

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Operating Engineers Health and Welfare Trust Fund, et al. v. Eagle
Environmental & Construction, et al.

Operating Engineers Health and Welfare Trust Fund v. Eagle Environmental & Construction · No. 25-cv-02524-KAW · Decided October 16, 2025

SUMMARY

This report and recommendation addresses Plaintiffs’ motion for default judgment in an ERISA action against Eagle Environmental & Construction and Ronald Batiste. The court recommends ordering Defendants to comply with a payroll audit and provide contribution reports, awarding Plaintiffs \$2,856.50 in attorney’s fees and \$1,421.42 in costs, and retaining jurisdiction to amend the judgment if the audit identifies unpaid contributions.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Kandis A. Westmore
JURISDICTION	United States District Court for the Northern District of California
DECIDED	October 16, 2025
DOCKET	25-cv-02524-KAW
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved for default judgment after Defendants were personally served, failed to respond, and had default entered by the Clerk. The magistrate judge reassigned the action to a district judge because Defendants had not consented to magistrate judge jurisdiction and issued a report and recommendation on the motion.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure 55(b)(2), the court applied the Eitel factors to determine whether default judgment was appropriate. The court also required Plaintiffs to establish damages through testimony or written affidavit, because default establishes liability only from well-pleaded allegations and does not establish the amount of damages.
PRECEDENTIAL VALUE	nonprecedential

PARTIES

Operating Engineers Health and Welfare Trust Fund, et al. v. Eagle Environmental & Construction, et al.

TOPICS

default judgment

employee benefits

attorney fees

injunctions

civil procedure

PRACTICE AREAS

ERISA

employee benefits

civil procedure

default judgment

attorney's fees

QUESTIONS PRESENTED

1. Whether the court had subject matter jurisdiction, personal jurisdiction, and adequate service to consider default judgment.
2. Whether the Eitel factors supported entry of default judgment requiring Defendants to comply with the requested audit and provide contribution reports.
3. Whether Plaintiffs were entitled to attorney's fees and costs under ERISA despite not yet establishing that unpaid contributions existed.
4. Whether the court should retain jurisdiction to permit Plaintiffs to seek amendment of the judgment after the audit determines whether additional contributions are owed.

HOLDINGS

1. The court determined that subject matter jurisdiction existed under ERISA and the LMRA, personal jurisdiction existed under ERISA's nationwide service provision because the plans were administered in the district, venue was proper, and Defendants had been properly served.
2. The Eitel factors favored entry of default judgment and supported an order requiring Defendants to comply with Plaintiffs' audit request and provide contribution reports.
3. Plaintiffs were entitled to discretionary attorney's fees under ERISA § 502(g)(1), but not mandatory fees under § 502(g)(2), because Plaintiffs had not yet demonstrated that unpaid contributions existed. After deducting noncompensable clerical time, the recommended fee award was \$2,856.50, plus \$1,421.42 in costs.

KEY QUOTATIONS

"Before assessing the merits of a default judgment, a court must confirm that it has subject matter jurisdiction over the case and personal jurisdiction over the parties, as well as ensure the adequacy of service on the defendant." (at 2)

"After an examination of these facts in the aggregate, this Court finds that Eitel factors one through six outweigh the Federal Rules of Civil Procedure's preference for a decision on the merits." (at 8)

"Here, however, Plaintiffs have not demonstrated that there are unpaid contributions; indeed, the very purpose of the audit is to determine whether there are unpaid contributions." (at 9)

“Finally, the district court should retain jurisdiction to allow Plaintiffs to submit a further motion to amend the judgment should the audit reveal unpaid contributions.” (at 12)

FACTUAL BACKGROUND

Eagle Environmental & Construction entered into an independent agreement incorporating collective-bargaining and trust-agreement obligations to make fringe-benefit contributions and submit to audits. The agreements required timely contributions, interest, liquidated damages, and reimbursement of collection expenses, and allegedly made principal shareholder Ronald Batiste personally liable for specified obligations. Plaintiffs requested payroll and contribution records for an audit covering January 1, 2017 through December 31, 2021, and sought contribution reports for May 2016 through January 2025, but Defendants failed to respond. Defendants were served, failed to appear, and remained in default.

PROCEDURAL HISTORY

Plaintiffs filed an ERISA action seeking an audit, contribution reports, payment of unpaid contributions, and related relief. Defendants were personally served on April 10, 2025, failed to answer, and default was entered on May 6, 2025. Plaintiffs moved for default judgment on August 5, 2025; Defendants did not appear or oppose the motion. After a September 18, 2025 hearing, the magistrate judge recommended granting the motion in part and denying it in part, subject to review by a district judge.

DISPOSITION

other

CASES CITED

- Shanghai Automation Instrument Co. v. Kuei, 194 F. Supp. 2d 995, 1005 (N.D. Cal. 2001)
- Draper v. Coombs, 792 F.2d 915, 924-25 (9th Cir. 1986)
- In re Tuli, 172 F.3d 707, 712 (9th Cir. 1999)
- Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986)
- Pepsico, Inc. v. Cal. Sec. Cans, 238 F. Supp. 2d 1172, 1175 (C.D. Cal. 2002)
- Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987)
- Cripps v. Life Ins. Co. of N. Am., 980 F.2d 1261, 1267 (9th Cir. 1992)
- Action Embroidery Corp. v. Atl. Embroidery, Inc., 368 F.3d 1174, 1180 (9th Cir. 2004)
- Health & Welfare Trust Fund v. RT/DT, Inc., C 12-05111 JSW, 2013 WL 2237871, at *4 (N.D. Cal. May 21, 2013)
- Cent. States, Se. v. Sw. Areas Pension Fund v. Cent. Transp. Inc., 472 U.S. 559, 582 (1985)
- Operating Eng'rs' Health & Welfare Trust Fund v. Cal Excavation & Underground, Inc., 2020 U.S. Dist. LEXIS 32149, at *18 (N.D. Cal. Jan. 28, 2020)
- Bd. of Trs. of the Laborers Health & Welfare Trust Fund for N. Cal. v. Atoll Topui Island, Inc., 2007 U.S. Dist. LEXIS 4307, at *2 (N.D. Cal. Jan. 22, 2007)
- Bd. of Trs. of Cal. Metal Trades v. Pitchometer Propeller, 1997 WL 797922, at *2 (N.D. Cal. Dec. 15, 1997)

- *Truong Giang Corp. v. Twinstar Tea Corp.*, 2007 WL 1545173, at *12 (N.D. Cal. May 29, 2007)
- *Phillip Morris USA, Inc. v. Castworld Prod., Inc.*, 219 F.R.D. 494, 500 (C.D. Cal. 2003)
- *Fair Hous. of Marin v. Combs*, 285 F.3d 899, 906 (9th Cir. 2002)
- *Bd. of Trs. of the Boilermaker Vacation Trust v. Skelly, Inc.*, 389 F. Supp. 2d 1222, 1226 (N.D. Cal. 2005)
- *Hummell v. S. E. Rykoff & Co.*, 634 F.2d 446, 453 (9th Cir. 1980)
- *Bell v. Clackamas Cnty.*, 341 F.3d 858, 860 (9th Cir. 2003)
- *Nadarajah v. Holder*, 569 F.3d 906, 921 (9th Cir. 2009)
- *IBEW Local 595 Trust Funds v. ACS Controls Corp.*, No. C-10-5568, 2011 WL 1496056, at *3 (N.D. Cal. Apr. 20, 2011)

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