

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF NEW YORK

RMG Financial Management LLC v. Jesse Grantham, All American Refinery, and Island L.P. Gas Services Inc. d/b/a Propane Man

RMG Financial Management · No. 24-CV-1180 (JLS) (LGF) · Decided May 26, 2026

SUMMARY

The United States District Court for the Western District of New York reviewed objections to a magistrate judge’s Report and Recommendation concerning Plaintiff’s motion for default judgment in an action alleging fraud and breach of contract. The court adopted the recommendation, denied default judgment, dismissed the complaint with leave to amend within 30 days, and directed the Clerk to close the case.

CASE DETAILS

COURT	United States District Court for the Western District of New York
WRITING FOR THE COURT	John L. Sinatra, Jr.
JURISDICTION	United States District Court for the Western District of New York
DECIDED	May 26, 2026
DOCKET	24-CV-1180 (JLS) (LGF)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff objected to a magistrate judge's Report and Recommendation recommending denial of plaintiff's motion for default judgment and dismissal of the complaint. The district court conducted de novo review of the objected-to portions, adopted the Report and Recommendation, denied default judgment, dismissed the complaint with leave to amend, and closed the case.
STANDARD OF REVIEW	De novo review of the portions of the magistrate judge's Report and Recommendation to which objections were made; no review is required for portions to which no objections are raised.
PRECEDENTIAL VALUE	Unknown; district court decision with no reporter citation or stated precedential designation

TOPICS

default judgment

pleadings

civil procedure

fraud

breach of contract

PRACTICE AREAS

civil procedure

commercial litigation

contracts

torts

remedies

QUESTIONS PRESENTED

1. Whether the district court should accept, reject, or modify the magistrate judge's Report and Recommendation after plaintiff's objections.
2. Whether plaintiff was entitled to default judgment.
3. Whether the complaint should be dismissed, with leave to amend.

HOLDINGS

1. A district court must conduct de novo review of the portions of a magistrate judge's recommendation to which a party objects, but need not review portions to which no objections are raised.
2. Plaintiff's motion for default judgment was denied, and the complaint was dismissed with leave to amend within 30 days.

KEY QUOTATIONS

"A district court must conduct a de novo review of those portions of a magistrate judge's recommendation to which a party objects."

"Based on its de novo review, the Court accepts and adopts Judge Foschio's recommendation to deny Plaintiffs motion for default judgment and dismiss the Complaint."

FACTUAL BACKGROUND

Plaintiff alleged that defendants committed fraud and breached a contract. Plaintiff moved for default judgment and served the motion and supporting materials by mail on each defendant. Although defendants were given an opportunity to respond, no defendant responded by the stated deadline, and the magistrate judge recommended denial of default judgment and dismissal of the complaint.

PROCEDURAL HISTORY

RMG Financial Management LLC commenced the action on December 3, 2024, alleging fraud and breach of contract. The matter was referred to Magistrate Judge Leslie G. Foschio, who recommended denying plaintiff's motion for default judgment and dismissing the complaint. Plaintiff objected, defendant Island L.P. Gas Services Inc. opposed the objections, and plaintiff replied. The district court accepted and adopted the recommendation after de novo review.

DISPOSITION

dismissed

REMAND INSTRUCTIONS

No remand. Plaintiff was granted leave to amend the complaint within 30 days, and the Clerk of Court was directed to close the case.

CASES CITED

- Thomas v. Arn, 474 U.S. 140, 149-50 (1985)

OPINION

Grantham

PER CURIAM.

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RMG FINANCIAL MANAGEMENT ee MOELLER CE KS

LLC, RN DISTRICTS

Plaintiff,

24-CV-1180 (JLS) (LGF)

v.

JESSE GRANTHAM, ALL AMERICAN

REFINERY, and ISLAND L.P. GAS

SERVICES INC., doing Business as Propane Man, Defendants.

DECISION AND ORDER

Plaintiff RMG Financial Management LLC commenced this action on December 3, 2024, alleging fraud and breach of contract against Defendants. See Dkt. 1. The case has been referred to United States Magistrate Judge Leslie G. Foschio for all proceedings under 28 U.S.C. §§ 636(b)(1)(A), (B), and (C). Dkt. 14. On April 11, 2025, Plaintiff moved for default judgment and attached a declaration, a proposed judgment by default, and a certificate of service establishing copies of Plaintiffs motion and the declaration were served by mail on each defendant. Dkt. 13, 13-1, 13-2, 13-3. On June 2, 2025, Judge Foschio issued a text order allowing Defendants to respond to Plaintiffs motion for default judgment by June 17, 2026. Dkt. 16. Copies of Judge Foschio's text order were mailed to each defendant and no defendant appeared or responded by the June 17, 2026 deadline. See Dkt. 17. On December 2, 2025, Judge Foschio issued a Report and Recommendation ("R&R"), recommending that this Court deny Plaintiffs [13] motion for default judgment and dismiss the Complaint. See Dkt. 18. Plaintiff objected to the R&R. Dkt. 19. Plaintiff argues that the R&R erroneously applied the Federal Rules of Civil Procedure and New York law when it recommended that this Court deny Plaintiffs motion for default judgment and dismiss the

Complaint. See *id.* at 1. Defendant Island L.P. Gas opposed Plaintiffs objections, Dkt. 25, and Plaintiff replied. Dkt. 27. A district court may accept, reject, or modify the findings or recommendations of a magistrate judge. 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72(b)(3). A district court must conduct a de novo review of those portions of a magistrate judge's recommendation to which a party objects. See 28 U.S.C. § 636(b)(1)(C); Fed. R. Civ. P. 72(b)(3). But neither 28 U.S.C. § 636 nor Federal Rule of Civil Procedure 72 requires a district court to review the recommendation of a magistrate judge to which no objections are raised. See *Thomas v. Arn*, 474 U.S. 140, 149-50 (1985). This Court carefully reviewed the R&R and the relevant record. Based on its de novo review, the Court accepts and adopts Judge Foschio's recommendation to deny Plaintiffs motion for default judgment and dismiss the Complaint. For the reasons above and in the R&R, Plaintiffs [13] motion for default judgment is DENIED and the Complaint is DISMISSED with leave to amend within 30 days. The Clerk of Court shall close the case. SO ORDERED.

Dated: May 26, 2026 at Buffalo, New York in and for the presence of

/ SOHN L. SINATRA,

United States District Judge