

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

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fraud

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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)

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