

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Ameris Bank v. Gibson's Landscape Management, LLC

Ameris Bank · No. 8:24-cv-01836-FLA (JDEx) · Decided May 5, 2025

SUMMARY

The United States District Court for the Central District of California issued an order directing Ameris Bank to show cause why Gibson’s Landscape Management, LLC, STL Grading LLC, and Michael Wayne Gibson should not be held jointly and severally liable. The court identified a potential improper double recovery because a related default judgment had already been entered against STL Grading and Gibson based on the same agreements and events. The court also directed Plaintiff to explain whether the prior default judgment should be modified to account for payments made under the guaranty.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando L. Aenlle-Rocha
JURISDICTION	United States District Court for the Central District of California
DECIDED	May 5, 2025
DOCKET	8:24-cv-01836-FLA (JDEx)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment against Defendant Gibson's Landscape Management, LLC after the clerk entered default. Rather than immediately granting or denying the motion, the court issued an order to show cause concerning potential joint and several liability and double recovery.
STANDARD OF REVIEW	For default judgment, the court considers whether entry of judgment is appropriate under Federal Rule of Civil Procedure 55 and whether the requested relief would result in an improper double recovery.
PRECEDENTIAL VALUE	Unpublished federal district court order; precedential status unknown and generally nonprecedential.

TOPICS

- default judgment
- default
- damages
- civil procedure
- breach of contract

PRACTICE AREAS

civil procedure

commercial litigation

contracts

remedies

QUESTIONS PRESENTED

1. Whether the court should grant default judgment against Gibson's Landscape Management, LLC for breach of the corporate guaranty.
2. Whether granting the requested default judgment would create an improper double recovery because of the prior judgment in the related action.
3. Whether STL Grading LLC, Michael Wayne Gibson, and Gibson's Landscape Management, LLC should be found jointly and severally liable for any default judgment.
4. Whether the prior default judgment should be modified to account for payments made by Gibson's Landscape Management, LLC under the guaranty.

HOLDINGS

1. A plaintiff is not entitled to an improper double recovery for the same harm; before entering judgment, the court must account for overlapping liability and payments arising from the same agreements and events.

KEY QUOTATIONS

“Here, if the court were to grant the Motion, Plaintiff would secure what appears to be an improper double recovery since Ameris Bank I and the instant action arise from the same events and agreements.” (at 3)

“Accordingly, the court ORDERS Plaintiff to SHOW CAUSE in writing, within fourteen (14) days from the date of this Order, why the court should not find STL Grading, Michael Wayne Gibson, and GLM jointly and severally liable for any potential default judgment owed to Plaintiff.” (at 3-4)

FACTUAL BACKGROUND

STL Grading LLC entered into an equipment financing agreement with Ameris Bank for a loan of \$137,813.73, and Gibson's Landscape Management, LLC executed a guaranty to induce the financing and ensure payment. STL Grading stopped making payments in February 2024, after which Gibson's Landscape made several payments under the guaranty but left a balance unpaid. Ameris Bank had already obtained a default judgment in a related action against STL Grading and Michael Wayne Gibson arising from the same agreements and events, creating a potential overlap in recoverable damages.

PROCEDURAL HISTORY

Ameris Bank filed this diversity action on August 20, 2024, asserting a claim for breach of corporate guaranty. The clerk entered default against Gibson's Landscape Management, LLC on November 18, 2024, and Ameris Bank moved for default judgment on November 25, 2024. The court issued an order requiring Plaintiff to explain why the defendant should not be jointly and severally liable with nonparties STL Grading LLC and Michael Wayne Gibson and why the prior default judgment in the related action should not be modified.

DISPOSITION

other

CASES CITED

- Ameris Bank v. STL Grading, LLC, et al., Case No. 8:24-cv-00588-FLA (JDEx), Dkt. 15
- M&T Cap. and Leasing Corp. v. Freon Logistics, Case No. 2:23-cv-01171-WBS-CSK, 2025 WL 1100889 (E.D. Cal. Mar. 21, 2025)
- Sorayama v. Robert Bane Ltd. Inc., 380 F. App'x 707, 709 (9th Cir. 2010)

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