

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
FLORIDA, ORLANDO DIVISION

**Antonio Valdes Cruz and John Butler v. Freeman's Construction &
Engineering Group, Inc., Guillermo Angel Alonso, and The Pinewood
Holding Company, LLC**

Valdes Cruz v. Freeman's Construction · No. 6:24-cv-744-GAP-DCI · Decided January 5, 2026

SUMMARY

This amended Report and Recommendation addresses Plaintiffs’ motion for final default judgment in an action alleging violations of the Fair Labor Standards Act’s minimum-wage and overtime provisions. The court recommends granting the motion, finding personal jurisdiction, venue, subject-matter jurisdiction, liability by default, and unpaid wage damages with an equal amount of liquidated damages. The amendment corrects references to Plaintiff Antonio Valdes Cruz’s surname.

CASE DETAILS

COURT	United States District Court for the Middle District of Florida, Orlando Division
JURISDICTION	United States District Court for the Middle District of Florida, Orlando Division
DECIDED	January 5, 2026
DOCKET	6:24-cv-744-GAP-DCI
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved for entry of final default judgment on their Fair Labor Standards Act minimum-wage and overtime claims after the Court struck Defendants' answer as a sanction and directed the Clerk to enter default. The magistrate judge issued an amended report and recommendation recommending that the motion be granted.
STANDARD OF REVIEW	On a motion for default judgment, the court determines whether the pleadings provide a sufficient basis for the judgment, whether the claims are adequately stated, and whether the court has subject-matter and personal jurisdiction. Well-pleaded factual allegations are deemed admitted upon default, but damages must be supported by evidence such as detailed affidavits or other competent documentation.
PRECEDENTIAL VALUE	nonprecedential

PARTIES

Antonio Valdes Cruz, John Butler v. Freeman's Construction & Engineering Group, Inc., Guillermo Angel Alonso, The Pinewood Holding Company, LLC

TOPICS

flsa

wage and hour

default judgment

damages

attorney fees

PRACTICE AREAS

employment law

wage and hour

civil procedure

remedies

QUESTIONS PRESENTED

1. Whether the pleadings and evidence provided a sufficient basis for entry of default judgment on Plaintiffs' FLSA minimum-wage and overtime claims.
2. Whether the Court had personal jurisdiction over Defendants despite Defendants' failure to raise a personal-jurisdiction defense in their answer or a Rule 12 motion.
3. Whether venue was proper in the Middle District of Florida.
4. Whether Defendants were subject to FLSA coverage and could be treated as employers or joint employers.
5. Whether Defendants were entitled to deduct lodging credits from Plaintiffs' wages.
6. Whether Plaintiffs were entitled to liquidated damages, attorney fees, and costs.

HOLDINGS

1. A default judgment is warranted when the pleadings contain a sufficient basis for the judgment, meaning the claims are adequately pleaded and would survive a motion to dismiss; Plaintiffs adequately pleaded FLSA minimum-wage and overtime violations and supported their damages with sworn declarations and documentary evidence.
2. Defendants waived objections to personal jurisdiction by appearing and failing to raise the defense in a responsive pleading or Rule 12 motion.
3. Venue was proper in the Middle District of Florida because a substantial part of the events giving rise to the claims occurred in the district.
4. Plaintiffs established a sufficient basis for default judgment on their FLSA minimum-wage and overtime claims against Defendants.
5. Defendants were not entitled to deduct the lodging credits from Plaintiffs' wages because they failed to maintain and produce records establishing the reasonable cost of the lodging and the alleged credit exceeded the actual cost or generated a profit.
6. Plaintiffs were entitled to liquidated damages equal to their unpaid minimum and overtime wages because Defendants did not establish good faith.

KEY QUOTATIONS

“Entry of default judgment is only warranted when there is ‘a sufficient basis in the pleadings for the judgment entered.’” (Section III)

“An employer’s unsubstantiated estimate of his cost, where the employer has failed to comply with the recordkeeping provisions of the FLSA, and where there has been no determination of reasonable cost by the Wage and Hour Division does not satisfy the employer’s burden of proving reasonable cost.” (Section IV.D)

“the district court’s decision whether to award liquidated damages does not become discretionary until the employer carries its burden of proving good faith. In other words, liquidated damages are mandatory absent a showing of good faith.” (Section E)

FACTUAL BACKGROUND

Plaintiffs performed nonexempt repair, remodeling, maintenance, and related construction work for Defendants in Brevard County, Florida. They alleged working approximately 60 to 66 hours per week while receiving less than the applicable minimum wage and no time-and-a-half overtime compensation. Defendants furnished lodging and deducted a \$500 weekly lodging credit from Plaintiffs' pay, allegedly exceeding their actual lodging cost and generating a profit. Defendants failed to maintain the records necessary to substantiate a lawful lodging credit.

PROCEDURAL HISTORY

Plaintiffs filed an FLSA complaint, Defendants answered, and Plaintiffs later filed an amended complaint to which Defendants also answered. Because of repeated failures by Defendants and their counsel to comply with court orders and litigate the case, the Court struck Defendants' answer under Federal Rule of Civil Procedure 37(b) and directed entry of clerk's default. Defendants did not respond to the motion for default judgment or seek to set aside the default. The amended report and recommendation recommends judgment for Plaintiffs, subject to adoption by the district judge.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. The report recommends that, if adopted, the district court enter judgment for Cruz in the amount of \$41,016.16 and for Butler in the amount of \$195,919.40, and permit Plaintiffs to file a motion quantifying reasonable attorney fees and costs.

CASES CITED

- Surtain v. Hamlin Terrace Found., 789 F.3d 1239, 1245 (11th Cir. 2015)
- Nishimatsu Constr. Co. v. Hous. Nat'l Bank, 515 F.2d 1200, 1206 (5th Cir. 1975)
- Chudasama v. Mazda Motor Corp., 123 F.3d 1353, 1370 n.41 (11th Cir. 1997)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Stubbs v. Wyndham Nassau Resort & Crystal Palace Casino, 447 F.3d 1357, 1364 (11th Cir. 2006)
- Palmer v. Braun, 376 F.3d 1254, 1259 (11th Cir. 2004)
- Baragona v. Kuwait Gulf Link Transp. Co., 594 F.3d 852, 854 (11th Cir. 2010)
- Caterpillar Inc. v. Williams, 482 U.S. 386, 392 (1987)
- Kemp v. Int'l Bus. Mach. Corp., 109 F.3d 708, 712 (11th Cir. 1997)
- Cabreja v. SC Maint. Inc., 2019 WL 2931469, at *3 (M.D. Fla. June 19, 2019)
- Josendis v. Wall to Wall Residence Repairs, Inc., 662 F.3d 1292, 1298 (11th Cir. 2011)
- Freeman v. Key Largo Volunteer Fire & Rescue Dep't, Inc., 494 F. App'x 940, 942 (11th Cir. 2012)
- Lamonica v. Safe Hurricane Shutters, Inc., 711 F.3d 1299, 1315 (11th Cir. 2013)
- Anderson v. Mt. Clemens Pottery Co., 328 U.S. 680, 687-88 (1946)
- Caro-Galvan v. Curtis Richardson, Inc., 993 F.2d 1500, 1513-14 (11th Cir. 1993)
- Donovan v. New Floridian Hotel, 676 F.2d 468, 475 (11th Cir. 1982)
- Joiner v. City of Macon, 814 F.2d 1537, 1539 (11th Cir. 1987)