UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Hain Capital Holdings, LLC v. Paulette D. Marquis, Individually and as Trustee of the Paulette D. Marquis Revokable Living Trust

Hain Capital Holdings v. Marquis · No. Civil Action No. 25-17629 (SRC) · Decided March 12, 2026

SUMMARY

The United States District Court for the District of New Jersey granted Hain Capital Holdings, LLC's motion for default judgment against Paulette D. Marquis, individually and as trustee of the Paulette D. Marquis Revokable Living Trust. The court found liability on claims for breach of contract, fraud, and declaratory judgment based on the alleged prior sale of bankruptcy claim rights. The court referred the issue of damages to a magistrate judge for a proof hearing.

CASE DETAILS

COURT	United States District Court for the District of New Jersey
WRITING FOR THE COURT	Stanley R. Chesler
JURISDICTION	United States District Court for the District of New Jersey
DECIDED	March 12, 2026
DOCKET	Civil Action No. 25-17629 (SRC)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment under Federal Rule of Civil Procedure 55(b)(2) after Defendants were personally served and the Clerk entered default.
STANDARD OF REVIEW	On a motion for default judgment, well-pleaded factual allegations are accepted as true, except allegations concerning the amount of damages; damages must still be proven.
PRECEDENTIAL VALUE	unpublished district court opinion

TOPICS

default judgment · default · breach of contract · declaratory judgment · damages

PRACTICE AREAS

civil procedure · contracts · commercial litigation · remedies

QUESTIONS PRESENTED

1. Whether default judgment should be entered against Marquis individually and as trustee on Plaintiff's breach-of-contract claim.
2. Whether default judgment should be entered on Plaintiff's fraud claim based on Marquis's alleged concealment of the prior sale of the claim rights.
3. Whether default judgment should be entered on Plaintiff's declaratory-judgment claim based on the Participation Agreement's indemnification provision.
4. Whether Plaintiff had sufficiently proven the amount of damages for entry of a damages judgment.

HOLDINGS

1. Because Defendants defaulted, the well-pleaded allegations concerning liability were accepted as true, and default judgment was entered for Plaintiff on its breach-of-contract, fraud, and declaratory-judgment claims.
2. Default established liability but did not establish the amount of damages; Plaintiff was required to prove damages to a reasonable degree of certainty.
3. The allegations concerning the Participation Agreement's indemnification provision established Marquis's liability for damages stemming from her breach, including the losses covered by that provision.

KEY QUOTATIONS

> *"A consequence of the entry of a default judgment is that the factual allegations of the complaint, except those relating to the amount of damages, will be taken as true."* (908 F.2d at 1149)

> *"This leaves only the question of damages."*

FACTUAL BACKGROUND

Paulette D. Marquis filed a creditor claim in a bankruptcy case in the District of New Jersey. She then entered into a written Participation Agreement transferring to Plaintiff Hain Capital Holdings, LLC her exclusive rights to that claim, and Plaintiff received an initial bankruptcy distribution. A prior purchaser subsequently informed Plaintiff that Marquis had already sold those rights to the prior purchaser before entering into the Participation Agreement with Plaintiff.

PROCEDURAL HISTORY

Plaintiff filed a three-count Complaint on November 17, 2025. Defendants were personally served on December 17, 2025; Plaintiff requested entry of default on January 7, 2026; and the Clerk entered default against Defendant Paulette D. Marquis individually and as trustee. The Court granted default judgment on liability on all three claims but referred damages to the Magistrate Judge for a proof hearing.

DISPOSITION

other

REMAND INSTRUCTIONS

The damages issue is referred to the Magistrate Judge for a proof hearing.

CASES CITED

- Comdyne I, Inc. v. Corbin, 908 F.2d 1142, 1149 (3d Cir. 1990)
- Lightning Lube v. Witco Corp., 4 F.3d 1153, 1176 (3d Cir. 1993)
