UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION

Kevin M. Brandt v. P. Kevin Smith

Brandt · No. 3:25-cv-557-HEH · Decided April 20, 2026

SUMMARY

The United States District Court for the Eastern District of Virginia considers Plaintiff Kevin M. Brandt's motion for default judgment arising from Defendant P. Kevin Smith's alleged failure to pay $1.2 million under a Membership Interest Transfer Agreement. The Court grants default judgment on liability for breach of contract and breach of the implied covenant of good faith and fair dealing, and orders specific performance requiring payment in exchange for a 10% membership interest. The Court denies prejudgment interest, awards post-judgment interest under 28 U.S.C. § 1961, and addresses attorneys' fees and costs.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia, Richmond Division
WRITING FOR THE COURT	Henry E. Hudson
JURISDICTION	United States District Court for the Eastern District of Virginia, Richmond Division
DECIDED	April 20, 2026
DOCKET	3:25-cv-557-HEH
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment after Defendant failed to appear, plead, or otherwise defend against claims for breach of contract and breach of the implied covenant of good faith and fair dealing.
STANDARD OF REVIEW	On a motion for default judgment, the Court determines whether the well-pleaded allegations establish liability, independently determines damages and appropriate relief, and exercises discretion over equitable remedies, prejudgment interest, and the reasonableness of attorneys' fees and costs.
PRECEDENTIAL VALUE	unknown
PARTIES	Kevin M. Brandt v. P. Kevin Smith

TOPICS

default judgment · personal jurisdiction · specific performance remedy · attorney fees · breach of contract

PRACTICE AREAS

civil procedure · contracts · remedies · commercial litigation · personal jurisdiction

QUESTIONS PRESENTED

1. Whether the Clerk's entry of default should be set aside for good cause.
2. Whether the Court had personal jurisdiction over Defendant.
3. Whether the well-pleaded allegations established Defendant's liability for breach of contract.
4. Whether the well-pleaded allegations established liability for breach of the implied covenant of good faith and fair dealing.
5. Whether Plaintiff was entitled to specific performance requiring Defendant to pay $1.2 million in exchange for a 10% membership interest.
6. Whether Plaintiff was entitled to prejudgment interest.
7. Whether Plaintiff was entitled to post-judgment interest.
8. Whether Plaintiff was entitled to contractual attorneys' fees and costs, and what amount was reasonable.

HOLDINGS

1. The entry of default should not be set aside because Defendant failed to show good cause and had not responded to the complaint despite notice.
2. The Court had specific personal jurisdiction over Defendant under Virginia's long-arm statute and the Due Process Clause.
3. Default judgment was warranted on Plaintiff's breach-of-contract claim because the Agreement was valid, Defendant materially breached it by failing to pay $1.2 million, and Plaintiff was damaged by the breach.
4. Default judgment was warranted on Plaintiff's implied-covenant claim, which arose from Defendant's failure to perform his contractual obligations.
5. Specific performance was appropriate, and Defendant was ordered to pay Plaintiff $1.2 million in exchange for a 10% ownership interest in Dover Hall Enterprises, LLC.
6. Prejudgment interest was denied because, although Plaintiff requested it in the complaint, the equities did not favor an award.
7. Plaintiff was entitled to post-judgment interest on the $1.2 million payment calculated under 28 U.S.C. § 1961.
8. The contractual fee-shifting provision required Defendant to reimburse Plaintiff $24,465.00, consisting of $23,910.00 in reasonable attorneys' fees and $555.00 in costs.

KEY QUOTATIONS

> *"A party in default concedes the factual allegations of the complaint, but "default is not treated as an absolute confession by the defendant of his liability and of the plaintiff's right to recover.""* (at 8)

> *"Thus, "[p]ersonal jurisdiction is a prerequisite to a court's power to enter a default judgment against a defendant.""* (at 8)

> *"The Due Process Clause of the Fourteenth Amendment requires that a defendant 'have certain minimum contacts with [the forum state] such that the maintenance of a suit does not offend 'traditional notions of fair play and substantial justice.''"* (at 10)

> *"The Membership Interest is also not readily purchasable on the market and its pecuniary value is uncertain and not easily ascertainable."* (at 13)

> *"For the foregoing reasons, the Court will grant in part and deny in part Plaintiff's Motion for Default Judgment"* (at 26)

FACTUAL BACKGROUND

Plaintiff managed Dover Hall Enterprises, LLC and owned 90% of its membership interests. Under a June 21, 2025 Membership Interest Transfer Agreement, Defendant agreed to pay Plaintiff $1.2 million in exchange for a 10% membership interest in the Virginia company, but failed to pay by the June 25, 2025 closing date or thereafter. The Agreement contained a Virginia choice-of-law provision and provided for specific performance and fee shifting upon breach.

PROCEDURAL HISTORY

Plaintiff filed the complaint on July 17, 2025, and personally served Defendant on July 24, 2025. After Defendant failed to respond within the time allowed by the Federal Rules of Civil Procedure, the Clerk entered default on August 22, 2025. Plaintiff moved for default judgment, and after a hearing and supplemental briefing, the Court granted the motion in part and denied it in part.

DISPOSITION

other

CASES CITED

- Mayrant v. Norfolk Redevelopment & Hous. Auth., 801 F. Supp. 3d 601 (E.D. Va. 2025)
- Ryan v. Homecomings Fin. Network, 253 F.3d 778 (4th Cir. 2001)
- Nishimatsu Constr. Co., Ltd. v. Houston Nat'l Bank, 515 F.2d 1200 (5th Cir. 1975)
- Aerotek, Inc. v. Bernard Irby Inc., 670 F. Supp. 3d 230 (D. Md. 2023)
- Carefirst of Maryland, Inc. v. Carefirst Pregnancy Centers, Inc., 334 F.3d 390 (4th Cir. 2003)
- Tire Eng'g & Distrib., LLC v. Shandong Linglong Rubber Co., 682 F.3d 292 (4th Cir. 2012)
- Daimler AG v. Bauman, 571 U.S. 117 (2014)

- Lockwood Bros. v. Arnold Speditions GmbH, 453 F. Supp. 2d 928 (E.D. Va. 2006)
- Consulting Eng'rs Corp. v. Geometric, Ltd., 561 F.3d 278 (4th Cir. 2009)
- International Shoe Co. v. State of Washington, Int'l Shoe Co. v. Washington, 326 U.S. 310 (1945)
- Wilson v. Holyfield, 313 S.E.2d 396 (Va. 1984)
- Squire v. Va. Hous. Dev. Auth., 758 S.E.2d 55 (Va. 2014)
- Cangiano v. LSH Bldg. Co., 623 S.E.2d 889 (Va. 2006)
- Dominick v. Vassar, 367 S.E.2d 487 (Va. 1988)
- Hamlet v. Hayes, 641 S.E.2d 115 (Va. 2007)
- Chesapeake Builders v. Lee, 492 S.E.2d 141 (Va. 1997)
- Hitachi Credit Am. Corp. v. Signet Bank, 166 F.3d 614 (4th Cir. 1999)
- Quesinberry v. Life Ins. Co. of N. Am., 987 F.2d 1017 (4th Cir. 1993)
- Ulloa v. OSP, Inc., 624 S.E.2d 43 (Va. 2006)
- Robinson v. Equifax Info. Servs., LLC, 560 F.3d 235 (4th Cir. 2009)
- Two Men & a Truck/Int'l, Inc. v. A Mover Inc., 128 F. Supp. 3d 919 (E.D. Va. 2015)
- Zhang v. GC Servs., LP, 537 F. Supp. 2d 805 (E.D. Va. 2008)