UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Marine Group Boat Works, LLC v. F/V Heather G and Atlanta Pacific Tuna, Inc.

Marine Group Boat Works · No. 25-cv-00319-BAS-DDL · Decided October 1, 2025

SUMMARY

The United States District Court for the Southern District of California granted Marine Group Boat Works, LLC's motion for an interlocutory sale of the vessel F/V Heather G and authorization to credit bid. The court found that the vessel was subject to deterioration, that custody expenses were excessive and disproportionate, and that there had been an unreasonable delay in securing its release under Supplemental Rule E(9)(a). The court also authorized the plaintiff, as the senior claim holder, to credit bid at the vessel auction.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Cynthia Bashant
JURISDICTION	United States District Court for the Southern District of California
DECIDED	October 1, 2025
DOCKET	25-cv-00319-BAS-DDL
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for an interlocutory sale of an arrested vessel and authorization to credit bid at the auction. The court granted both requests.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure Supplemental Rule E(9)(a)(i), a moving party seeking an interlocutory vessel sale need show only one of the listed conditions: perishability or liability to deterioration, excessive or disproportionate custody expenses, or unreasonable delay in securing release.
PRECEDENTIAL VALUE	unpublished

TOPICS

vessel arrest · maritime liens · admiralty · remedies · civil procedure

PRACTICE AREAS

Admiralty · Maritime liens · Civil procedure · Remedies · Commercial litigation

QUESTIONS PRESENTED

1. Whether an interlocutory sale of the arrested vessel was warranted under Supplemental Rule E(9)(a)(i) because the vessel was liable to deterioration, custody expenses were excessive or disproportionate, or there was unreasonable delay in securing its release.
2. Whether Plaintiff, as the only asserted maritime lien claimant and senior claim holder, could credit bid up to the amount of its secured indebtedness at the vessel auction under Civil Local Rule E.1(e)(2).

HOLDINGS

1. An interlocutory sale was warranted because the arrested vessel was liable to deterioration, the costs of keeping it in custody were excessive and disproportionate, and there had been an unreasonable delay in securing its release. Any one of the three Rule E(9)(a)(i) conditions was sufficient.
2. Plaintiff could credit bid at the vessel auction without paying cash, certified check, or cashier's check, up to the total amount of its secured indebtedness.

KEY QUOTATIONS

> *"[The Court] may order all or part of the property sold—with the sales proceeds, or as much of them will satisfy the judgment, paid into the court to await further orders of the court—if:"* (Legal Standard and Analysis, I)

> *"In light of DEFENDANT VESSEL's likelihood of deterioration, the unreasonable delay in securing her release and the excessive and disproportionate cost of keeping her in custody, the Court finds interlocutory sale is warranted under Rule E(9)(a) and GRANTS Plaintiff's Motion in this regard."* (Legal Standard and Analysis, II.A)

FACTUAL BACKGROUND

Atlantic Pacific Tuna, Inc. agreed to pay Plaintiff an indebtedness memorialized in a settlement agreement but stopped making payments after January 2025. The vessel was arrested and placed in Plaintiff's custody as substitute custodian, where it remained idle and subject to deterioration while custody expenses continued to accrue. No Defendant appeared to answer or otherwise respond, and the Clerk entered default. Plaintiff sought sale of the vessel and authority to credit bid its secured indebtedness at the auction.

PROCEDURAL HISTORY

In an earlier action, the court ordered the vessel seized and placed in substitute custody; that action was later dismissed after settlement. After the vessel owner failed to make required settlement payments, Plaintiff filed this in rem action to foreclose maritime claims based on an assigned maritime lien, promissory note, and preferred ship mortgage. The vessel was arrested, Defendants defaulted, and Plaintiff moved for an interlocutory sale and credit-bid authorization.

DISPOSITION

other

CASES CITED

- Marine Group Boat Works, LLC v. F/V Heather, a 1979 73.6 Foot Commercial Fishing Vessel, No. 24-cv-1303-W-DDL, 2024 WL 3611151 (S.D. Cal. July 31, 2024)
- Bartell Hotels v. S/V Talus, 445 F. Supp. 3d 983, 987-88 (S.D. Cal. 2020)
- Sun Harbor Marina P'ship v. M/Y The Bella Dog, No. 3:25-CV-00051-JES-KSC, 2025 WL 1425557, at *2 (S.D. Cal. May 16, 2025)
- Shelter Cove Marina, Ltd. v. M/Y Isabella, No. 17-cv-01578-GPC-BLM, 2017 WL 5906673, at *2 (S.D. Cal. Nov. 30, 2017)
- United States v. F/V Milagros Z, No. CIV.96-1633 BTM(JFS), 2000 WL 33309870, at *2 (S.D. Cal. July 26, 2000)
- TMF Tr. Ltd. v. M/T Megacore Philomena, No. CV 17-9010-AGR, 2018 WL 6174705, at *1 n. 1 (C.D. Cal. July 10, 2018)
- Vineyard Bank v. M/Y Elizabeth I, U.S.C.G. Off. No. 1130283, No. 08CV2044 BTM WMC, 2009 WL 799304, at *2 (S.D. Cal. Mar. 23, 2009)
- GB Cap. Holdings, LLC v. S/V Glori B, No. 18CV312-WQH-AGS, 2019 WL 277387, at *2, *4 (S.D. Cal. Jan. 22, 2019)

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