintiff. Nevertheless, this overall 13 award is a large sum of money.

For that reason, this factor does not weigh in favor 14 of an entry of default judgment. 15 E. Possibility of a Dispute Concerning Material Facts 16 Without Konold's alleged events, it is difficult to determine this factor.

After 17 an entry of default "all factual allegations in the Complaint are taken as true, 18 except those respecting damages." *Microsoft Corp. v. Lopez*, 2009 WL 959219, at 19 *3 (W.D. Wash. Apr. 7, 2009) (citing *Derek Andrew, Inc. v. Poof Apparel Corp.*, 20 528 F.3d 696, 702 (9th Cir. 2008)). Where a plaintiff "has supported its claims 1 with ample evidence, and defendant has made no attempt to challenge the accuracy 2 of the allegations in the complaint, no factual disputes exist that preclude the entry 3 of default judgment." *Curtis v. Illumination Arts, Inc.*, 33 F. Supp. 3d 1200, 1212 4 (W.D.

Wash. 2014) (quoting *Landstar Ranger, Inc. v. Parth Enters., Inc.*, 725 F. 5 Supp. 2d 916, 922 (C.D. Cal. 2010)). 6 Defendants have not tried to challenge the accuracy of the claims in the 7 complaint and Plaintiff provided some evidence evidencing the promissory note 8 and invoice.

ECF No. 1. Nevertheless, if Defendants were to respond, there is a 9 possibility that there could be a dispute of material facts.

This factor does not 10 weigh in favor or against an entry of default judgment. 11 F. Whether the Default was Due to Excusable Neglect 12 Defendants were properly served and Plaintiff notified Defendants with the 13 intent to file this motion. ECF Nos. 4-6; 8; 9. There is no indication of excusable 14 neglect. This factor weighs in favor of an entry of default judgment.

15 G. Strong Policy Favoring Decisions on the Merits 16 As previously stated, policy favors decisions on the merits. Cmty. Dental Servs. 17 v. Tani, 282 F.3d 1164, 1170 (9th Cir. 2002). However, this is not dispositive. 18 Curtis v. Illumination Arts, Inc., 33 F. Supp. 3d 1200, 1213 (W.D. Wash. 2014) 19 (citing Microsoft Corp. v. Lopez, 2009 WL 959219, at *3 (W.D.

Wash. Apr. 7, 20 2009)). Plaintiff has a right to move forward in their case and receive justice. This 2|| factor weighs against an entry of default judgment. 3 Based on the analysis of the discretionary factors, the Court determines 4|| requiring further evidence is in the interest of justice before entering a judgment of 5|| this large of asum.

The additional evidence may include evidence of a joint venture between the parties, Plaintiff's payments to Defendants for the alleged amount, rental payments, correspondence with EISOPIC and Defendants, etc. 8 || ACCORDINGLY, IT IS HEREBY ORDERED: 9 1. Plaintiffs Motion for Entry of Default Judgment (ECF No. 11) is 10 DENIED with leave to renew. 11 2. Plaintiff directed to provide a memorandum and additional evidence of 12 the alleged facts to support the elements of Plaintiffs claims on or before 13 April 15, 2026.

14 The District Court Executive is directed to enter this Order and furnish copies to counsel. 16 DATED March 16, 2026. <a United States District Judge 19 20 ORDER ON PLAINTIFF'S MOTION FOR ENTRY OF DEFAULT