

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

MNE Trucking, Inc. v. OJ Commerce, LLC

No. 2:23-cv-05742-HDV-AJR (C.D. Cal. June 27, 2025) · No. 2:23-cv-05742-HDV-AJR · Decided June 27,
2025

OPINION

MNE Trucking, Inc. v. OJ Commerce, LLC

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 11 MNE TRUCKING, INC., a California No. 2:23-cv-05742-HDV-AJR 12 corporation doing
business as Siberian Trucking, MEMORANDUM DECISION

13 AND ORDER IMPOSING

Plaintiff and Counter- COERCIVE SANCTIONS ON 14 Defendant, PLAINTIFF (DKT. 104) v.
15 OJ COMMERCE, LLC, a Delaware 16 limited liability company, 17 Defendant and Counter-
Claimant. 18 19 I. 20

INTRODUCTION & PROCEDURAL HISTORY

21 This is a business dispute between a trucking company, Plaintiff and 22 Counter-Defendant
MNE Trucking, Inc. (“Plaintiff”), and one of its customers, 23 Defendant and Counter-Claimant
OJ Commerce, LLC (“Defendant”),¹ regarding 24 payment for services rendered, as well as the
pricing for those services. (Dkt. 10 at 25 26 27 1 Defendant is an online retailer engaged in
interstate commerce that sells 28 consumer goods. (Dkt. 33 at 3.) 1 to timely pay \$91,647.50 for
services rendered. (Dkt. 10 at 4.) After litigation 2 commenced, Defendant filed a Counterclaim
alleging that Plaintiff misrepresented 3 its rates to induce Defendant to enter an agreement for
trucking services and then 4 overcharged Defendant. (Dkt. 33 at 3-5.) 5 The parties have been
engaged in discovery for months and the Court has 6 conducted 13 informal discovery
conferences since December of 2024. (Dkts. 65, 7 66, 67, 69, 71, 75, 81, 92, 101, 108, 125, 129,
134.) One of the key discovery 8 disputes has been Defendant’s requests for production seeking
Plaintiff’s invoices to 9 other customers. (Dkt. 103.) The Court previously determined that these
requests 10 were both relevant and proportional to the needs of the case because Defendant has 11
asserted multiple counterclaims which focus on Plaintiff’s pricing. (Id. at 7-9; Dkt. 12 33 at 5-9.)
The Court worked with the parties for months to try and find an efficient 13 and economical way
of producing this information, first through a data export, then 14 15 a sampling of invoices, and
finally production of all responsive invoices. (Dkts. 67, 16 69, 71, 75, 81, 92.) On April 11, 2025,
the Court set a deadline of April 28, 2025 17 for Plaintiff to complete production of responsive

invoices, with Bates stamps, but 18 Plaintiff did not meet the deadline. (Dkts. 92, 101.) 19 On April 29, 2025, the Court held an informal discovery conference to 20 discuss Plaintiff's failure to comply with the Court's April 28, 2025 production 21 deadline for invoices from 2019 through 2022. (Dkt. 101.) Plaintiff's counsel 22 advised the Court that Plaintiff did not produce any invoices to Defendant by the

23 April 28, 2025 deadline, and instead, provided the first tranche of invoices on the 24 morning of April 29, 2025. (Id.) Accordingly, the Court advised Plaintiff that it 25 would issue an Order to Show Cause re Sanctions for Plaintiff's failure to comply 26 with the Court's deadline. (Id.) In the meantime, the Court encouraged Plaintiff to 27 complete production of the invoices as quickly as possible. (Id.) 28 1 Plaintiff's Failure to Meet the Court's April 28, 2025 Production Deadline for 2 Responsive Invoices (the "Order to Show Cause"). (Dkt. 104.) In the Order to 3 Show Cause, the Court advised that would "impose sanctions of \$500 per day for 4 every day that Plaintiff does not complete production of responsive invoices (with 5 Bates stamps) after April 28, 2025." (Id. at 2.) The Court set a deadline of May 9, 6 2025 for Plaintiff to file a response opposing these sanctions. (Id.) The Court later 7 extended the deadline until May 23, 2025. (Dkt. 108.) 8 On May 19, 2025, Plaintiff filed a Status Report advising the Court on the 9 status of various discovery efforts, including Plaintiff's efforts to produce 10 responsive invoices as directed by the Court. (Dkt. 116.) On May 21, 2025, 11 Defendant filed a Response to Plaintiff's Status Report (the "Response"). (Dkt. 12 122.) On May 23, 2025, Plaintiff filed an Opposition to Sanctions re Production of 13 Invoices (the "Opposition"). (Dkt. 123.) Finally, on June 12, 2025, Plaintiff filed a 14 15 Brief in Support of Discovery Compliance. (Dkt. 136.) The Court has considered 16 all of the forgoing filings as well as its knowledge of the document productions at 17 issue and the information obtained from the numerous informal discovery 18 conferences discussing this issue. Having considered all of this information, the 19 Court concludes that Plaintiff must pay \$2,000.00 to the Clerk of Court as a coercive 20 sanction. 21 22 II.

23 LEGAL STANDARD

24 Under Federal Rule of Civil Procedure 37(b)(2), "[i]f a party or a party's 25 officer, director, or managing agent . . . fails to obey an order to provide or permit 26 discovery, . . . the court where the action is pending may issue further just orders" 27 including "treating as contempt of court the failure to obey any order an order to 28 submit to a physical or mental examination." Fed. R. Civ. P. (37(b)(2)(A)(vii). "A 1 purposes: (1) to coerce the defendant into compliance with the court's order; and (2) 2 to compensate the complainant for losses sustained." *Shell Offshore Inc. v. 3 Greenpeace, Inc.*, 815 F.3d 623, 629 (9th Cir. 2016) (internal quotation marks 4 omitted). "[C]ivil contempt sanctions, or those penalties designed to compel future 5 compliance with a court order, are considered to be coercive and avoidable through 6 obedience, and thus may be imposed in an ordinary civil proceeding upon notice and 7 an opportunity to be heard. Neither a jury trial nor proof beyond a reasonable doubt 8 is required." *Int'l Union, United Mine Workers of Am. v.*

Bagwell, 512 U.S. 821, 9 827 (1994). 10 “Where the purpose of a civil contempt sanction is to coerce good faith efforts 11 to comply with a discovery request, contempt is proper.” Richmark Corp. v. Timber 12 Falling Consultants, 959 F.2d 1468, 1480 (9th Cir. 1992). “A court, in determining 13 the amount and duration of a coercive fine, must consider the character and 14 15 magnitude of the harm threatened by continued contumacy, and the probable 16 effectiveness of any suggested sanction in bringing about the result desired.” 17 Whittaker Corp. v. Execuair Corp., 953 F.2d 510, 516 (9th Cir. 1992) (internal 18 quotation marks omitted). However, a “district court should apply the least coercive 19 sanction (e.g., a monetary penalty) reasonably calculated to win compliance with its 20 orders.” United States v. Flores, 628 F.2d 521, 527 (9th Cir. 1980) (internal 21 quotation marks omitted). 22 23 III.

24 DISCUSSION

25 The Court’s Order to Show Cause imposed a sanction of \$500 per day 26 payable to the Court for every day after April 28, 2025 that Plaintiff did not 27 complete the production of invoices as a coercive sanction intended to induce 28 compliance. (Dkt. 104 at 2); see, e.g., RG Abrams Ins. v. L. Offs. of C.R. Abrams, 1 coercive sanction is a per diem fine payable to the court and imposed for each day a 2 contemnor fails to comply with an affirmative court order.”). The Court selected the 3 amount of \$500 per day based on the clear prejudice caused to Defendant by 4 Plaintiff’s failure to timely produce responsive invoices. (Dkt. 104.) Indeed, the 5 parties had scheduled depositions for the week of May 5, 2025 and could not 6 conduct fulsome depositions without production of the invoices. (Dkt. 101.) 7 Moreover, the Court was unable to further extend the April 28, 2025 deadline 8 because the Fact Discovery Cut-Off at the time was set at May 9, 2025. (Id.) 9 Therefore, the Court concludes that a coercive sanction of \$500 per day is justified 10 by both the magnitude of the harm threatened by Plaintiff’s continued 11 noncompliance, as well as the probable effectiveness of this sanction in light of the 12 fact that the Court had been working with the parties for months to try and resolve 13 this dispute. (Dkts. 67, 69, 71, 75, 81, 92); see Whittaker Corp., 953 F.2d at 516. 14 15 The Court next turns to whether and when Plaintiff complied with the Court’s

16 April 28, 2025 deadline to complete production of responsive invoices. (Dkt. 104 at 17 2). Plaintiff contends that it completed production of responsive invoices by May 2, 18 2025, but acknowledges “continu[ing] to work with Harbor Litigation to address any 19 remaining issues,” even after that date. (Dkt. 123 at 4.) According to the 20 declaration of Plaintiff’s owner and authorized representative, Plaintiff “produced 21 the first batch [of invoices] on April 29, 2025, and the balance of the production was 22 complete by May 2, 2025, with proper bates stamps.” (Dkt. 123-1 at 3.) The 23 declaration acknowledges concerns raised by Defendant about Plaintiff’s production 24 “that the invoices were not produced in a proper format or that there was some 25 manipulation in the process of production.” (Id.) Therefore, the declaration 26 explains that Plaintiff retained Harbor Litigation to “revie[w] the Quick Books 27 program to determine what happened when we attempt[ed] to produce invoices.” 28 (Id.) 1 Plaintiff’s invoice production

have been resolved. Indeed, the Court notes that on 2 June 19, 2025, Defendant filed a Second Motion for Sanctions contending that the 3 alleged deficiencies in Plaintiff's invoice production still have not been resolved. 4 (Dkt. 138 at 8.) Given that Defendant has filed a separate motion alleging 5 substantive non-compliance with Plaintiff's discovery obligations, the Court will 6 reserve the issue of alleged deficiencies with Plaintiff's invoice production for the 7 resolution of Defendant's Second Motion for Sanctions. Here, the Court finds it 8 sufficient to determine that the accumulation of sanctions should terminate on May 9 2, 2025. Indeed, Plaintiff does not even argue that it complied with the Court's 10 April 28, 2025 deadline until May 2, 2025. (Dkt. 123 at 4.) Thus, Plaintiff must 11 pay \$2,000.00 to the Clerk of Court as a coercive sanction because Plaintiff admits 12 that it did not comply with the Court's order until at least four days after the April 13 28, 2025 deadline. (Id.) 14 15 As noted above, there is some evidence in the record that Plaintiff's final 16 production of invoices on May 2, 2025 was still non-compliant. (Dkt. 123-1 at 3 17 (noting Defendant's concerns "that the invoices were not produced in a proper 18 format or that there was some manipulation in the process of production").) Thus, 19 the Court has considered imposing additional sanctions beyond May 2, 2025, but 20 exercises its discretion to err on the side of leniency because it does not believe that 21 imposing further sanctions will achieve any improved document production at this 22 point in the case. Therefore, the Court is not making a finding as to the quality of 23 Plaintiff's invoice production and may revisit that issue in resolving Defendant's 24 Second Motion for Sanctions. 25 Plaintiff contends that the Court should not impose any sanction even though 26 Plaintiff admits that it did not comply with the Court's April 28, 2025 deadline until 27 at least May 2, 2025. (Dkt. 123 at 4.) Specifically, Plaintiff contends that "the 28 delays in production were not due to willful misconduct but rather due to the 1 technical limitations of its QuickBooks 2007 system and the complexity of 3 producing 19,500 invoices." (Id.) However, the Court rejects Plaintiff's contention 3 that it could not have produced the invoices merely four days sooner given that the 4 Court had been working with the parties and had specifically warned Plaintiff about 5 the potential need to produce all of the responsive invoices for months. Plaintiff 6 || was well aware of the likely need to produce these invoices and could have worked 7 || more proactively to engage external technical assistance to complete the production g || ina timely manner. 9 In sum, the Court concludes that Plaintiff must pay \$2,000.00 to the Clerk of 19 || Court as a coercive sanction because Plaintiff admits that it did not comply with the 11 || Court's order until at least four days after the April 28, 2025 deadline. The Court 12 || believes this amount is the least coercive sanction reasonably calculated to win

13. || compliance with the Court's order to produce responsive invoices. See Flores, 628

14 || F.2d at 527 (9th Cir. 1980). 15 16 IV.

17 CONCLUSION

18 Consistent with the foregoing, Plaintiff shall pay \$2,000.00 to the Clerk of 19 || Court as a coercive sanction and file a notice of payment no later than July 11, 20 || 2025. If Plaintiff fails to make this payment and file a notice of payment by July 11, 91 || 2025, the Court will impose an

additional \$500.00 per day penalty for every day 92 || until Plaintiff makes the payment in full (including any additional sanctions accrued 23 || as of the date of payment). 24 IT IS SO ORDERED. 26 DATED: June 27, 2025

HON, A. JOEL RICHLIN

27 UNITED STATES MAGISTRATE JUDGE

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