

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Jonathan Cruz, et al. v. Townsquare Media, Inc., et al.

Cruz · No. 25-cv-03902-WHO · Decided December 4, 2025

SUMMARY

The United States District Court for the Northern District of California granted defendants’ motion to dismiss Jonathan Cruz and Cruz Collaborative Architecture, LLC’s First Amended Complaint. The court dismissed the action with prejudice under Federal Rule of Civil Procedure 41(b), citing repeated untimeliness, failure to comply with court orders, and failure to prosecute. The court also concluded that the amended pleading failed to state claims for breach of contract, breach of the implied covenant of good faith and fair dealing, fraud, intentional infliction of emotional distress, and slander of title or wrongful lien.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	William H. Orrick
JURISDICTION	United States District Court for the Northern District of California
DECIDED	December 4, 2025
DOCKET	25-cv-03902-WHO
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved to dismiss the First Amended Complaint under Federal Rules of Civil Procedure 12(b)(6) and 9(b). The court also considered dismissal under Rule 41(b) based on plaintiffs' repeated failure to comply with deadlines and court orders.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded allegations as true and draws reasonable inferences in plaintiffs' favor, but need not accept conclusory allegations, unwarranted factual deductions, or unreasonable inferences. Fraud claims must satisfy Rule 9(b)'s heightened pleading requirement. For dismissal under Rule 41(b), the court weighs the five Malone factors concerning expeditious resolution, docket management, prejudice, disposition on the merits, and availability of less drastic sanctions.
PRECEDENTIAL VALUE	nonprecedential district court order

PARTIES

Jonathan Cruz, Cruz Collaborative Architecture, LLC v. Townsquare Media, Inc., Townsquare Interactive, LLC, Tim Pirrone

TOPICS

motions to dismiss sanctions civil procedure breach of contract fraud

PRACTICE AREAS

civil procedure contracts torts commercial litigation remedies

QUESTIONS PRESENTED

1. Whether dismissal with prejudice was warranted under Federal Rule of Civil Procedure 41(b) because plaintiffs repeatedly failed to prosecute the action and comply with court orders.
2. Whether the First Amended Complaint stated a claim for breach of contract under Rule 12(b)(6).
3. Whether the First Amended Complaint stated a claim for breach of the implied covenant of good faith and fair dealing.
4. Whether the fraudulent deceit and promissory fraud claims satisfied Rules 8 and 9(b).
5. Whether the intentional infliction of emotional distress claim was barred by the economic loss rule and inadequately pleaded.
6. Whether the slander of title and wrongful lien claim satisfied Rule 8.

HOLDINGS

1. Dismissal with prejudice was warranted under Rule 41(b) because plaintiffs repeatedly failed to comply with filing deadlines and court orders, failed to pay the ordered sanction, and imposed prejudice and unnecessary costs on defendants.
2. The First Amended Complaint failed to state a breach-of-contract claim because it did not identify with sufficient specificity the contract provisions defendants allegedly breached or explain how defendants' conduct breached those provisions.
3. The First Amended Complaint failed to state a claim for breach of the implied covenant because it did not plausibly allege conduct beyond the alleged contract breach or facts showing that defendants acted in bad faith to frustrate the contract's benefits.
4. The fraudulent deceit and promissory fraud claims failed because the First Amended Complaint did not plead the alleged fraudulent conduct with the specificity required by Rule 9(b), including how defendants knew the representations were false when made.
5. The intentional infliction of emotional distress claim failed because the alleged conduct constituted a repackaged contract claim, the economic loss rule barred recovery for the alleged purely economic injury, and plaintiffs failed to plead the individual IIED elements.
6. The slander-of-title and wrongful-lien claim failed under Rule 8 because the First Amended Complaint did not adequately allege facts connecting defendants' conduct to any title or lien involved in the case.

KEY QUOTATIONS

“These failures have resulted in “prejudice to the defendants,” including increased litigation costs and unsuccessful attempts to communicate with plaintiffs.” (Discussion § I)

“Considering plaintiffs’ seeming disinterest in litigating this case or adhering to court orders, as well as their inability to cure the deficiencies identified in my previous order, I DISMISS this case WITH PREJUDICE.” (Conclusion)

FACTUAL BACKGROUND

Plaintiffs alleged that defendants agreed to provide a customized, functional, secure, and professionally designed website and that the resulting website had design, functionality, access, and security defects. Plaintiffs also alleged that defendants breached the implied covenant of good faith, made fraudulent representations concerning the website, caused emotional distress, and committed slander of title or wrongful lien. The court relied heavily on plaintiffs' repeated untimely filings, failure to respond to court orders, failure to pay a \$1,000 sanction, and failure to cure pleading deficiencies identified in an earlier dismissal order.

PROCEDURAL HISTORY

This was plaintiffs' second lawsuit against defendants. The court dismissed the first action without prejudice for failure to prosecute and later related it to this action. In this case, plaintiffs repeatedly filed late or deficient papers, failed to comply with a \$1,000 sanction order, and filed their opposition to the motion to dismiss twenty days late. The court dismissed the action with prejudice based both on failure to prosecute and failure of the First Amended Complaint to state viable claims.

DISPOSITION

dismissed

CASES CITED

- Malone v. United States Postal Service, 833 F.2d 128, 130 (9th Cir. 1987)
- Thompson v. Housing Authority of City of Los Angeles, 782 F.2d 829, 831 (9th Cir. 1986)
- In re Phenylpropanolamine (PPA) Products Liability Litigation, 460 F.3d 1217, 1226 (9th Cir. 2006)
- Valley Engineers Inc. v. Electric Engineering Co., 158 F.3d 1051, 1057 (9th Cir. 1998)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Usher v. City of Los Angeles, 828 F.2d 556, 561 (9th Cir. 1987)
- In re Gilead Sciences Securities Litigation, 536 F.3d 1049, 1055 (9th Cir. 2008)
- Lopez v. Smith, 203 F.3d 1122, 1127 (9th Cir. 2000)
- Moore v. Kayport Package Express, 885 F.2d 531, 538 (9th Cir. 1989)
- Wall Street Network, Ltd. v. New York Times Co., 164 Cal. App. 4th 1171, 1178 (2008)
- Rosenfeld v. JPMorgan Chase Bank, N.A., 732 F. Supp. 2d 952, 968 (N.D. Cal. 2010)

- Careau & Co. v. Security Pacific Business Credit, Inc., 222 Cal. App. 3d 1371, 1393, 1395 (Cal. Ct. App. 1990)
- Carma Developers (Cal.), Inc. v. Marathon Development California, Inc., 2 Cal. 4th 342, 373 (1992)
- Celador International Ltd. v. Walt Disney Co., 347 F. Supp. 2d 846, 852 (C.D. Cal. 2004)
- Travelers Property Casualty Co. of America v. Centex Homes, No. 11-cv-03638-SC, 2012 WL 1657121, at *8 (N.D. Cal. May 10, 2012)
- Hinesley v. Oakshade Town Center, 135 Cal. App. 4th 289, 294 (2005)
- Kearns v. Ford Motor Co., 567 F.3d 1120, 1124 (9th Cir. 2009)
- Robinson Helicopter Co. v. Dana Corp., 34 Cal. 4th 979, 988 (2004)
- Manhattan Loft, LLC v. Mercury Liquors, Inc., 173 Cal. App. 4th 1040, 1051 (2009)

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