

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
LOUISIANA

Patrick Walsh, Jr. v. ECO Roof and Solar, Inc., et al.

Walsh · No. 2:24-cv-02153 · Decided March 10, 2026

SUMMARY

The United States District Court for the Eastern District of Louisiana denied ECO Roof and Solar, Inc. and Dylan Lucas’s motion to set aside the clerk’s entry of preliminary default. The court found that defendants’ failure to respond was willful and that they had not presented a meritorious defense, while concluding that setting aside the default would not substantially prejudice the plaintiff. The underlying action involves alleged unpaid commissions and wages, breach of contract, fraud, defamation, and related claims arising from plaintiff Patrick Walsh, Jr.’s employment.

CASE DETAILS

COURT	United States District Court for the Eastern District of Louisiana
WRITING FOR THE COURT	Brandon S. Long
JURISDICTION	United States District Court for the Eastern District of Louisiana
DECIDED	March 10, 2026
DOCKET	2:24-cv-02153
DISPOSITION	other
PROCEDURAL POSTURE	Defendants ECO Roof and Solar, Inc. and Dylan Lucas moved under Federal Rule of Civil Procedure 55(c) to set aside the clerk's entry of preliminary default. The court denied the motion.
STANDARD OF REVIEW	The decision whether to set aside an entry of default for good cause under Federal Rule of Civil Procedure 55(c) is committed to the district court's discretion. The court considers whether the default was willful, whether setting it aside would prejudice the plaintiff, and whether the defendant presented a meritorious defense, with the factors applied liberally and non-exclusively.
PRECEDENTIAL VALUE	unknown
PARTIES	ECO Roof and Solar, Inc., Dylan Lucas v. Patrick Walsh, Jr.

TOPICS

default

civil procedure

employment contracts

breach of contract

wage and hour

PRACTICE AREAS

civil procedure

employment law

contracts

QUESTIONS PRESENTED

1. Whether ECO Roof and Solar, Inc. and Dylan Lucas showed good cause under Federal Rule of Civil Procedure 55(c) to set aside the clerk's entry of preliminary default.
2. Whether defendants' failure to respond was willful.
3. Whether defendants presented a meritorious defense sufficient to justify setting aside the preliminary default.
4. Whether setting aside the preliminary default would prejudice Walsh.

HOLDINGS

1. Defendants failed to show good cause to set aside the clerk's entry of preliminary default because their default was willful and they failed to present a meritorious defense.
2. Defendants' failure to respond was willful because they knew of the action and response deadline, waived service, and failed to file responsive pleadings without a supported explanation.
3. Defendants did not present a meritorious defense because they offered only general denials and conclusory assertions about damages and commission timing, without definite facts or a proposed responsive pleading.
4. The prejudice factor weighed slightly in favor of setting aside the default because delay alone generally does not constitute legal prejudice, although that factor did not overcome the findings of willfulness and lack of a meritorious defense.

KEY QUOTATIONS

“Courts prefer to resolve a case on the merits rather than to enter a default judgment, which is a “drastic” and “disfavored” remedy, resort to which is reserved for “extreme situations.”” (II)

“A willful default is an ‘intentional failure’ to respond to litigation.” (II.A)

“The purpose of the second significant good-cause factor—whether defendants have a meritorious defense—is to gauge “whether there is some possibility that the outcome of the suit after a full trial will be contrary to the result achieved by the default.”” (II.B)

“Because Defendants fail to implicate good cause for setting aside the entry of default against them, for the foregoing reasons, IT IS ORDERED that the motion® to set aside entry of default against Defendants ECO Roof and Solar, Inc. and Dylan Lucas is DENIED.” (III)

FACTUAL BACKGROUND

Walsh sued his former employer, ECO Roof and Solar, Inc., and its principals over alleged unpaid commissions and wages, termination, defamation, and related claims. ECO and Lucas waived service and were required to respond by November 8, 2024, but no responsive pleadings were filed. After a bankruptcy-related stay and reopening of the case, the clerk entered preliminary default against the defendants. ECO and Lucas attributed their failure to respond to confusion about multiple lawsuits and bankruptcy proceedings, but offered no evidence, proposed answer, or specific defense.

PROCEDURAL HISTORY

Walsh filed this diversity and federal-question action on August 30, 2024. Defendants failed to file timely responsive pleadings after service or waiver of service, and the clerk entered preliminary default against all defendants on June 3, 2025. ECO and Lucas later appeared through counsel and moved to set aside the default, but they did not file a proposed answer or identify a specific defense. The court denied the motion after finding willful default and failure to present a meritorious defense; it found that alleged prejudice was, at most, a slight factor favoring defendants.

DISPOSITION

other

CASES CITED

- Sun Bank of Ocala v. Pelican Homestead & Sav. Ass'n, 874 F.2d 274, 276 (5th Cir. 1989)
- Matter of Dierschke, 975 F.2d 181, 183-184 (5th Cir. 1992)
- In re Chinese Manufactured Drywall Prods. Liab. Litig., 742 F.3d 576, 594 (5th Cir. 2014)
- Pelican Renewables 2, LLC v. Directsun Solar Energy & Tech., LLC, 325 F.R.D. 570, 575 (E.D. La. 2016)
- Sindhi v. Raina, 905 F.3d 327, 332 (5th Cir. 2018)
- Effjohn Int'l Cruise Holdings, Inc. v. A&L Sales, Inc., 346 F.3d 552, 563 (5th Cir. 2003)
- In re OCA, Inc., 551 F.3d 359, 370, 373 (5th Cir. 2008)
- A.P. Moller – Maersk A/S v. Safewater Lines (I) Pvt., Limited, 784 F. App'x 221, 225 (5th Cir. 2019)
- Lacy v. Sitel Corp., 227 F.3d 290, 293 (5th Cir. 2000)
- Wooten v. McDonald Transit Assocs., Inc., 788 F.3d 490, 496, 500-501 (5th Cir. 2015)
- Cooper v. Faith Shipping, No. CIV.A. 06-892, 2010 WL 2360668, at *12 (E.D. La. June 9, 2010)
- Marquette Transportation Co. Gulf-Inland, LLC v. Arroyo Terminals, LLC, No. CV 25-651, 2026 WL 25131, at *3-*4 (E.D. La. Jan. 5, 2026)
- Jenkins & Gilchrist v. Groia & Co., 542 F.3d 114, 119, 122 (5th Cir. 2008)
- Hand v. Secure Lending Inc., No. 20-607, 2020 WL 4584187, at *3 (E.D. La. Aug. 10, 2020)
- Rogers v. Hartford Life & Accident Ins. Co., 167 F.3d 933, 936 (5th Cir. 1999)