

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

OPINION

Winding

PER CURIAM.

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 failure by WindingMakia to make payments due to other creditors, WindingMakia becoming insolvent, a material adverse change in the financial condition of WindingMakia or any of its guarantors, or a reasonable determination by Stellantis of its insecurity with regard to the obligations under the agreement. Soon after executing the agreement, and in connection therewith, defendant Winding executed a continuing guaranty in which he agreed to guarantee the prompt and punctual payment of WindingMakia's obligations to Stellantis when they became due. Winding agreed to make payments under the guaranty upon Stellantis's request, even if Stellantis had not attempted to collect the amounts due from WindingMakia or another guarantor. Winding also agreed that he would have primary liability under the guaranty and would be jointly and severally liable with WindingMakia for its obligations to Stellantis. Further, Winding waived the right to require Stellantis to take action against anyone else obligated under the agreement, waived any other defenses against enforcement of the guaranty, and agreed to provide notice of any default by WindingMakia. The guaranty also provided that Stellantis had the right to sell collateral under the agreement without objection by Winding. The guaranty is continuing and unlimited in either duration or amount. In summer 2024, WindingMakia failed to make required payments on its obligations to Stellantis. Stellantis alleges that this constituted a default under the agreement, as it left Stellantis insecure and constituted a material adverse change in WindingMakia's financial condition. Stellantis notified WindingMakia of its default, and WindingMakia agreed to voluntarily surrender the collateral that it had pledged to Stellantis to secure the agreement. Stellantis subsequently sold 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 judgment” for two reasons. First, because “[n]either the certificate of service nor Stellantis’s motion for default judgment offer[ed] any information or evidence showing that the ‘Michael Winding’ served in Texas [wa]s the same ‘Michael Winding’ named as a defendant in this action,” the Court could not “conclude that defendant Winding ha[d] been served.” Second, that Stellantis allegedly served Winding at a residential address in Texas suggested that Winding might be a citizen of Texas for jurisdictional purposes. If so, that fact would destroy this Court’s diversity jurisdiction over Stellantis’s state-law claims because Stellantis is also a citizen of Texas. The Court therefore deferred ruling on the motion for default judgment and ordered Stellantis to file “a 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 be left without a remedy. See *Pepsico, Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D.

Cal. 2002).

The second and third Eitel factors, which consider the merits of the claim and the sufficiency of the complaint, also favor entry of default judgment. Stellantis's complaint asserts a single claim against Winding for breach of the guaranty. "The elements for a breach of contract action under California law are: (1) the existence of a contract, (2) plaintiff's performance or excuse for nonperformance, (3) defendant's breach, and (4) damages to plaintiff as a result of the breach." *Buschman v. Anesthesia Bus. Consultants LLC*, 42 F. Supp. 3d 1244, 1250 (N.D. Cal. 2014) (citing *CDF Firefighters v. Maldonado*, 158 Cal.App.4th 1226, 1239 (2008)). The allegations in the complaint establish each element. Stellantis alleges that (1) the parties entered into a contract, the guaranty; (2) Stellantis performed its obligations under the guaranty by issuing advances to WindingMakia pursuant to the agreement and later providing notice to Winding of WindingMakia's default; (3) Winding breached the guaranty by failing to pay the remaining damages in the form of unpaid debts as a result. The fourth factor, the sum of money at stake, also favors default judgment. Stellantis requests over \$500,000. This is a substantial sum, but it is "directly proportional" to the outstanding amount owed to Stellantis by WindingMakia, for which Winding is liable. See *NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 617 (9th Cir. 2016) (affirming entry of default judgment and award of \$1.48 million in damages where defendant sought "contractual damages directly proportional to [plaintiff's] breach of the contracts"). The fourth factor therefore slightly favors default judgment. The fifth factor is neutral because it is impossible to know whether there will be a dispute concerning material facts given Winding's failure to appear in this action. The sixth factor, excusable neglect, also supports default judgment because Winding has been properly served and therefore has notice of this action. The seventh factor weighs against default judgment because the Federal Rules embrace a "strong policy" of deciding cases on the merits. *Eitel*, 782 F.2d at 1472. But where one party fails to litigate a case, it is impossible to decide a case on the merits. So this factor only very slightly weighs against default judgment. In sum, the first, second, third, fourth, and sixth factors favor default judgment; the fifth is neutral; and the seventh weighs very slightly against default judgment. On balance, the Eitel factors support entering default judgment against Winding. III. Scope of Relief Because Stellantis has shown that default judgment is appropriate, it is entitled to recover damages and attorney's fees and costs. "Damages awarded to an injured party for breach of contract 'seek to approximate the agreed-upon performance' and 'put the plaintiff 'in as good a position as [it] would have occupied' if the defendant had not breached the contract. In other words, the plaintiff is entitled to damages that are equivalent to the benefit of the plaintiff's contractual bargain." *Lewis Jorge Constr. Mgmt., Inc. v. Pomona Unified Sch. Dist.*, 34 Cal. 4th 960, 967–68 (2004). Here, had amount remaining of WindingMakia's debts after Stellantis sold the collateral. Stellantis is 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

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