UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA

Westlake Flooring Company, LLC, d/b/a Westlake Flooring Services v. Mormar LLC, d/b/a Better Value Motors, and Amie Morgan Baudoin

Westlake Flooring · No. 7:24-CV-741-M · Decided February 19, 2026

SUMMARY

A United States magistrate judge recommends granting Westlake Flooring Company's motion for default judgment against Mormar LLC and Amie Morgan Baudoin. The recommendation addresses breach of a promissory note and loan and security agreement, breach of a personal guaranty, attorney's fees and costs, post-judgment interest, and foreclosure and possession of secured collateral. The recommended award is $106,949.09, plus post-judgment interest and related foreclosure relief.

CASE DETAILS

COURT	United States District Court for the Eastern District of North Carolina
WRITING FOR THE COURT	Robert B. Jones, Jr.
JURISDICTION	United States District Court for the Eastern District of North Carolina
DECIDED	February 19, 2026
DOCKET	7:24-CV-741-M
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment under Federal Rule of Civil Procedure 55(b) after the Clerk entered default against the defendants. The magistrate judge issued a Memorandum and Recommendation recommending that the motion be allowed.
STANDARD OF REVIEW	A district judge must conduct de novo review of portions of a magistrate judge's Memorandum and Recommendation to which proper objections are made under 28 U.S.C. § 636(b)(1), Federal Rule of Civil Procedure 72(b)(3), and Local Civil Rule 72.4(b). On default judgment, well-pleaded liability allegations are deemed admitted, but the court must determine whether those allegations support the relief sought and must assure itself of subject-matter and personal jurisdiction.

PRECEDENTIAL VALUE	nonprecedential

TOPICS

default judgment · civil procedure · breach of contract · secured transactions · attorney fees

PRACTICE AREAS

civil procedure · contracts · commercial litigation · secured transactions · remedies

QUESTIONS PRESENTED

1. Whether default judgment should be entered after default was entered and defendants failed to respond.
2. Whether the well-pleaded allegations established liability for breach of the financing agreement and personal guaranty under California law.
3. Whether Westlake established entitlement to possession and foreclosure of the collateral securing the debt.
4. Whether Westlake established the amount of damages, attorney's fees, costs, and post-judgment interest without an evidentiary hearing.

HOLDINGS

1. Default judgment is appropriate where default has been entered, the well-pleaded allegations support the requested relief, and the court has subject-matter and personal jurisdiction over the action and defendants.
2. The complaint sufficiently established breach of the financing agreement by Mormar and breach of the personal guaranty by Baudoin under California law.
3. A secured creditor is entitled to judicial possession and foreclosure relief where it establishes a valid, enforceable, perfected security interest, the defendants took or held the property subject to that interest, and the defendants defaulted.
4. A default judgment may award a liquidated or mathematically calculable amount without an evidentiary hearing, and Westlake established entitlement to $106,949.09, consisting of the $77,420.32 loan balance and $29,528.77 in attorney's fees and costs.
5. Westlake is entitled to post-judgment interest calculated under 28 U.S.C. § 1961.

KEY QUOTATIONS

> *“Upon default, the well-pleaded facts alleged in the complaint, as to liability, are deemed admitted.”*
> (Discussion)

> *“Finally, “the court must be satisfied that it has subject matter jurisdiction over the cause of action and personal jurisdiction over the defendants; absent personal jurisdiction, ‘the default judgment [is] void.’””*
> (Discussion)

> *"For the reasons stated herein, it is recommended that the motion for default judgment, [DE-13], be allowed and Plaintiff be awarded $106,949.09, which includes the total due on the loan ($77,420.32), plus costs and attorney's fees ($29,528.77), interest as provided by 28 U.S.C. § 1961, and foreclosure of Westlake's security interests, including the immediate right to possession and liquidation of the subject collateral."* (Conclusion)

FACTUAL BACKGROUND

Westlake extended Mormar a $200,000 commercial line of credit under a Promissory Note and Loan and Security Agreement. Mormar failed to make required payments, sold financed vehicles out of trust, and sold or improperly disposed of collateral subject to Westlake's security interest. Amie Morgan Baudoin executed a personal guaranty. After acceleration, notice of default, repossession and sale of some vehicles, Westlake claimed a remaining loan balance of $77,420.32, plus attorney's fees, costs, post-judgment interest, and foreclosure-related relief.

PROCEDURAL HISTORY

Westlake filed this diversity action on August 9, 2024, alleging breach of contract, breach of personal guaranty, and foreclosure of security agreements. Defendants were served but did not respond, and the Clerk entered default on March 10, 2025. Westlake then moved for default judgment and supplemented its submissions regarding damages, attorney's fees, and costs. The magistrate judge recommended entry of default judgment, subject to de novo review by the district judge if objections were filed.

DISPOSITION

other

CASES CITED

- Ryan v. Homecomings Fin. Network, 253 F.3d 778, 780 (4th Cir. 2001)
- EE.O.C. v. Carter Behavior Health Servs., Inc., No. 4:09-CV-122-F, 2011 WL 5325485, at *3 (E.D.N.C. Oct. 7, 2011), adopted by, 2011 WL 5325473 (E.D.N.C. Nov. 3, 2011)
- Alliance Funding Grp. v. Torchlight Academy Schools, No. 5:23-CV-00074-M, 2024 WL 6995879 (E.D.N.C. Feb. 14, 2024)
- Armco, Inc. v. Penrod-Stauffer Bldg. Sys., Inc., 733 F.2d 1087, 1089 (4th Cir. 1984)
- W. Sur. Co. v. Beck Elec. Co., No. CIV. 3:06-CV-383, 2008 WL 345821 (W.D.N.C. Feb. 5, 2008)
- United Artists Corp. v. Freeman, 605 F.2d 854, 857 (5th Cir. 1979)
- Mosteller Mansion, LLC v. Mactec Eng'g & Consulting of Georgia, Inc., 190 N.C. App. 674, 661 S.E.2d 788 (2008)
- D'Arrigo Bros. of California v. United Farmworkers of Am., 224 Cal. App. 4th 790, 800 (2014)
- United States v. Wise, No. 5:14-CV-844-FL, 2015 WL 5918027 (E.D.N.C. Oct. 9, 2015), aff'd, 639 F. App'x 193 (4th Cir. 2016)
- Paccar Fin. Corp. v. Harnett Transfer, Inc., 51 N.C. App. 1, 7-8, 275 S.E.2d 243 (1981)
- Quesinberry v. Life Ins. Co. of N. Am., 987 F.2d 1017, 1031 (4th Cir. 1993)

- U.S. Bank Nat'l Assoc. v. B.S. Carriers, LLC, No. 7:23-CV-00471, 2024 WL 549904 (W.D. Va. Feb. 12, 2024)
- Wright v. Collins, 766 F.2d 841, 846-47 (4th Cir. 1985)