

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
VIRGINIA, ALEXANDRIA DIVISION

Schlam Stone & Dolan LLP v. TRG Global Corporation

Schlam Stone & Dolan LLP · No. 1:24-cv-1318 (RDA/LRV) · Decided May 12, 2026

SUMMARY

This Report and Recommendation addresses Schlam Stone & Dolan LLP’s motion for default judgment against its former client, TRG Global Corporation, for unpaid legal fees. The court recommends judgment on the breach of contract claim under New York law, finding an enforceable agreement despite the absence of a signed retainer letter, and recommends awarding \$128,080.96 in unpaid fees, accrued and continuing interest, and reasonable attorneys’ fees and costs. The account stated claim is deemed duplicative of the breach of contract claim.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia, Alexandria Division
WRITING FOR THE COURT	Lindsey R. Véale
JURISDICTION	United States District Court for the Eastern District of Virginia, Alexandria Division
DECIDED	May 12, 2026
DOCKET	1:24-cv-1318 (RDA/LRV)
DISPOSITION	other
PROCEDURAL POSTURE	Report and recommendation on Plaintiff's motion for default judgment in an action seeking unpaid attorney's fees under New York law.
STANDARD OF REVIEW	Before entering default judgment, the court must determine whether the complaint states a claim under the Rule 12(b)(6) plausibility standard. Well-pleaded factual allegations are deemed admitted upon default, but legal conclusions and allegations concerning liability that are not well pleaded are not admitted.
PRECEDENTIAL VALUE	unknown
PARTIES	Schlam Stone & Dolan LLP v. TRG Global Corporation

TOPICS

default judgment

breach of contract

attorney fees

civil procedure

service of process

PRACTICE AREAS

civil procedure

contracts

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether the court had subject-matter jurisdiction, personal jurisdiction, and proper venue.
2. Whether service of process on TRG's authorized agents was sufficient.
3. Whether Defendant's default established liability on Plaintiff's breach-of-contract claim under New York law.
4. Whether the account-stated claim was duplicative of the breach-of-contract claim.
5. Whether Plaintiff was entitled to unpaid fees, contractual interest, attorney's fees, and costs on default judgment.

HOLDINGS

1. A defaulting defendant admits the well-pleaded factual allegations, but the court must independently determine whether those allegations state a plausible claim for relief under Rule 12(b)(6).
2. An unsigned agreement may be enforceable where the non-signatory proceeds pursuant to its terms, allowing an inference that the non-signatory assented by performance.
3. A plaintiff asserting breach of contract must establish an agreement, adequate performance by the plaintiff, breach by the defendant, and damages.
4. Where an account-stated claim arises from the same facts as a breach-of-contract claim and seeks the same damages, the account-stated claim is precluded as duplicative.
5. The retainer agreement entitled Plaintiff to recover \$128,080.96 in unpaid fees, 9% annual simple interest of \$29,781.50 through January 15, 2026 plus \$31.58 per day thereafter until judgment, and \$67,762.23 in reasonable attorney's fees and costs.

KEY QUOTATIONS

"A defaulting defendant is deemed to have admitted the well-pleaded allegations of fact set forth in the complaint, but conclusions of law or "allegations regarding liability that are not 'well-pleaded'" are not deemed admitted." (Section III.D)

"ENTER judgment in favor of Plaintiff and against Defendant on Count II, as follows:" (Section IV)

FACTUAL BACKGROUND

Schlam Stone represented TRG in a federal collections action against CodeMantra under a retainer arrangement that TRG never formally signed but performed under by paying the retainer, making an additional payment, accepting representation, and receiving invoices without objection. TRG made only partial payments and failed to pay five invoices totaling \$128,080.96. The retainer letter provided for a 9% annual interest charge on

invoices unpaid after thirty days and allowed recovery of reasonable attorney's fees and costs incurred in collection efforts.

PROCEDURAL HISTORY

Plaintiff filed the action in the Southern District of New York, where Defendant moved to dismiss for lack of personal jurisdiction or, alternatively, to transfer venue. The case was transferred to the Eastern District of Virginia on July 15, 2024. After Defendant failed to obtain substitute counsel and file a responsive pleading, the Clerk entered default on December 11, 2024. Plaintiff later moved for default judgment, and after a February 6, 2026 hearing at which Defendant did not appear, the magistrate judge issued this Report and Recommendation recommending judgment for Plaintiff.

DISPOSITION

other

CASES CITED

- GlobalSantaFe Corp. v. Globalsantafe.com, 250 F. Supp. 2d 610, 612 n.3 (E.D. Va. 2003)
- Anderson v. Found. for Advancement, Educ. & Emp. of Am. Indians, 187 F.3d 628 (4th Cir. 1999) (unpublished table decision)
- Daimler AG v. Bauman, 571 U.S. 117, 137 (2014)
- Balt. Line Handling Co. v. Brophy, 771 F. Supp. 2d 531, 540 (D. Md. 2011)
- Ryan v. Homecomings Fin. Network, 253 F.3d 778, 780 (4th Cir. 2001)
- JTH Tax, Inc. v. Grabert, 8 F. Supp. 3d 731, 736 (E.D. Va. 2014)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Francis v. Giacomelli, 588 F.3d 186, 193 (4th Cir. 2009)
- Arch Specialty Ins. Co. v. F-1 Am. Marble & Tile Corp., 2020 WL 13882816, at *3 (E.D.N.Y. Sept. 15, 2020)
- Ellen Tracy Holdings LLC v. Daytona Apparel Grp. LLC, 2023 WL 3851083, at *2 (S.D.N.Y. June 6, 2023)
- Voice Tele Servs. Inc. v. Blu-Dot Telecoms Ltd., 2019 WL 6497507, at *3 n.4 (S.D.N.Y. Dec. 2, 2019)
- NTT Am. Inc. v. Tennessee Data Sys., LLC, 2018 WL 5493088, at *4 (S.D.N.Y. Oct. 11, 2018)
- Roshan v. Cap. One Fin. Corp., 2026 WL 469681, at *4 (E.D.N.Y. Feb. 19, 2026)
- Ellenoff Grossman & Schole, LLP v. Rosenberg, 2015 WL 1938138, at *2 (S.D.N.Y. Apr. 16, 2015)
- AT & T Corp. v. Publ'g Concepts L.P., 2010 WL 1191380, at *3 (S.D.N.Y. Mar. 29, 2010)
- In re Rockefeller Ctr. Props., 266 B.R. 52, 57 (S.D.N.Y. 2001)
- Orb Factory, Ltd. v. Design Science Toys, Ltd., 1999 WL 191527, at *17 (S.D.N.Y. Apr. 7, 1999)
- Yiwu Lizhisha Accessories Co. v. Jjamz, Inc., 336 F. Supp. 3d 179, 183 (S.D.N.Y. 2018)
- IMG Fragrance Brands, LLC v. Houbigant, Inc., 679 F. Supp. 2d 395, 411 (S.D.N.Y. 2009)
- HK Kolmar USA, LLC v. Wormser Corp., 2025 WL 3648736, at *6 (S.D.N.Y. Dec. 17, 2025)
- S. Bank & Tr. Co. v. Pride Grp., LLC, 2015 WL 410726, at *9 (E.D. Va. Jan. 28, 2015)

- Robinson v. Equifax Info. Servs., LLC, 560 F.3d 235, 243 (4th Cir. 2009)
- Grissom v. The Mills Corp., 549 F.3d 313, 320 (4th Cir. 2008)
- Barber v. Kimbrell's Inc., 577 F.2d 216, 226 n.28 (4th Cir. 1978)
- Airlines Reporting Corp. v. Cartagena Travel and Tours, Inc., 2012 WL 13019066, at *11 (E.D. Va. Aug. 3, 2012)
- Hensley v. Eckerhart, 461 U.S. 424, 433 (1983)

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