

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS, EASTERN DIVISION

Fairway Independent Mortgage Corporation as Plan Administrator
for the Fairway Independent Mortgage Corporation Medical Plan v.
Eric Jungnickel, Eric Jungnickel, as Trustee of the Eric Jungnickel
Trust Agreement Dated September 20, 2022

Fairway Independent Mortgage Corp. v. Jungnickel · No. 1:23-cv-05139 · Decided February 25, 2026

SUMMARY

This document is Plaintiff’s motion for judgment under Federal Rules of Civil Procedure 12(c) and 55(b)(2) in an ERISA reimbursement dispute. Fairway Independent Mortgage Corporation, as plan administrator, seeks principal, prejudgment interest, attorney’s fees and costs, equitable surcharge, and an equitable lien and constructive trust over identified real property and a vehicle. The motion relies on alleged admissions, a prior default order, preliminary-injunction and contempt findings, and the plan’s asserted reimbursement rights.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
JURISDICTION	United States District Court for the Northern District of Illinois
DECIDED	February 25, 2026
DOCKET	1:23-cv-05139
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff filed a motion for judgment against Eric Jungnickel personally and as trustee, invoking Federal Rules of Civil Procedure 12(c) and 55(b)(2), following entry of default, prior injunction proceedings, and contempt findings.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

- default judgment
- motion for judgment on the pleadings
- equitable lien
- constructive trust
- health law

PRACTICE AREAS

ERISA

employee benefits

equitable remedies

trusts

civil procedure

QUESTIONS PRESENTED

1. Whether judgment should be entered against Jungnickel individually and as trustee under Federal Rules of Civil Procedure 12(c) and 55(b)(2) based on the default and alleged admissions.
2. Whether the plan is entitled to equitable surcharge, an equitable lien, and a constructive trust under ERISA section 502(a)(3).
3. Whether plaintiff should recover prejudgment interest, attorney's fees, and costs.

KEY QUOTATIONS

"An admission "at oral argument is a binding judicial admission, the same as any other formal concession made during the course of proceedings.""

"The basic effect of an entry of default is that the well-pleaded allegations of a complaint relating to liability are taken as true and cannot be contested."

FACTUAL BACKGROUND

According to the motion, the ERISA plan paid approximately \$178,750.85 in medical expenses for injuries caused by third parties, and Jungnickel later recovered \$900,000 in a personal-injury settlement. The motion alleges that the plan had a reimbursement interest in the settlement proceeds and that Jungnickel used portions of those proceeds to pay off a residence and purchase a truck. It further alleges that Jungnickel sold the residence despite a preliminary injunction and used the sale proceeds to purchase another residence in Kansas. The motion asserts that \$111,250.82 remained due after partial payments.

PROCEDURAL HISTORY

The motion states that plaintiff filed an amended ERISA complaint seeking equitable relief, including declaratory relief, injunctive relief, a constructive trust, an equitable lien, and equitable surcharge. A default order was entered against Jungnickel individually and as trustee on January 29, 2024. The court later entered a preliminary injunction and, according to the motion, found Jungnickel in contempt for violating the injunction and imposed a constructive trust on property allegedly acquired with settlement proceeds. The document is plaintiff's motion and does not state a ruling or disposition by the court.

DISPOSITION

other

CASES CITED

- McCaskill v. SCI Management Corp., 298 F.3d 677, 680 (7th Cir. 2002)
- VLM Food Trading International, Inc. v. Illinois Trading Co., 811 F.3d 247, 255 (7th Cir. 2016)
- First National Bank of Chicago v. Standard Bank & Trust, 172 F.3d 472 (7th Cir. 1999)

- Cigna Corp. v. Amara, 563 U.S. 421 (2011)
- Kenseth v. Dean Health Plan, Inc., 722 F.3d 869 (7th Cir. 2013)

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