

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA

Corrales Law PC v. Equal Access Justice Fund LP

No. 25-CV-1834 JLS (MMP) (S.D. Cal. July 22, 2025) · No. 25-CV-1834 JLS (MMP) · Decided July 22, 2025

OPINION

Corrales Law PC v. Equal Justice Fund LP

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 SOUTHERN DISTRICT OF CALIFORNIA

10 11 CORRALES LAW PC, a California Case No.: 25-CV-1834 JLS (MMP) professional
corporation; MANUEL 12 CORRALES, JR., a California resident, ORDER (1) DENYING
PLAINTIFFS’

13 MOTION FOR EMERGENCY

Plaintiffs,

TEMPORARY RESTRAINING

14

v. ORDER AND (2) SETTING

15 BRIEFING SCHEDULE FOR

EQUAL ACCESS JUSTICE FUND LP, a

PLAINTIFFS’ MOTION FOR

16 Delaware limited partnership, et al.,

PRELIMINARY INJUNCTION

17 Defendants. (ECF No. 2) 18 19 20 21 Presently before the Court is Plaintiffs Corrales Law PC
 (“CLPC”) and Manuel 22 Corrales, Jr.’s Motion for Emergency Temporary Restraining Order and
 Preliminary 23 Injunction (“Mot.,” ECF No. 2). Defendants Equal Access Justice Fund LP, B.E.
 Blank 24 Company LP, BEB Partners LLC, and Benjamin E. Blank have not opposed the Motion.
 25 Having reviewed the Motion, Plaintiffs’ Complaint (“Compl.” ECF No. 1), and the law, 26 the
 Court DENIES Plaintiffs’ Motion for Emergency Temporary Restraining Order, and 27 SETS a
 briefing schedule for Plaintiffs’ Motion for Preliminary Injunction. 28 / / /

1 BACKGROUND

2 Pro se Plaintiff Manuel Corrales, Jr. is a San Diego-based lawyer who has been 3 representing
 the California Valley Miwok Tribe (“CVMT”) in a number of legal disputes 4 for over a decade.
 Compl. ¶¶ 11, 13. Corrales alleges that, as a result of his longstanding 5 representation of CVMT,
 he is owed several million dollars in previously earned legal fees 6 that have been unrealized for

various reasons. Id. ¶ 11. That large unrealized balance, 7 according to Corrales, has driven interest from third-party financiers to offer Corrales loans 8 to cover legal expenses in exchange for a share of the proceeds. Id. ¶¶ 11–12. 9 One such third-party financier was B.E. Blank Company LP (“BEBC”), a Delaware 10 limited partnership run by Benjamin E. Blank. Id. ¶¶ 6, 8. BEBC is also a general partner 11 of Equal Access Justice Fund LP (“EAJF”). Id. ¶ 6. Corrales alleges that he sought funding 12 from Mr. Blank and BEBC in August 2021, ultimately resulting in the execution of a loan 13 agreement on August 16, 2021 (the “Loan Agreement”). Id. ¶ 12; see also id., Ex. A 14 (“Agreement”). Under the Loan Agreement, which contained an aggregate ceiling of 15 \$700,000, Mr. Blank and BEBC agreed to loan Corrales funds on an as-needed basis to 16 cover legal expenses. Agreement at 36.1 In return, Corrales was obligated to share 50% 17 of his attorneys’ fees to pay down the loan. Compl. ¶ 12. The outstanding balance under 18 the Loan Agreement was also subject to what Corrales describes as an “excessive interest 19 rate[] in violation of California usury laws.” Id. ¶ 26. 20 BEBC was apparently not the only funding company that offered Corrales money. 21 Separately, Corrales alleges that he received a \$200,350 advance from a firm called U.S. 22 Claims on May 17, 2018. Id. ¶ 13. That 2018 advance was, according to Corrales, tied to 23 a specific case in which he sought recovery of funds on behalf of CVMT. Id. However, 24 Corrales alleges that repayment of the 2018 advance was contingent upon his success in 25 the matter to which the advance pertained. Id. In the event he did not prevail on the CVMT 26 lawsuit, Corrales claims that he would not owe U.S. Claims anything. Id. 27 28 1 For several reasons—including the fact that he did not prevail in the CVMT 2 lawsuit—Corrales alleges that he was not responsible for repaying U.S. Claims anything 3 at all despite an accrued interest balance of over \$500,000. Id. Nevertheless, U.S. Claims 4 allegedly filed a lien with the California Secretary of State in the amount of \$518,650, 5 which Defendants then paid off under the Loan Agreement. Id. Corrales challenges the 6 enforceability of the U.S. Claims lien, and in turn, avers that Defendants wrongfully created 7 a liability on Corrales’s behalf of over \$500,000 by paying off the lien. Id. ¶¶ 13–14. 8 According to Corrales, EAJF has since commenced a JAMS arbitration pursuant to the 9 Loan Agreement to collect on the debts it believes Corrales owes, namely the U.S. Claims 10 lien repayment. Id. ¶ 32. But Corrales believes the Loan Agreement is unenforceable in 11 its entirety for several reasons, including, inter alia, the Loan Agreement’s contravention 12 of the California Rules of Professional Conduct and the exorbitant interest rates applicable 13 under the Loan Agreement. Id. ¶¶ 22, 25–27. That belief led Corrales to file this lawsuit, 14 seeking a declaration of rights and injunctive relief under California’s Unfair Competition 15 Law. See generally Compl. 16 Corrales filed the Complaint on July 18, 2025, and that same day, he filed the instant 17 Motion asking this Court to enjoin the JAMS arbitration that commenced in March of this 18 year. See Mot. at 9; see also ECF No. 1, Ex. 1 (“JAMS Arb.”). Corrales’s basic contention 19 is that the Loan Agreement is void and unenforceable as contrary to public policy, and 20 consequently, the arbitration provision therein is similarly unenforceable. Mot. at 5–10. 21 Filed alongside the Motion was a Proof of Service in

which a process server declared that 22 the Complaint and Motion were served on EAJF's counsel by email the same day those 23 documents were filed. See ECF No. 4 ("Proof of Service").

24 LEGAL STANDARD

25 Federal Rule of Civil Procedure 65(b) governs the issuance of a temporary 26 restraining order ("TRO"). The standard for a TRO is identical to the standard for a 27 preliminary injunction. *Frontline Med. Assocs., Inc. v. Coventry Healthcare Worker's 28 Comp., Inc.*, 620 F. Supp. 2d 1109, 1110 (C.D. Cal. 2009). A plaintiff seeking preliminary 1 injunctive relief must establish "[1] that he is likely to succeed on the merits, [2] that he is 2 likely to suffer irreparable harm in the absence of preliminary relief, [3] that the balance of 3 equities tips in his favor, and [4] that an injunction is in the public interest." *Winter v. Nat. 4 Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008). Injunctive relief is "an extraordinary 5 remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such 6 relief" and is "never awarded as of right." *Id.* at 22, 24. 7 When a plaintiff has not provided notice of their TRO application to the defendant, 8 Federal Rule of Civil Procedure 65(b)(1) imposes additional requirements. Namely: 9 The court may issue a temporary restraining order without written or oral notice to the adverse party or its attorney only if: 10 (A) specific facts in an affidavit or a verified complaint clearly 11 show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in 12 opposition; and (B) the movant's attorney certifies in writing any 13 efforts made to give notice and the reasons why it should not be required. 14 15 Fed. R. Civ. P. 65(b)(1). "The stringent restrictions imposed . . . by Rule 65[] on the 16 availability of ex parte temporary restraining orders reflect the fact that our entire 17 jurisprudence runs counter to the notion of court action taken before reasonable notice and 18 an opportunity to be heard has been granted both sides of a dispute." *Granny Goose Foods, 19 Inc. v. Bhd. of Teamsters*, 415 U.S. 423, 438–39 (1974) (footnote omitted). 20 "Courts have [thus] recognized very few circumstances justifying the issuance of an 21 ex parte TRO." *Reno Air Racing Ass'n v. McCord*, 452 F.3d 1126, 1131 (9th Cir. 2006). 22 "For example, an ex parte TRO may be appropriate 'where notice to the adverse party is 23 impossible either because the identity of the adverse party is unknown or because a known 24 party cannot be located in time for a hearing.'" *Id.* (quoting *Am. Can Co. v. Mansukhani*, 25 742 F.2d 314, 322 (7th Cir. 1984)). Alternatively, "[i]n cases where notice could have 26 been given to the adverse party, courts have recognized 'a very narrow band of cases in 27 which ex parte orders are proper because notice to the defendant would render fruitless the 28 further prosecution of the action.'" *Id.* (quoting *Am. Can Co.*, 742 F.2d at 322). Generally 1 speaking, this "narrow band" includes only situations wherein an ex parte order is 2 necessary "to preserve evidence or the court's jurisdiction." *Am. Can Co.*, 742 F.2d at 323 3 n.11 (citing *In re Vuitton et Fils S.A.*, 606 F.2d 1, 3, 5 (2d Cir. 1979) (per curiam)).

4 DISCUSSION

5 Plaintiffs' Motion focuses entirely on the Winter factors. In so structuring their 6 arguments, Plaintiffs ignore "the threshold question that arises anytime a party seeks a 7 restraining order ex

parte: have Plaintiffs presented an adequate justification for failing to 8 give notice to the Defendant?” *Adobe Sys., Inc. v. S. Sun Prods., Inc.*, 187 F.R.D. 636, 638 9 (S.D. Cal. 1999). While Plaintiffs indicate that they served the Complaint and Motion 10 upon EAJF’s counsel by email through a process server, see Proof of Service, at present 11 there is no proper proof of service that complies with the ordinary service of process rules 12 under Federal Rule of Civil Procedure 4. See *Palm St. Cap. LLC v. Xie*, 13 No. 22-cv-01932-NC, 2022 WL 22855264, at *1 (N.D. Cal. June 1, 2022) (recognizing 14 that electronic service of process may only be permitted “when supported by an appropriate 15 factual record” as an alternative means of service under Cal. Civ. Proc. Code § 413.30). 16 Nor is there any proof of service whatsoever that confirms service of the Complaint and 17 Motion upon the other three Defendants—BEBC, Mr. Blank, or BEB Partners LLC. See 18 generally Docket. As explained in analogous situations, “service by email does not 19 constitute formal service designed to ensure notice even in the context of an ex parte 20 application for a TRO.” *SDLA Courier Serv., Inc. v. City Cap. NY LLC*, 21 No. 2:24-cv-08115-MRA-E, 2024 WL 4868278, at *3 (C.D. Cal. Sept. 24, 2024) 22 (collecting cases). Accordingly, the Court “declines to assume the alleged notice was 23 offered, let alone, adequate.” See *MG Pharmacy LLC v. Cardinal Health 110 LLC*, 24 No. CV-21-01747-PHX-SPL, 2021 WL 6845294, at *1 (D. Ariz. Oct. 15, 2021); see also 25 *Globalization Partners, Inc. v. Layton*, No. 19-cv-01990-BAS-LL, 2019 WL 5268657, 26 at *2 (S.D. Cal. Oct. 16, 2019) (“Because there is no proof of service or other 27 documentation reflecting that service was completed, it is unclear whether Defendant 28 received notice of this proceeding. Hence, for purposes of this Order, the Court assumes 1 Defendant was not provided notice of the instant application and construes Plaintiff’s 2 application as a request to issue the TRO without providing notice to Defendant.”). 3 Plaintiffs argue that they will suffer irreparable harm in the absence of a TRO, Mot. 4 at 2, but “courts have recognized very few circumstances justifying the issuance of an ex 5 parte TRO.” *Reno Air Racing Ass’n*, 452 F.3d at 1131. “For example, an ex parte TRO 6 may be appropriate ‘where notice to the adverse party is impossible either because the 7 identity of the adverse party is unknown or because a known party cannot be located in 8 time for a hearing.’” *Id.* (quotation omitted). Alternatively, “[i]n cases where notice could 9 have been given to the adverse party, courts have recognized a very narrow band of cases 10 in which ex parte orders are proper because notice to the defendant would render fruitless 11 the further prosecution of the action.” *Id.* (quoting *Am. Can Co.*, 742 F.2d at 322). This 12 “narrow band” generally includes only situations when an ex parte order is necessary “to 13 preserve evidence or the court’s jurisdiction.” *Am. Can Co.*, 742 F.2d at 323 n.11 (citation 14 omitted). 15 Here, Plaintiffs contend that Corrales “will be required to travel to Delaware and 16 oppose Defendants’ claims in arbitration” in the face of an invalid arbitration provision. 17 Mot. at 10. As Plaintiffs see it, that travel, coupled together with the “strong possibility” 18 that the arbitrator will reach a different conclusion on the merits than this Court, constitutes 19

irreparable harm. *Id.* (citing *Boardman v. Pac. Seafood Grp.*, 822 F.3d 1011, 1023 20 (9th Cir. 2016)). However, Plaintiffs cite no authority supporting granting an unnoticed 21 TRO in this context. Nor have Plaintiffs shown that this case falls into the “very narrow” 22 category of cases where ex parte orders are proper. See *Globalization Partners, Inc.*, 23 2019 WL 5268657, at *2 (holding that the plaintiff’s attempted service of the TRO negated 24 any claim that notice would frustrate the prosecution of the plaintiff’s case). Indeed, the 25 cost of defending an arbitration is typically not adequate to yield irreparable harm for 26 purposes of obtaining temporary injunctive relief, particularly when the plaintiff can be 27 made economically whole from the arbitration proceeding itself. See *Jones v. Road 28 Sprinkler Fitters Local Union No. 669, U.A., AFL-CIO*, No. CV13-3015-GHK (JPRx), 1 2013 WL 5539291, at *4 (C.D. Cal. July 24, 2013) (denying petition for temporary 2 injunction to enjoin an arbitration in the absence of a “showing that the Arbitration 3 Defendants are experiencing financial hardship”). And the mere possibility that a federal 4 court may grant more favorable relief than that of an arbitrator is generally not an adequate 5 ground for availing oneself of the emergency procedures of a district court when 6 comparable emergency relief is available in the arbitration. See *Smart Techs. ULC v. Rapt 7 Touch Ireland Ltd*, 197 F. Supp. 3d 1204, 1205 (N.D. Cal. 2016); see also *T-Mobile USA 8 Inc. v. Verity Wireless Inc.*, No. 2:21-cv-00733-RAJ-BAT, 2021 WL 4295845, at *1 9 (W.D. Wash. July 22, 2021) (discussing the emergency relief procedures of JAMS 10 Rule 2(c)). Accordingly, Plaintiffs have failed to demonstrate irreparable harm, thus 11 obviating the need to reach the other Winter factors. See *Prime Grp., Inc. v. Dixon*, 12 No. 2:21-CV-00016-RAJ, 2021 WL 1664007, at *7 (W.D. Wash. Apr. 28, 2021) (“A 13 failure to establish one of the Winter prongs is fatal to a motion for temporary injunctive 14 relief.” (citing *A Woman’s Friend Pregnancy Res. Clinic v. Becerra*, 901 F.3d 1166, 1167 15 (9th Cir. 2018))). 16 Although Plaintiffs do not expressly request an order to show cause why a 17 preliminary injunction should not issue, the Court will set a briefing schedule that allows 18 Defendants the minimum time to respond as prescribed by this Court’s Civil Local Rules. 19 See *MG Pharmacy*, 2021 WL 6845294, at *1 (exercising the Court’s discretion “to 20 expedite briefing and advance a hearing on Plaintiff’s request for a preliminary 21 injunction”).

22 CONCLUSION

23 In light of the foregoing, the Court ORDERS as follows: 24 1. Plaintiffs’ request for an ex parte TRO is DENIED. 25 2. Plaintiffs SHALL SERVE Defendants with: (1) the Complaint, (2) the 26 Motion for Emergency Temporary Restraining Order and Preliminary Injunction, and (3) a 27 copy of this Order. Plaintiffs SHALL FILE PROOF OF SERVICE within five (5) days 28 of the date of this Order. 1 3. Defendants SHALL FILE any opposition or statement of non-opposition on 2 ||or before August 12, 2025. Plaintiffs MAY FILE a reply on or before August 19, 2025. 3 || The Court warns the Parties that a failure to oppose any motion may constitute consent to 4 || granting the motion under Civil Local Rule 7.1(f)(3)(c). 5 4. A hearing on Plaintiffs’ Motion for Preliminary Injunction is SET for 6 || Thursday, September 25, 2025, at 9:00 a.m. in

Courtroom 4D of the Edward J. Schwartz 7 || United States Courthouse, 221 West Broadway, San Diego, CA, 92101. 8 IT IS SO ORDERED. ||Dated: July 22, 2025 jae LL. Li moma 10 on. Janis L. Sammartino ll United States District Judge 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

Retrieved from lawtools.ai · <https://lawtools.ai/cases/federal/united-states-district-court-for-the-southern-district-of-ca/2025/corrales-law-pc-v-equal-access-justice-fund-lp-lvc2f3ki>