

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Clear View Enterprises, LLC v. Edward Lott, et al.

Clear View · No. 2:23-cv-01359-DC-SCR · Decided September 19, 2025

SUMMARY

The United States District Court for the Eastern District of California recommends denying Clear View Enterprises, LLC’s motion for default judgment against Victory Litigation Fund, LP. The court concludes that the claims against VLF are based on successor liability and are factually and legally intertwined with claims against nondefaulting defendants Edward Lott and ForLawFirmsOnly Marketing, Inc. Applying the Frow doctrine and related Ninth Circuit authority, the court finds that entering judgment before adjudicating the claims against the other defendants could produce inconsistent judgments.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Sean C. Riordan
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	September 19, 2025
DOCKET	2:23-cv-01359-DC-SCR
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment against nonappearing defendant Victory Litigation Fund, LP. The magistrate judge issued findings and recommendations recommending denial because the defaulting defendant's alleged successor liability was intertwined with the unresolved liability of appearing codefendants.
STANDARD OF REVIEW	Whether to enter default judgment is committed to the court's discretion. Under the Frow doctrine, default judgment should be deferred when the defaulting defendant's liability is jointly, derivatively, or otherwise closely related to the unresolved liability of appearing defendants and entry could produce inconsistent judgments.
PRECEDENTIAL VALUE	nonprecedential

PARTIES

Clear View Enterprises, LLC v. Edward Lott, ForLawFirmsOnly Marketing, Inc., Victory Litigation Fund, LP

TOPICS

default judgment default civil procedure commercial litigation contracts

PRACTICE AREAS

civil procedure commercial litigation contracts remedies

QUESTIONS PRESENTED

1. Whether default judgment may be entered against a defaulting defendant when that defendant's alleged liability is derivative of or otherwise intertwined with the unresolved liability of appearing codefendants.
2. Whether default judgment should be denied or deferred to avoid potentially inconsistent judgments concerning successor liability.

HOLDINGS

1. Default judgment should not be entered at this stage because Victory Litigation Fund's alleged successor liability is factually and legally intertwined with the unresolved liability of ForLawFirmsOnly Marketing, Inc. and Edward Lott.

KEY QUOTATIONS

“where a complaint alleges that defendants are jointly liable and one of them defaults, judgment should not be entered against the defaulting defendant until the matter has been adjudicated with regard to all defendants.” (at 2)

“Frow’s applicability turns not on labels such as ‘joint liability’ or ‘joint and several liability,’ but rather on the key question of whether under the theory of the complaint, liability of all the defendants must be uniform.” (at 3)

“entry of default judgment should be deferred until after trial has been completed.” (at 3)

FACTUAL BACKGROUND

Clear View purchased purported personal-injury leads from Edward Lott and ForLawFirmsOnly Marketing, Inc. between April 2020 and September 2022, paying approximately \$3,257,000. Clear View alleged that more than 90 percent of the leads were not for potential clients who had been treated, diagnosed, or tested for cancer and had incorrect contact information. In January 2022, Lott and ForLawFirmsOnly assigned rights in the leads to Victory Litigation Fund, which Clear View alleged assumed related liabilities. Clear View asserted that Victory's liability was derivative of the liability of Lott and ForLawFirmsOnly, both of whom had appeared and answered.

PROCEDURAL HISTORY

Clear View filed state-law claims on July 11, 2023. Victory Litigation Fund was served, failed to respond or appear, and had its default entered by the Clerk on April 17, 2024. After the district judge directed plaintiff to file a motion for default judgment, plaintiff moved for judgment as to liability only. Following supplemental briefing and a September 11, 2025 hearing, the magistrate judge recommended denying the motion and advised the parties of their right to object under 28 U.S.C. § 636(b)(1).

DISPOSITION

other

CASES CITED

- Frow v. De La Vega, 82 U.S. 552 (1872)
- In re First T.D. & Inv., Inc., 253 F.3d 520, 532 (9th Cir. 2001)
- Garamendi v. Henin, 683 F.3d 1069, 1082 (9th Cir. 2012)
- Moore v. Booth, 122 F.4th 61, 67 (2d Cir. 2024)
- Shanghai Automation Instrument Co. v. Kuei, 194 F. Supp. 2d 995, 1008 (N.D. Cal.)
- Odnil Music Ltd. v. Katharsis, LLC, No. CV S-05-0545 WBS PAN, 2006 WL 8458819, at 3 (E.D. Cal. June 14, 2006)
- Newsom v. Bankers All. Inc., No. 4:09-CV-05288-SBA, 2013 WL 1195506, at 7 (N.D. Cal. Feb. 28, 2013)
- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 617 (9th Cir. 2016)
- Martinez v. Yist, 951 F.2d 1153 (9th Cir. 1991)