

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
CALIFORNIA

BASF Corporation v. Dougan

BASF Corp. v. Dougan · No. 1:24-cv-01115 JLT CDB · Decided May 7, 2025

SUMMARY

The United States District Court for the Eastern District of California adopted the magistrate judge’s findings and recommendations and granted BASF Corporation’s motion for default judgment on its breach of contract claims. The court denied relief on the unjust enrichment and declaratory relief claims and awarded BASF \$179,895.62 in liquidated damages against the defendants.

CASE DETAILS

|                       |                                                                                                                                                                                                                                            |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Eastern District of California                                                                                                                                                                        |
| WRITING FOR THE COURT | Jennifer L. Thurston                                                                                                                                                                                                                       |
| JURISDICTION          | United States District Court for the Eastern District of California                                                                                                                                                                        |
| DECIDED               | May 7, 2025                                                                                                                                                                                                                                |
| DOCKET                | 1:24-cv-01115 JLT CDB                                                                                                                                                                                                                      |
| DISPOSITION           | other                                                                                                                                                                                                                                      |
| PROCEDURAL POSTURE    | Plaintiff moved for default judgment after Defendants failed to appear and default was entered. The magistrate judge issued findings and recommendations, and the district court conducted de novo review after no party filed objections. |
| STANDARD OF REVIEW    | De novo review under 28 U.S.C. § 636(b)(1)(C) of the magistrate judge’s findings and recommendations.                                                                                                                                      |
| PRECEDENTIAL VALUE    | unpublished district court order                                                                                                                                                                                                           |

TOPICS

- default judgment
- breach of contract
- liquidated damages
- unjust enrichment
- declaratory judgment

PRACTICE AREAS

- civil procedure
- contracts
- remedies
- commercial litigation

QUESTIONS PRESENTED

1. Whether default judgment should be entered on BASF's breach-of-contract claims.
2. Whether default judgment should be entered on BASF's unjust-enrichment claims where an enforceable written contract governs the same subject matter.
3. Whether declaratory relief was warranted.
4. Whether BASF was entitled to \$179,895.62 in liquidated damages.

#### **HOLDINGS**

1. Default judgment was warranted on BASF's breach-of-contract claims because service was adequate, Defendants failed to appear or oppose the motion, the Eitel factors supported judgment, the complaint sufficiently alleged breach, and no factual dispute precluded judgment.
2. Default judgment was denied on the unjust-enrichment claims because California law does not permit a standalone unjust-enrichment cause of action where an enforceable written contract governs the same subject matter.
3. Default judgment was denied on the declaratory-relief claims because BASF did not demonstrate that declaratory relief would serve a useful purpose or settle any unresolved legal issues.
4. BASF was awarded \$179,895.62 in liquidated damages against Defendants.

#### **FACTUAL BACKGROUND**

BASF's claims arose from a written contractual agreement with Isa S. Dougan, individually and doing business as United Collision. Defendants allegedly breached the agreement, did not appear in the action, and did not oppose the motion for default judgment despite being served. The court awarded BASF \$179,895.62 in liquidated damages under the contract.

#### **PROCEDURAL HISTORY**

BASF Corporation sued Isa S. Dougan, individually and doing business as United Collision, and others for breach of contract, unjust enrichment, and declaratory relief. Defendants did not appear, and default was entered on November 13, 2024. The magistrate judge recommended granting default judgment on the breach-of-contract claims, denying it on the unjust-enrichment and declaratory-relief claims, and awarding \$179,895.62 in liquidated damages. The district court adopted the findings and recommendations in full, granted and denied the motion in accordance with those recommendations, awarded the liquidated damages, and closed the case.

#### **DISPOSITION**

other

#### **CASES CITED**

- Wilkerson v. Wheeler, 772 F.3d 834, 839 (9th Cir. 2014)

#### **OPINION**

BASF Corporation v. Dougan

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 EASTERN DISTRICT OF CALIFORNIA

10 11 BASF CORPORATION, Case No. 1:24-cv-01115 JLT CDB 12 Plaintiff,

ORDER ADOPTING FINDINGS AND

13 v. RECOMMENDATIONS AND GRANTING

DEFAULT JUDGMENT

14 ISA S. DOUGAN, et al., (Docs. 14, 19, 22) 15 Defendants. 16 17 BASF Corporation brings claims for breach of contract, unjust enrichment, and 18 declaratory relief arising out of a written contractual agreement between Plaintiff and Defendants 19 Isa S. Dougan, individually, and doing business as United Collision. (Doc. 1.) Defendants have 20 not entered an appearance in this action and default was entered against them on November 13, 21 2024. (Doc. 8.) Plaintiff moved for default judgment on January 3, 2025. (Doc. 14.) Despite being 22 served with the motion (Doc. 20), Defendants did not oppose it. 23 On March 24, 2025, following a hearing on the default judgment motion at which 24 Defendants failed to appear, the assigned magistrate judge issued findings and recommendations 25 to grant default judgment on Plaintiff's breach of contract claims, deny default judgment on 26 Plaintiff's unjust enrichment and declaratory relief claims, and award Plaintiff \$179,895.62 in 27 liquidated damages. (See Doc. 22.) 1 service of process was adequate (id. at 5-7). Applying the Eitel factors, the magistrate judge 2 found that possibility of prejudice to the Plaintiff weighed in favor of granting default judgment. 3 (Id. at 7-8.) Evaluating the sufficiency of the complaint and the likelihood of success on the 4 merits, the magistrate judge concluded no reasonable basis existed to apply Michigan law 5 pursuant to the contract's choice-of-law provision, and instead applied California law to the 6 dispute. (Id. at 8-9.) The magistrate judge further found that Plaintiff sufficiently alleged both 7 Defendants breached the contract, that Plaintiff cannot prevail on its unjust enrichment claims as 8 California law does not permit a standalone unjust enrichment cause of action where an 9 enforceable written contract governs the same subject matter, and that declaratory relief is not 10 warranted because Plaintiff failed to demonstrate that declaratory relief will serve any useful 11 purpose or settle any unresolved legal issues. (Id. at 9-11.) 12 The magistrate judge also concluded that Plaintiff sought money damages proportionate to 13 the harm caused by Defendants and no factual dispute precluded the entry of default judgment, as 14 the factual allegations are presumed true in this context and Defendant failed to move to set aside 15 the default. (Id. at 11-12.) Finally, the magistrate judge found that the default was not the result of 16 excusable neglect and that the policy of deciding cases on the merits did not weigh against default 17 judgment due to Defendant's refusal to participate in this action. (Id. at 12-13.) After examining 18 the relevant law and contract provisions, the magistrate judge recommended awarding 19 \$179,895.62 in liquidated damages. (Id. at 13-14.) 20 In

response to a Court order, Plaintiff served a copy of the findings and recommendations 21 on Defendants' last known address. (Docs. 23, 24.) The Court gave the parties 14 days to file any 22 objections and advised them that "failure to file objections within the specified time may result in 23 the waiver of rights on appeal." (Doc. 22 at 15 (citing *Wilkerson v. Wheeler*, 772 F.3d 834, 839 24 (9th Cir. 2014).) No objections were filed and the time to do so has passed. Furthermore, 25 Defendants made no appearance of any kind in this action. 26 According to 28 U.S.C. § 636(b)(1) (C), this Court has conducted a de novo review of this 27 case. Having carefully reviewed the entire file, the Court concludes the findings and 1 1. The findings and recommendations issued on March 24, 2025 (Doc. 22), are 2 ADOPTED IN FULL. 3 2. Plaintiff's motion for default judgment (Docs. 14, 19) is GRANTED as to the 4 breach of contract claims. 5 3. Plaintiff's motion for default judgment (id.) is DENIED as to the unjust 6 enrichment and declaratory relief claims. 7 4. Plaintiff is AWARDED \$179,895.62 in liquidated damages against Defendants. 8 5. The Clerk of the Court is directed to CLOSE this case. 9 10 IT IS SO ORDERED. 1) | Dated: \_May 7, 2025 Cerin | Tower

TED STATES DISTRICT JUDGE

12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28