UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA, LYNCHBURG DIVISION

Brian Jeffrey Hall, Jr. v. Halsted Financial Services/Fortiva

Hall v. Halsted Financial Services/Fortiva · No. 6:25-CV-68 · Decided November 26, 2025

SUMMARY

The United States District Court for the Western District of Virginia grants Halsted Financial Services' motion to set aside the Clerk's entry of default under Federal Rule of Civil Procedure 55(c). The court finds that Halsted established a meritorious defense, acted with reasonable promptness, lacked personal responsibility for the delay, and that Hall was not prejudiced; the court vacates the entry of default, denies Hall's motion for default judgment, and treats Halsted's motion to dismiss as timely.

CASE DETAILS

COURT	United States District Court for the Western District of Virginia, Lynchburg Division
WRITING FOR THE COURT	Norman K. Moon
JURISDICTION	United States District Court for the Western District of Virginia, Lynchburg Division
DECIDED	November 26, 2025
DOCKET	6:25-CV-68
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 55(c) to set aside the Clerk's entry of default and to have its motion to dismiss deemed timely. Plaintiff opposed the motion and sought default judgment.
STANDARD OF REVIEW	A motion to set aside an entry of default is evaluated under the good-cause standard in Federal Rule of Civil Procedure 55(c), applying the Fourth Circuit's six-factor test: meritorious defense, reasonable promptness, personal responsibility, prejudice, history of dilatory action, and availability of less drastic sanctions.
PRECEDENTIAL VALUE	Nonprecedential district-court memorandum opinion; precedential status is unknown.
PARTIES	Halsted Financial Services/Fortiva v. Brian Jeffrey Hall, Jr.

TOPICS

default | default judgment | civil procedure | fair debt collection | credit reporting

PRACTICE AREAS

Civil procedure | Consumer protection | Fair Credit Reporting Act | Fair Debt Collection Practices Act

QUESTIONS PRESENTED

1. Whether the Clerk's entry of default should be set aside for good cause under Federal Rule of Civil Procedure 55(c).
2. Whether Halsted's motion to dismiss should be treated as timely.
3. Whether Hall was entitled to default judgment after the Clerk's entry of default.

HOLDINGS

1. The Clerk's entry of default must be set aside because all six Fourth Circuit factors favor relief: Halsted proffered a potentially meritorious defense, acted with reasonable promptness, was not personally responsible for the default, Hall suffered no legally cognizable prejudice, Halsted had no history of dilatory conduct, and less drastic sanctions were available.
2. Halsted satisfied the meritorious-defense factor by identifying pleading deficiencies that could permit a finding in its favor.
3. Hall's motion for default judgment was denied because the Clerk's entry of default was vacated and Halsted's responsive motion was accepted as timely.

KEY QUOTATIONS

> *"Rule 55(c) motions must be 'liberally construed in order to provide relief from the onerous consequences of defaults and default judgments.'"*

> *"Any doubts about whether relief should be granted should be resolved in favor of setting aside the default so that the case may be heard on the merits."*

FACTUAL BACKGROUND

Hall alleged that Halsted violated the Fair Credit Reporting Act and Fair Debt Collection Practices Act. Halsted was served on September 15, 2025, but did not respond by the October 3 deadline because its national counsel was engaged in a federal trial and the case was not properly opened in counsel's case-management software. After multiple amended pleadings and reopening of Hall's default-judgment motion, Halsted filed a motion to dismiss, and Hall obtained a Clerk's entry of default. The court found that Halsted had a potentially meritorious defense, acted with reasonable promptness once the operative pleading became clear, and that Hall showed no legally sufficient prejudice from the delay.

PROCEDURAL HISTORY

Hall filed claims under the Fair Credit Reporting Act and Fair Debt Collection Practices Act. After service, Halsted failed to respond by the initial deadline, but the case subsequently involved amended pleadings, dismissal and reopening of the default-judgment motion, and a second amended complaint. Halsted then filed a motion to dismiss, after which Hall obtained a Clerk's entry of default. The district court granted Halsted's motion to set aside default, vacated the Clerk's entry of default, denied Hall's motion for default judgment, and deemed Halsted's motion to dismiss timely and ripe for review.

DISPOSITION

other

CASES CITED

- Mavila v. Absolute Collection Serv., Inc., 539 F. App'x 202, 206 (4th Cir. 2013)
- Colleton Preparatory Academy, Inc. v. Hoover Universal, Inc., 616 F.3d 413, 421 (4th Cir. 2010)
- Tolson v. Hodge, 411 F.2d 123, 130 (4th Cir. 1969)
- Augusta Fiberglass Coatings, Inc. v. Fodor Contracting Corp., 843 F.2d 808, 812 (4th Cir. 1988)
- United States v. Moradi, 673 F.2d 725, 727-28 (4th Cir. 1982)
- Goldbelt Wolf, LLC v. Operational Wear Armor, LLC, No. 1:15-cv-1268, 2016 WL 726532, at *6 (W.D. Va. Feb. 22, 2016)
- Saunders v. Metropolitan Property Management, Inc., 806 F. App'x 165, 168 (4th Cir. 2020)