UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

C S BIO CO., et al. v. COMERICA BANK

C S Bio · No. 22-cv-05033-RS · Decided December 4, 2025

SUMMARY

The United States District Court for the Northern District of California continued the hearing on Comerica Bank's motion for summary judgment and requested supplemental briefing under Federal Rule of Civil Procedure 56(f). The court explained that the central issue was whether plaintiffs could show damages caused by alleged misrepresentations concerning loan funding, payment of a contractor invoice, waiver of a financial covenant, and Intarcia's financial condition. The court cautioned that plaintiffs appeared to be relying primarily on benefit-of-the-bargain damages rather than damages caused by reliance on the alleged misrepresentations, and allowed supplemental briefing on causation and damages.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Richard Seeborg
JURISDICTION	United States District Court for the Northern District of California
DECIDED	December 4, 2025
DOCKET	22-cv-05033-RS
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs opposed Comerica Bank's motion for summary judgment. The court continued the hearing and requested supplemental briefing under Federal Rule of Civil Procedure 56(f) because it may enter summary judgment on causation and damages grounds not fully presented in the motion.
STANDARD OF REVIEW	Summary judgment may be entered when the record shows no triable issue of material fact and the movant is entitled to judgment as a matter of law. Under Federal Rule of Civil Procedure 56(f), the court must provide notice and a reasonable opportunity to respond before granting summary judgment on grounds not fully presented by the movant.
PRECEDENTIAL VALUE	Unknown

PARTIES	C S Bio Co., CCS Management, LLC v. Comerica Bank

TOPICS

summary judgment · civil procedure · commercial litigation · damages · consequential damages

PRACTICE AREAS

Civil procedure · Commercial litigation · Fraud · Damages · Remedies

QUESTIONS PRESENTED

1. Whether plaintiffs identified a triable issue of fact establishing damages caused by their reasonable reliance on Comerica's alleged misrepresentations, false promises, failures to disclose, or concealments.
2. Whether plaintiffs' proposed damages measure improperly sought the financial benefits they allegedly would have received if the loan had been approved and funded.
3. Whether the court could consider causation and damages as grounds for summary judgment without additional notice and briefing under Federal Rule of Civil Procedure 56(f).

HOLDINGS

1. The relevant damages inquiry is what damages plaintiffs suffered as a result of reasonable reliance on the alleged misrepresentations, false promises, failures to disclose, or concealments, not the position plaintiffs would have occupied if the loan had been approved and funded.
2. Before entering summary judgment on causation or damages grounds that were not fully presented in Comerica's motion, the court must provide plaintiffs notice and an opportunity to submit supplemental briefing under Federal Rule of Civil Procedure 56(f).

KEY QUOTATIONS

> *"Accordingly, the question is not what position CS would have been in had the loan gone through. Rather, the issue is what, if any, damages CS can show it suffered as a result of its reasonable reliance on the alleged misrepresentations/false promises/failures to disclose/concealments."* (at 2)

> *"In an abundance of caution, however, and to ensure a clear record and that due process is satisfied, CS is advised under Rule 56(f) of the Federal Rules of Civil Procedure that summary judgment may be entered against it on the grounds discussed in this order, whether or not those grounds are fully presented in Comerica's motion."* (at 4)

FACTUAL BACKGROUND

Plaintiffs alleged that Comerica represented in November 2020 that they could pay a contractor's $738,000 October invoice without jeopardizing loan funding and that the payment would be reimbursed from loan proceeds. Plaintiffs also alleged that Comerica represented that any violation of the FCCR covenant would be waived and that Intarcia's financial condition would not preclude final loan approval. After the loan was not approved or funded, plaintiffs claimed damages based primarily on construction delays, lost leasing opportunities, and higher interest rates.

PROCEDURAL HISTORY

The court previously denied in part and granted in part Comerica's motion to dismiss the Second Amended Complaint, concluding that certain alleged misrepresentations concerning payment of a contractor invoice, waiver of the FCCR covenant, and Intarcia's financial condition could support viable claims. The court later denied plaintiffs leave to file a Third Amended Complaint, explaining that the proposed allegations could be pursued under the existing pleading. After Comerica moved for summary judgment and plaintiffs opposed, the court issued this amended order continuing the hearing and allowing supplemental briefing under Rule 56(f).

DISPOSITION

other

CASES CITED

- Bushell v. JPMorgan Chase Bank, N.A., 163 Cal. Rptr. 3d 539, 550 (Cal. App. 2013)