UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH CAROLINA

Brabham Oil Company, Inc. v. Fuel Trader Supply, LLC, Blue Earth Resources, Inc., Fuel Trader Resource Management, Inc., William R. Eaton, Scott M. Boruff, Charles B. Lobetti, III, Gary W. Ford, Jr.

Brabham Oil · No. 5:24-cv-1170-JFA · Decided December 9, 2025

SUMMARY

The court denied non-settling defendants Gary W. Ford and William R. Eaton's motion for a preliminary injunction seeking to preserve escrowed funds for defense costs and indemnification. The court dismissed as moot the settling defendants' motion for approval to distribute the funds, denied Eaton's motion for release of funds, and denied Ford's summary-judgment motion to the extent it sought release of the funds. The court concluded that the defendants had not shown irreparable harm, that the balance of equities and public interest favored permitting the settlement, and that the governing consent order allowed release upon agreement between the plaintiff and Fuel Trader Supply, LLC.

CASE DETAILS

COURT	United States District Court for the District of South Carolina
WRITING FOR THE COURT	Joseph F. Anderson, Jr.
JURISDICTION	United States District Court for the District of South Carolina
DECIDED	December 9, 2025
DOCKET	5:24-cv-1170-JFA
DISPOSITION	other
PROCEDURAL POSTURE	The district court considered a motion for preliminary injunction by two non-settling defendants, a motion by settling defendants for approval to distribute escrowed funds, a motion by Eaton for release of funds held in trust, and Ford's motion for summary judgment insofar as it sought release of those funds.

STANDARD OF REVIEW	A preliminary injunction requires proof of likely success on the merits, likely irreparable harm absent relief, a balance of equities favoring relief, and consistency with the public interest. Each requirement must be fulfilled; the court also considered Federal Rule of Civil Procedure 65(c)'s security requirement.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

injunctions · injunction bonds · summary judgment · contracts · civil procedure

PRACTICE AREAS

civil procedure · commercial litigation · contracts · remedies · corporate law

QUESTIONS PRESENTED

1. Whether Ford and Eaton were entitled to a preliminary injunction preventing distribution of the escrowed funds to the settling defendants and Brabham.
2. Whether the settling defendants' motion for approval to distribute the escrowed funds presented a live controversy for adjudication.
3. Whether Eaton was entitled to release of the escrowed funds for attorney fees and costs under his claimed indemnification and advancement rights.
4. Whether Ford was entitled to release of the escrowed funds through his motion for summary judgment.
5. Whether the escrowed funds were available to satisfy the non-settling defendants' potentially viable indemnification and advancement claims.

HOLDINGS

1. Ford and Eaton were not entitled to a preliminary injunction because they failed to establish irreparable harm, the balance of equities favored allowing the settlement to proceed, and the public interest favored enforcement of the prior consent order. Their failure to present a bond also supplied an independent basis for denial.
2. The possibility that Ford and Eaton might later be unable to collect a monetary indemnity or advancement judgment did not establish irreparable harm on the record presented.
3. Ford and Eaton did not establish a right to have the specific escrowed funds reserved or released for their indemnification and advancement claims.
4. The motion for approval to distribute the escrowed funds was dismissed as moot because Brabham and FTS had already agreed to release the funds under the consent order, leaving no injury for the court to redress.
5. Eaton's motion to release the escrowed funds and Ford's motion for summary judgment insofar as it sought release of those funds were denied.

KEY QUOTATIONS

> *"A party seeking a preliminary injunction must establish four elements: (1) that they will likely succeed on the merits; (2) that they are likely to suffer irreparable harm in the absence of preliminary relief; (3) that the balance of equities tips in their favor; and (4) that the granting of the injunction is in the public interest."* (Section III)

> *"Where the harm suffered by the moving party may be compensated by an award of money damages at judgment, courts generally have refused to find that harm irreparable."* (Section IV(A)(ii))

> *"federal courts do not exist to answer questions. They exist to redress injuries."* (Section IV(B))

> *"Under Article III, federal courts do not adjudicate hypothetical or abstract disputes[,] [and] do not possess a roving commission to publicly opine on every legal question."* (Section IV(B))

FACTUAL BACKGROUND

Brabham entered into fuel-product buy-sell agreements with Fuel Trader Supply, LLC, under which Brabham paid for fuel products and was to receive repayment with interest. After the corporate defendants' business relationship with Brabham broke down, Brabham sued the corporate defendants and several officers or executives. A state-court consent order placed $1.5 million from a corporate account into trust to resolve an earlier temporary restraining order, and the settling defendants later agreed to settle with Brabham. Non-settling defendants Ford and Eaton claimed that the escrowed funds should be preserved or released to pay their litigation expenses under alleged indemnification and advancement rights.

PROCEDURAL HISTORY

Brabham sued the corporate defendants and several of their officers and executives in state court. Brabham obtained an ex parte temporary restraining order freezing certain corporate assets, and Brabham and the corporate defendants subsequently entered into a consent order placing $1.5 million in trust. The action was removed to the federal district court. Several defendants then settled with Brabham and sought to distribute the escrowed funds, while Ford and Eaton sought to preserve or obtain funds for their claimed indemnification and advancement rights. After an emergency hearing, the court denied the preliminary injunction and release requests and dismissed the distribution-approval motion as moot.

DISPOSITION

other

CASES CITED

- Winter v. Natural Resources Defense Council, Inc., 555 U.S. 7, 20 (2008)
- Hoechst Diafoil Co. v. Nan Ya Plastics Corp., 174 F.3d 411, 422 (4th Cir. 1999)
- De La Fuente v. South Carolina Democratic Party, 164 F. Supp. 3d 794, 798 (D.S.C. 2016)
- Bishop of Charleston v. Adams, 538 F. Supp. 3d 608, 615 (D.S.C. 2021)
- Prysmian Cables & Systems USA, LLC v. Szymanski, 573 F. Supp. 3d 1021, 1034 (D.S.C. 2021)

- Hughes Network Systems, Inc. v. InterDigital Communications Corp., 17 F.3d 691, 694 (4th Cir. 1994)
- Roland Machinery Co. v. Dresser Industries, Inc., 749 F.2d 380, 386 (7th Cir. 1984)
- Sauer-Danfoss (US) Co. v. Nianzhu Luo, No. CA 8:12-3435-HMH, 2012 WL 6042831, at *1 (D.S.C. Dec. 5, 2012)
- U.S. ex rel. Taxpayers Against Fraud v. Singer Co., 889 F.2d 1327, 1328 (4th Cir. 1989)
- W. Virginia Coal Workers' Pneumoconiosis Fund v. Bell, 781 F. App'x 214, 223-24 (4th Cir. 2019)
- Wells v. Johnson, 150 F.4th 289, 295 (4th Cir. 2025)
- TransUnion LLC v. Ramirez, 594 U.S. 413, 423 (2021)

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