

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
CALIFORNIA

BMO Bank N.A. v. Kular Transportation Inc.

BMO Bank N.A. · No. 1:24-cv-01568-JLT-SAB · Decided March 11, 2025

SUMMARY

The United States District Court for the Eastern District of California vacated the initial scheduling conference because defaults had been entered against the defendants. The court ordered the plaintiff to file a motion for default judgment within 35 days and warned that noncompliance could result in a recommendation of dismissal for failure to prosecute.

CASE DETAILS

|                       |                                                                                                                                                                                                             |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Eastern District of California                                                                                                                                         |
| WRITING FOR THE COURT | Stanley A. Boone                                                                                                                                                                                            |
| JURISDICTION          | United States District Court for the Eastern District of California                                                                                                                                         |
| DECIDED               | March 11, 2025                                                                                                                                                                                              |
| DOCKET                | 1:24-cv-01568-JLT-SAB                                                                                                                                                                                       |
| DISPOSITION           | other                                                                                                                                                                                                       |
| PROCEDURAL POSTURE    | Plaintiff filed a diversity action, and the Clerk entered default against two defendants. The court vacated the initial scheduling conference and required Plaintiff to file a motion for default judgment. |
| PRECEDENTIAL VALUE    | Unknown; district court order directing procedural steps in the action.                                                                                                                                     |

TOPICS

- default judgment
- default
- civil procedure
- commercial litigation

PRACTICE AREAS

- civil procedure
- commercial litigation
- remedies

QUESTIONS PRESENTED

- Whether the court should vacate the initial scheduling conference after the Clerk entered default against the defendants.
- Whether Plaintiff must file a motion for default judgment under Federal Rule of Civil Procedure 55.

## HOLDINGS

1. Under Federal Rule of Civil Procedure 55, obtaining a default judgment is a two-step process: entry of default under Rule 55(a), followed by a plaintiff's application for default judgment under Rule 55(b)(1) or (b)(2).
2. The initial scheduling conference should be vacated while Plaintiff proceeds with a motion for default judgment.

## KEY QUOTATIONS

*“Pursuant to Federal Rules of Civil Procedure 55, obtaining a default judgment is a two-step process.”* (slip op. at 1)

*“Default judgments are generally disfavored, and whenever it is reasonably possible, cases should be decided upon their merits.”* (slip op. at 1)

## FACTUAL BACKGROUND

BMO Bank N.A. commenced the action on December 19, 2024. Kular Transportation Inc. and Lakhwinder Singh failed to plead or otherwise defend, and the Clerk entered default against them on February 27, 2025. An initial scheduling conference was set for April 8, 2025.

## PROCEDURAL HISTORY

Plaintiff commenced the action on December 19, 2024. The Clerk entered default against Kular Transportation Inc. and Lakhwinder Singh on February 27, 2025. Because the defendants were in default, the court vacated the April 8, 2025 scheduling conference and ordered Plaintiff to file a motion for default judgment within thirty-five days from service of the order.

## DISPOSITION

other

## CASES CITED

- Yue v. Storage Technology Corp., No. 3:07-cv-05850, 2008 WL 361142, at \*2 (N.D. Cal. Feb. 11, 2008)
- In re Hammer, 940 F.2d 524 (9th Cir. 1991)