

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Stellantis Financial Services, Inc. v. Michael Winding

Stellantis Financial Services v. Winding · No. 25-cv-02907-PCP · Decided January 12, 2026

SUMMARY

The United States District Court for the Northern District of California granted Stellantis Financial Services, Inc.’s motion for default judgment against Michael Winding. The court found that it had subject-matter and personal jurisdiction, that service was proper, and that the Eitel factors supported default judgment on Stellantis’s breach-of-guaranty claim. The court awarded \$481,865.64 in damages, including prejudgment interest, and granted leave to seek additional attorney’s fees and costs.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	P. Casey Pitts
JURISDICTION	United States District Court for the Northern District of California
DECIDED	January 12, 2026
DOCKET	25-cv-02907-PCP
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment after the Clerk entered default against defendant, who had not appeared. The Court had previously deferred ruling on the motion and ordered supplemental evidence concerning service and diversity jurisdiction.
STANDARD OF REVIEW	Entry of default judgment is committed to the district court's discretion. The court must also independently determine subject-matter jurisdiction, personal jurisdiction, and adequacy of service before entering judgment.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Stellantis Financial Services, Inc. v. Michael Winding

TOPICS

- default judgment
- service of process
- subject matter jurisdiction
- personal jurisdiction
- breach of contract

PRACTICE AREAS

civil procedure

contracts

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether the Court had subject-matter jurisdiction based on complete diversity and the amount in controversy.
2. Whether the Court had personal jurisdiction over Winding under the guaranty's consent-to-jurisdiction provision.
3. Whether service of process on an individual named Michael Winding in Missouri City, Texas was adequate.
4. Whether the Eitel factors supported entry of default judgment.
5. Whether Stellantis proved entitlement to breach-of-guaranty damages and prejudgment interest.

HOLDINGS

1. The Court had diversity jurisdiction because Stellantis was a Texas citizen, Winding was established to be a California citizen for diversity purposes, and the amount in controversy exceeded \$75,000.
2. The Court had personal jurisdiction over Winding because the guaranty contained his consent to jurisdiction in the federal and state courts of the state in which he resides, and the claims arose from the guaranty.
3. Service was proper because Stellantis personally served an individual named Michael Winding in Missouri City, Texas, and supplemental evidence showed that the served individual was almost certainly the defendant.
4. The Eitel factors supported entry of default judgment against Winding.
5. Stellantis established its breach-of-guaranty claim and was entitled to recover \$468,621.99 in breach-of-contract damages plus \$13,243.65 in prejudgment interest.

KEY QUOTATIONS

“The Eitel factors support entering default judgment against Winding.” (at 6)

“For the foregoing reasons, Stellantis’s motion for default judgment is GRANTED.” (at 9)

FACTUAL BACKGROUND

Stellantis and WindingMakia Automotive Group II, LLC entered a Master Loan and Security Agreement under which Stellantis provided floorplan financing secured by inventory and other assets. Michael Winding executed a continuing, unlimited guaranty making him primarily and jointly and severally liable for WindingMakia's obligations. After WindingMakia defaulted, Stellantis sold the collateral, but a deficiency remained; Winding failed to pay after demand and did not appear in the action. Supplemental evidence showed that Winding identified a California home as his primary residence and a Texas home as a vacation home, and that the person served in Texas was almost certainly the defendant.

PROCEDURAL HISTORY

Stellantis filed a diversity action on March 28, 2025, seeking recovery under a guaranty for obligations owed by WindingMakia Automotive Group II, LLC. After service on an individual named Michael Winding in Missouri City, Texas, Winding failed to appear, and the Clerk entered default on July 14, 2025. The Court initially deferred default judgment because the record did not establish that the person served was the defendant and raised a question regarding Winding's state citizenship. Stellantis submitted supplemental briefing and evidence, after which the Court granted default judgment and awarded damages, while allowing a later motion for additional attorney's fees and costs.

DISPOSITION

other

CASES CITED

- Fair Housing of Marin v. Combs, 285 F.3d 899, 906 (9th Cir. 2002)
- Aldabe v. Aldabe, 616 F.2d 1089, 1092 (9th Cir. 1980)
- Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986)
- In re Tuli, 172 F.3d 707, 712 (9th Cir. 1999)
- Innovative Sports Management, Inc. v. Nunez, No. 22-cv-07136-JSC, 2023 WL 4551069, at *2 (N.D. Cal. July 13, 2023)
- Kunts v. Lamar Corp., 385 F.3d 1177, 1181-82 (9th Cir. 2004)
- Kanter v. Warner-Lambert Co., 265 F.3d 853, 857 (9th Cir. 2001)
- Wasserman v. W.D. Smith Constr., Inc., No. CV 14-5705 PSG (SHX), 2014 WL 12696777, at *4 (C.D. Cal. Dec. 4, 2014)
- Dow Chem. Co. v. Calderon, 422 F.3d 827, 831 (9th Cir. 2005)
- Chan v. Soc'y Expeditions, Inc., 39 F.3d 1398, 1406-1407 (9th Cir. 1994)
- Pepsico, Inc. v. Cal. Sec. Cans, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002)
- Buschman v. Anesthesia Bus. Consultants LLC, 42 F. Supp. 3d 1244, 1250 (N.D. Cal. 2014)
- CDF Firefighters v. Maldonado, 158 Cal. App. 4th 1226, 1239 (2008)
- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 617 (9th Cir. 2016)
- Lewis Jorge Constr. Mgmt., Inc. v. Pomona Unified Sch. Dist., 34 Cal. 4th 960, 967-68 (2004)
- W. Air Charter, Inc. v. Schembari, No. CV-17420, 2019 WL 6998789, at *2 (C.D. Cal. Mar. 7, 2019)
- Fireman's Fund Ins. Co. v. Allstate Ins. Co., 234 Cal. App. 3d 1154 (1991)
- Marine Terminals Corp. v. Paceco, Inc., 145 Cal. App. 3d 991, 995-96 (1983)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
STELLANTIS FINANCIAL SERVICES, Case No. 25-cv-02907-PCP INC., 8 Plaintiff, ORDER
GRANTING MOTION FOR 9 DEFAULT JUDGMENT v. 10 Re: Dkt. No. 17 MICHAEL

WINDING, 11 Defendant. 12 13 Plaintiff Stellantis Financial Services, Inc. filed this action against defendant Michael 14 Winding to recover amounts owed to Stellantis by third party WindingMakia Automotive Group 15 II, LLC and guaranteed by Winding.

Because Winding has not appeared in this action, the Clerk 16 of Court previously entered default against Winding. Now before the Court is Stellantis's motion 17 for default judgment. For the following reasons, the Court grants default judgment against 18 Winding. 19 BACKGROUND 20 For the purposes of default judgment, the factual allegations in a complaint are accepted as 21 true except for those related to damages.

See Fair Housing of Marin v. Combs, 285 F.3d 899, 906 22 (9th Cir. 2002). 23 Plaintiff Stellantis is a Texas corporation. Defendant Winding is, according to the 24 complaint, a resident of California. 25 In September 2023, Stellantis and WindingMakia executed a Master Loan and Security 26 Agreement, under which Stellantis agreed to provide WindingMakia with a floorplan loan to allow 27 WindingMakia to purchase inventory for display and sale at its automotive lot in Pennsylvania.

1 Stellantis, which WindingMakia agreed to repay and in exchange for which Stellantis received a 2 security interest in WindingMakia's inventory and other assets. In the event that WindingMakia 3 defaulted, the agreement authorized Stellantis to pursue remedies including repossession of its 4 collateral for public or private sale.

The agreement also entitled Stellantis to collect any attorneys' 5 fees incurred in enforcing its rights under the agreement. Default under the agreement included a 6 failure by WindingMakia to make payments due to other creditors, WindingMakia becoming 7 insolvent, a material adverse change in the financial condition of WindingMakia or any of its 8 guarantors, or a reasonable determination by Stellantis of its insecurity with regard to the 9 obligations under the agreement.

10 Soon after executing the agreement, and in connection therewith, defendant Winding 11 executed a continuing guaranty in which he agreed to guarantee the prompt and punctual payment 12 of WindingMakia's obligations to Stellantis when they became due. Winding agreed to make 13 payments under the guaranty upon Stellantis's request, even if Stellantis had not attempted to 14 collect the amounts due from WindingMakia or another guarantor.

Winding also agreed that he 15 would have primary liability under the guaranty and would be jointly and severally liable with 16 WindingMakia for its obligations to Stellantis. Further, Winding waived the right to require 17 Stellantis to take action against anyone else obligated under the agreement, waived any other 18 defenses against enforcement of the guaranty, and agreed to provide notice of any default by 19 WindingMakia.

The guaranty also provided that Stellantis had the right to sell collateral under the 20 agreement without objection by Winding. The guaranty is continuing and unlimited in either 21 duration or

amount. 22 In summer 2024, WindingMakia failed to make required payments on its obligations to 23 Stellantis. Stellantis alleges that this constituted a default under the agreement, as it left Stellantis 24 insecure and constituted a material adverse change in WindingMakia's financial condition.

25 Stellantis notified WindingMakia of its default, and WindingMakia agreed to voluntarily surrender 26 the collateral that it had pledged to Stellantis to secure the agreement. Stellantis subsequently sold 27 the collateral "in a commercially reasonable manner," as required under the agreement.

The 1 According to Stellantis, "a deficiency remains in the debt owed by WindingMakia ... and 2 guaranteed by Winding." 3 Stellantis notified Winding of WindingMakia's default under the agreement and demanded 4 that he pay for the remaining amounts due to Stellantis after sale of the collateral. Stellantis's 5 Deputy Chief Executive Officer and Chief Operating Officer of Commercial Lending attests that, 6 as of September 2, 2025, the amount of the deficiency due under the guaranty is \$505,104.14.

7 "[T]his amount consists of the principal amount owed \$416,331.16, accrued late fees of 8 \$25,027.91, the costs of Retail Unwinding in the amount of \$27,262.92, accrued interest from 9 February, 2025 through July, 2025, and attorney's fees in the amount of \$23,238.50." 10 Stellantis filed this suit against Winding on March 28, 2025, seeking to recover the 11 remaining amounts owed by WindingMakia and guaranteed by Winding, as well as Stellantis's 12 costs of collection and pre- and post-judgment interest.

Though the complaint alleges that 13 Winding resides and could be served in California, Stellantis served a person named "Michael 14 Winding" in Missouri City, Texas. The certificate of service, dated June 2, 2025, provided no 15 information to identify "Michael Winding" apart from his name and the Texas address at which he 16 was served. Winding has not appeared in this action.

17 On July 14, 2025, the Clerk of the Court entered default against Winding. Stellantis then 18 filed a motion for default judgment. The Court determined that it was "unable to enter default 19 judgment" for two reasons.

First, because "[n]either the certificate of service nor Stellantis's 20 motion for default judgment offer[ed] any information or evidence showing that the 'Michael 21 Winding' served in Texas [wa]s the same 'Michael Winding' named as a defendant in this action," 22 the Court could not "conclude that defendant Winding ha[d] been served." Second, that Stellantis 23 allegedly served Winding at a residential address in Texas suggested that Winding might be a 24 citizen of Texas for jurisdictional purposes.

If so, that fact would destroy this Court's diversity 25 jurisdiction over Stellantis's state-law claims because Stellantis is also a citizen of Texas. The 26 Court therefore deferred ruling on the motion

for default judgment and ordered Stellantis to file “a 27 supplementary brief and evidence demonstrating that it properly served defendant Winding and 1 Stellantis timely filed a supplemental brief and a supporting declaration by Bryan Banks, 2 Stellantis’s Associate Director, Special Accounts.

Stellantis explained that when Winding 3 executed the guaranty, he submitted a personal financial statement identifying his primary 4 residence at an address in California and identifying a home in Houston, Texas as a vacation 5 home. Banks’s declaration enclosed that personal financial statement as an exhibit. Stellantis and 6 Banks also explained that, after repeatedly attempting to serve Winding at his primary residence in 7 California, Stellantis learned from Winding’s business partner at WindingMakia that he might be 8 found at the address in Missouri City, Texas where Stellantis ultimately effected service.

Stellantis 9 then engaged a private investigator to locate Winding and, around the same time, heard from a 10 business associate who had personally observed Winding at a Walmart near the Missouri City 11 address provided by Winding’s business partner. Only then did Stellantis serve Winding at that 12 address. 13 LEGAL STANDARD 14 Federal Rule 55(b)(2) allows a party “to apply to the court for a default judgment.” The 15 decision to enter a default judgment is entirely within the district court’s discretion.

Aldabe v. 16 Aldabe, 616 F.2d 1089, 1092 (9th Cir. 1980). Courts consider the following factors in determining 17 whether default judgment is proper: 18 (1) the possibility of prejudice to the plaintiff, (2) the merits of plaintiff’s substantive claim, (3) the sufficiency of the complaint, (4) 19 the sum of money at stake in the action; (5) the possibility of a dispute concerning material facts; (6) whether the default was due to 20 excusable neglect, and (7) the strong policy underlying the Federal 21 Rules of Civil Procedure favoring decisions on the merits.

22 Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986). Where a plaintiff seeks default against a 23 non-appearing defendant, the court “should determine whether it has the power, i.e., the 24 jurisdiction, to enter the judgment in the first place.” In re Tuli, 172 F.3d 707, 712 (9th Cir. 1999). 25 The Court must also assess of the adequacy of service of process on the non-appearing party.

See, 26 e.g., Innovative Sports Management, Inc. v. Nunez, No. 22-cv-07136-JSC, 2023 WL 4551069, at 27 *2 (N.D. Cal. July 13, 2023). 1 DISCUSSION 2 I. Jurisdiction and Service of Process 3 The Court has original subject-matter jurisdiction over this lawsuit because, though 4 Stellantis’s claims arise under state law, Stellantis has established that the parties are completely 5 diverse and that the amount in controversy exceeds \$75,000.

See 28 U.S.C. § 1332. As noted 6 above, Stellantis is a citizen of Texas. See Kunts v. Lamar Corp., 385 F.3d 1177, 1181–82 (9th 7 Cir. 2004) (explaining that a corporation is “a citizen of any State

by which it has been 8 incorporated” (quoting 28 U.S.C. § 1332(c)(1)). And pursuant to this Court’s previous order, 9 Stellantis has offered evidence establishing that Winding is a citizen of California.

An individual 10 is a citizen of the state where he “resides with the intention to remain.” *Kanter v. Warner-Lambert 11 Co.*, 265 F.3d 853, 857 (9th Cir. 2001). The record demonstrates that, at least when Winding 12 executed the guaranty with Stellantis, he considered his California home to be his primary 13 residence.

In other words, he resided in California with the intent to remain here. While Winding 14 may now reside in Texas, that does not alone determine his citizenship for diversity jurisdiction if 15 he intends to return to California. See *id.* Nothing in the record suggests that Winding intends to 16 remain in Texas.

To the contrary, he previously indicated on a personal financial statement 17 submitted to Stellantis that another residence in Texas was merely a “vacation home,” strongly 18 suggesting a lack of intent to remain in that state. See *Wasserman v. W.D. Smith Constr., Inc.*, No. 19 CV 14-5705 PSG (SHX), 2014 WL 12696777, at *4 (C.D. Cal. Dec. 4, 2014) (holding that a 20 plaintiff’s extended summer residence at her vacation home in California did not impact her 21 Florida domicile).

The Court therefore concludes that the parties are completely diverse. Further, 22 Stellantis seeks several hundred thousand dollars in damages, far exceeding the \$75,000 amount- 23 in-controversy threshold. 24 The Court also has personal jurisdiction over Winding.

The guaranty executed by Winding 25 provided that Winding “consents to the jurisdiction of the federal and state courts of the state in 26 which [he] resides.” As noted above, concurrent with his execution of the guaranty, Winding 27 submitted a personal financial statement in which he identified his primary residence as a home in 1 arising from the guaranty.

See *Dow Chem. Co. v. Calderon*, 422 F.3d 827, 831 (9th Cir. 2005); 2 *Chan v. Soc’y Expeditions, Inc.*, 39 F.3d 1398, 1406–1407 (9th Cir. 1994). 3 Stellantis has also demonstrated proper service upon Winding. Federal Rule of Civil 4 Procedure 4(e)(1) provides that “an individual ... may be served in ... the United States by ... 5 delivering a copy of the summons and of the complaint to the individual personally.” Stellantis 6 personally served an individual named “Michael Winding” in Missouri City, Texas.

Its 7 supplemental brief and declaration show that this individual is almost certainly the same 8 individual named as a defendant in this action. Defendant Winding owns another vacation home in 9 Texas, suggesting that he frequently visits the state. His business partner specifically directed 10 Stellantis to the address at which a “Michael Winding” was served.

And Stellantis's associate 11 reportedly observed Winding at a nearby Walmart. Service was therefore proper. 12 II. Eitel Factors 13 The Eitel factors support entering default judgment against Winding. 14 The first Eitel factor supports default judgment because without judgment, Stellantis will 15 be left without a remedy. See *Pepsico, Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D.

16 Cal. 2002). 17 The second and third Eitel factors, which consider the merits of the claim and the 18 sufficiency of the complaint, also favor entry of default judgment. Stellantis's complaint asserts a 19 single claim against Winding for breach of the guaranty. "The elements for a breach of contract 20 action under California law are: (1) the existence of a contract, (2) plaintiff's performance or 21 excuse for nonperformance, (3) defendant's breach, and (4) damages to plaintiff as a result of the 22 breach." *Buschman v. Anesthesia Bus.*

Consultants LLC, 42 F. Supp. 3d 1244, 1250 (N.D. Cal. 23 2014) (citing *CDF Firefighters v. Maldonado*, 158 Cal.App.4th 1226, 1239 (2008)). The 24 allegations in the complaint establish each element. Stellantis alleges that (1) the parties entered 25 into a contract, the guaranty; (2) Stellantis performed its obligations under the guaranty by issuing 26 advances to WindingMakia pursuant to the agreement and later providing notice to Winding of 27 WindingMakia's default; (3) Winding breached the guaranty by failing to pay the remaining 1 damages in the form of unpaid debts as a result.

2 The fourth factor, the sum of money at stake, also favors default judgment. Stellantis 3 requests over \$500,000. This is a substantial sum, but it is "directly proportional" to the 4 outstanding amount owed to Stellantis by WindingMakia, for which Winding is liable. See 5 *NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 617 (9th Cir. 2016) (affirming entry of default 6 judgment and award of \$1.48 million in damages where defendant sought "contractual damages 7 directly proportional to [plaintiff's] breach of the contracts").

The fourth factor therefore slightly 8 favors default judgment. 9 The fifth factor is neutral because it is impossible to know whether there will be a dispute 10 concerning material facts given Winding's failure to appear in this action. 11 The sixth factor, excusable neglect, also supports default judgment because Winding has 12 been properly served and therefore has notice of this action.

13 The seventh factor weighs against default judgment because the Federal Rules embrace a 14 "strong policy" of deciding cases on the merits. Eitel, 782 F.2d at 1472. But where one party fails 15 to litigate a case, it is impossible to decide a case on the merits. So this factor only very slightly 16 weighs against default judgment. 17 In sum, the first, second, third, fourth, and sixth factors favor default judgment; the fifth is 18 neutral; and the seventh weighs very slightly against default judgment.

On balance, the Eitel 19 factors support entering default judgment against Winding. 20 III. Scope of Relief 21 Because Stellantis has shown that default judgment is appropriate, it is entitled to recover 22 damages and attorney's fees and costs. 23 "Damages awarded to an injured party for breach of contract "seek to approximate the 24 agreed-upon performance" and "put the plaintiff 'in as good a position as [it] would have 25 occupied' if the defendant had not breached the contract.

In other words, the plaintiff is entitled to 26 damages that are equivalent to the benefit of the plaintiff's contractual bargain." Lewis Jorge 27 Constr. Mgmt., Inc. v. Pomona Unified Sch. Dist., 34 Cal. 4th 960, 967–68 (2004).

Here, had 1 amount remaining of WindingMakia's debts after Stellantis sold the collateral. Stellantis is 2 therefore entitled to recover that amount. 3 Stellantis asserts that these damages total \$468,621.99. A plaintiff moving for default 4 judgment must prove its damages with admissible evidence, which may take the form of a 5 declaration. See NewGen, LLC, 840 F.3d at 617.

As evidence of its damages, Stellantis provides a 6 declaration by Alberto Grippo, its Deputy Chief Executive Officer and Chief Operating Officer of 7 Commercial Lending. The declaration states that "Plaintiff's accrued damages ... consist[] of the 8 principal amount owed \$416,331.16, accrued late fees of \$25,027.91, [and] the costs of Retail 9 Unwinding in the amount of \$27,262.92." Id. ¶ 26.

The declaration thus supports Stellantis's 10 damages request. 11 Stellantis also requests prejudgment interest of \$13,243.65, covering the six-month period 12 from February to July 2025. That represents roughly 2.83% of the principal damages amount, or 13 an adjusted annual interest rate of roughly 5.66%. California law provides that prejudgment 14 interest on a breach of contract claim begins to run, at an annual rate of 10%, from the date of 15 injury if the damages are certain, but from no earlier than the date of the complaint if the damages 16 are uncertain.

Cal. Civ. Code §§ 3287(a), 3289. "Typically, damages are deemed certain or 17 capable of being made certain when 'there is essentially no dispute ... concerning the basis of 18 computation of damages'" or where "if the amount can be determined by reference to a fixed 19 standard, such as ... a rescinded sales contract." W. Air Charter, Inc. v. Schembari, No. CV- 20 17420, 2019 WL 6998789, at *2 (C.D.

Cal. Mar. 7, 2019) (first quoting Fireman's Fund Ins. Co. 21 v. Allstate Ins. Co., 234 Cal. App. 3d 1154 (1991); and then quoting Marine Terminals Corp v. 22 Paceco, Inc., 145 Cal. App. 3d 991, 995–96 (1983)). Here, Stellantis's damages are certain 23 because they can be determined by reference to the fixed amount owed by WindingMakia under 24 the agreement, offset by the fixed amount Stellantis received from selling the collateral it 25 repossessed.

And that basis of computation is not subject to reasonable dispute. Stellantis is 26 therefore entitled to damages from the date of its injury at an annual rate of 10%. Its claimed 27 prejudgment interest of roughly 5.66%, starting one month before it filed this action, is within the 1 Stellantis also requests attorney's fees and costs in the amount of \$23,337.

But Stellantis 2 || seeks leave to move, after entry of default judgment, for an award of any additional attorney's fees 3 and costs it incurred in bringing its motion for default judgment. Rather than bifurcate an award, 4 || the Court defers consideration of Stellantis's request for fees and costs and grants Stellantis leave 5 || to file a motion for attorney's fees and costs within 21 days of this order.

6 CONCLUSION 7 For the foregoing reasons, Stellantis's motion for default judgment is GRANTED. The 8 Court awards Stellantis \$481,865.64 in damages, including \$468,621.99 in breach-of-contract 9 || damages and \$13,243.65 in prejudgment interest. Stellantis shall file its motion for attorneys' fees 10 and costs within 21 days of this order. 11 IT IS SO ORDERED. a 12 Dated: January 12, 2026.

Casey Mts IS United States District Judge 16 it 4 18 19 20 21 22 23 24 25 26 27 28