

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
TEXAS, SHERMAN DIVISION

United States of America ex rel. Tom Proctor v. Next Health LLC

Proctor v. Next Health · No. 4:17-cv-00169 · Decided March 6, 2026

SUMMARY

The United States District Court for the Eastern District of Texas adopted a magistrate judge’s report and recommendation granting Relator Tom Proctor’s motions for default judgment and determination of damages against Next Health LLC. The court awarded the United States \$448,545,910.96 plus post-judgment interest, with 25% of any recovery payable to the relator, and ordered each party to bear its own costs and attorneys’ fees.

CASE DETAILS

COURT	United States District Court for the Eastern District of Texas, Sherman Division
WRITING FOR THE COURT	Amos L. Mazzant
JURISDICTION	United States District Court for the Eastern District of Texas, Sherman Division
DECIDED	March 6, 2026
DOCKET	4:17-cv-00169
DISPOSITION	other
PROCEDURAL POSTURE	The district court reviewed and adopted a magistrate judge's Report and Recommendation after no timely objections were filed. The court granted the relator's motion for default judgment and motion for a determination of damages, dismissed earlier related motions as moot, and entered judgment.
STANDARD OF REVIEW	The district court reviewed the magistrate judge's Report and Recommendation in the absence of timely objections and adopted its findings and conclusions as correct.
PRECEDENTIAL VALUE	Unknown
PARTIES	United States of America ex rel. Tom Proctor v. Next Health LLC

TOPICS

default judgment

default

damages

attorney fees

civil procedure

PRACTICE AREAS

False Claims Act

federal civil procedure

remedies

QUESTIONS PRESENTED

1. Whether the district court should adopt the magistrate judge's Report and Recommendation when no timely objections were filed.
2. Whether the relator was entitled to default judgment and a determination of damages against Next Health LLC.
3. Whether the relator forfeited any claim to costs and attorneys' fees by failing to timely file a bill of costs and accounting.

HOLDINGS

1. The district court adopted the magistrate judge's Report and Recommendation as the findings and conclusions of the court because no timely objections were filed and the report was correct.
2. The relator's Motion for a Default Judgment and Motion for a Determination of Damages were granted, and the United States was awarded a judgment of \$448,545,910.96 plus post-judgment interest at the rate prescribed by 28 U.S.C. § 1961, with 25% of any recovery paid to the relator.
3. The relator forfeited any claim to costs and attorneys' fees by failing to file the required bill of costs and accounting by the court-ordered deadline, and each party was ordered to bear its own costs and attorneys' fees.

KEY QUOTATIONS

“It is therefore ORDERED that Relator Tom Proctor’s Motion for a Default Judgment (Dkt. #287) and Motion for a Determination of Damages (Dkt. #290) are GRANTED and that Relator’s earlier Motion for a Default Judgment (Dkt. #283) and Pre-Hearing Motion for Default Damages (Dkt. #293) are DISMISSED AS MOOT.”

“It is FURTHER ORDERED that the United States be awarded a judgment in the amount of \$448,545,910.96 plus post-judgment interest at the rate prescribed by 28 U.S.C. § 1961 against Defendant Next Health, LLC, with 25% of any recovery to be paid to Relator.”

FACTUAL BACKGROUND

Relator Tom Proctor sought default judgment and a determination of damages against Next Health LLC in this False Claims Act action. The magistrate judge recommended awarding the United States \$448,545,910.96 plus post-judgment interest, with 25% of any recovery paid to the relator. The relator failed to timely file the required bill of costs and accounting of expenses and attorneys' fees.

PROCEDURAL HISTORY

The action was referred to a United States Magistrate Judge under 28 U.S.C. § 636. On February 5, 2026, the magistrate judge recommended granting the relator's motions for default judgment and damages, dismissing earlier motions as moot, and awarding damages to the government. The district court found the report correct, adopted it as the court's findings and conclusions, and entered judgment for \$448,545,910.96 plus post-judgment interest.

DISPOSITION

other

CASES CITED

- Port of Stockton v. W. Bulk Carrier KS, 371 F.3d 1119, 1121–22, 1121 n.1 (9th Cir. 2004)

OPINION

United States of America ex rel. Tom Proctor v. Next Health LLC

PER CURIAM.

United States District Court

EASTERN DISTRICT OF TEXAS

SHERMAN DIVISION

UNITED STATES OF AMERICA ex rel. §

TOM PROCTOR, §

§ Relator, § Civil Action No. 4:17-cv-00169 v. § Judge Mazzant/Judge Davis §

NEXT HEALTH LLC, §

§ Defendant. §

MEMORANDUM ADOPTING REPORT AND

RECOMMENDATION OF UNITED STATES MAGISTRATE JUDGE

Came on for consideration the report of the United States Magistrate Judge in this action, this matter having been heretofore referred to the Magistrate Judge pursuant to 28 U.S.C. § 636. On February 5, 2026, the Magistrate Judge entered a Report and Recommendation (Dkt. #300) that Relator Tom Proctor's Motion for a Default Judgment (Dkt. #287) and Motion for a Determination of Damages (Dkt. #290) be granted, Relator's earlier Motion for a Default Judgment (Dkt. #283) and Pre-Hearing Motion for Default Damages (Dkt. #293) be dismissed as moot, and the government be awarded damages. Having received the report of the United States Magistrate Judge, and no timely objections being filed, the Court is of the opinion that the findings and conclusions of the Magistrate Judge are correct and adopts the Magistrate Judge's report as the findings and conclusions of the Court. The Magistrate Judge also ordered that, within 14 days of the docketing of his Report and Recommendation, Relator file a bill of costs and an accounting of the expenses and attorneys' fees he reasonably incurred in prosecuting this case. (Dkt. #300 at 21). Relator failed to file a bill of costs or accounting by that deadline, so each party shall bear its own

costs and attorneys' fees. See *Port of Stockton v. W. Bulk Carrier KS*, 371 F.3d 1119, 1121–22, 1121 n.1 (9th Cir. 2004) (concluding that a litigant's failure to timely file a request for attorneys' fees forfeited any claim to fees). It is therefore ORDERED that Relator Tom Proctor's Motion for a Default Judgment (Dkt. #287) and Motion for a Determination of Damages (Dkt. #290) are GRANTED and that Relator's earlier Motion for a Default Judgment (Dkt. #283) and Pre-Hearing Motion for Default Damages (Dkt. #293) are DISMISSED AS MOOT. It is FURTHER ORDERED that the United States be awarded a judgment in the amount of \$448,545,910.96 plus post-judgment interest at the rate prescribed by 28 U.S.C. § 1961 against Defendant Next Health, LLC, with 25% of any recovery to be paid to Relator. IT IS SO ORDERED.