

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

**Starr Indemnity & Liability Insurance Company v. Ross Island Sand
& Gravel Co.**

Starr Indemnity · No. No. 2:24-cv-03680-DAD-CKD · Decided September 16, 2025

SUMMARY

The United States District Court for the Eastern District of California adopted the magistrate judge’s findings and recommendations and granted Starr Indemnity & Liability Insurance Company’s motion for default judgment. The court entered judgment against Ross Island Sand & Gravel Co. for \$1,049,077, consisting of \$1,010,000 in damages and \$39,077 in prejudgment interest, plus post-judgment interest under 28 U.S.C. § 1961. The action sought enforcement of a settlement agreement from an earlier insurance-related case.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Dale A. Drozd
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	September 16, 2025
DOCKET	No. 2:24-cv-03680-DAD-CKD
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment after defendant was personally served, failed to respond, and had default entered by the clerk. A magistrate judge recommended granting the motion, and the district court conducted de novo review, adopted the findings and recommendations, and entered default judgment.
STANDARD OF REVIEW	De novo review of the magistrate judge's findings and recommendations under 28 U.S.C. § 636(b)(1)(C).
PRECEDENTIAL VALUE	Unknown; district court order with no published reporter citation.

TOPICS

- default judgment
- default
- breach of contract
- prejudgment interest
- subject matter jurisdiction

PRACTICE AREAS

civil procedure

contracts

remedies

insurance

commercial litigation

QUESTIONS PRESENTED

1. Whether the court had subject matter jurisdiction based on diversity of citizenship and personal jurisdiction over defendant.
2. Whether plaintiff was entitled to default judgment under the Eitel factors.
3. Whether plaintiff was entitled to damages, prejudgment interest, and post-judgment interest under the settlement agreement and applicable law.

HOLDINGS

1. The court had subject matter jurisdiction based on diversity of citizenship and personal jurisdiction over defendant because the underlying settlement agreement was negotiated and entered into following mediation conducted in the district.
2. Default judgment should be entered where the defendant was properly served, failed to appear, and the Eitel factors favor judgment for the plaintiff.
3. Plaintiff was entitled to \$1,010,000 in damages, \$39,077 in prejudgment interest, and post-judgment interest at the applicable statutory rate under 28 U.S.C. § 1961.

KEY QUOTATIONS

“Default judgment is ENTERED in favor of plaintiff and against defendant Ross Island Sand & Gravel Co. in the amount of \$1,049,077 (\$1,010,000 in damages and \$39,077 in prejudgment interest);” (at 2)

FACTUAL BACKGROUND

Starr Indemnity & Liability Insurance Company sued Ross Island Sand & Gravel Co. to enforce a settlement agreement reached in an earlier action. The settlement agreement was negotiated and entered into following a mediation conducted in the Eastern District of California. Ross Island was personally served but failed to file a responsive pleading or otherwise appear, and the clerk entered default.

PROCEDURAL HISTORY

Plaintiff filed this diversity action seeking enforcement of a settlement agreement. Defendant was personally served but did not answer or otherwise appear, leading the clerk to enter default. The magistrate judge recommended granting default judgment; no objections were filed, and the district court adopted the recommendation in full and closed the case.

DISPOSITION

other

CASES CITED

- Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986)

OPINION

Starr Indemnity & Liability Insurance Company v. Ross Island Sand & Gravel Co.

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 FOR THE EASTERN DISTRICT OF CALIFORNIA

10

11 STARR INDEMNITY & LIABILITY No. 2:24-cv-03680-DAD-CKD

INSURANCE COMPANY,

12 Plaintiff,

13 ORDER ADOPTING FINDINGS AND

v. RECOMMENDATIONS AND GRANTING

14 PLAINTIFF'S MOTION FOR DEFAULT

ROSS ISLAND SAND & GRAVEL CO., JUDGMENT

15 Defendant. (Doc. Nos. 11, 18, 21) 16 17 18 On December 23, 2024, plaintiff Starr Indemnity & Liability Insurance Company filed 19 this civil action seeking enforcement of a settlement agreement reached in Starr Indemnity & 20 Liability Insurance Company v. Ross Island Sand & Gravel Co., No. 2:21-cv-00791-KJM-DB 21 (E.D. Cal.) against defendant Ross Island Sand & Gravel Co. (Doc. No. 1.) On December 31, 22 2024, plaintiff filed proof of service by means of personal service. (Doc. No. 6.) Defendant 23 failed to file its requisite responsive pleading by January 17, 2025. Accordingly, plaintiff 24 requested entry of default on February 18, 2025. (Doc. No. 7.) On February 19, 2025, the Clerk 25 of the Court entered default as to defendant because it was served with the summons and 26 complaint and did not file a timely answer, responsive pleading, or otherwise appear in this 27 action. (Doc. No. 8.) On March 21, 2025, plaintiff filed the pending motion for default 28 // 1 judgment. (Doc. No. 11.) This matter was referred to a United States Magistrate Judge pursuant 2 to 28 U.S.C. § 636 and Local Rule 302. 3 On May 12, 2025, the assigned magistrate judge issued findings and recommendations 4 recommending that plaintiff's motion for default judgment be granted. (Doc. No. 18 at 12.) 5 Specifically, the magistrate judge concluded that the court has subject matter jurisdiction based 6 on diversity of citizenship pursuant to 28 U.S.C. § 1332 and had personal jurisdiction over 7 defendant because the underlying settlement agreement was negotiated and entered into following 8 a mediation conducted in this district. (Id. at 4–6.) The magistrate judge then evaluated the Eitel 9 factors and concluded that: (1) denial of the motion would leave plaintiff without further remedy 10 or recourse; (2) plaintiff has sufficiently stated a claim for breach of contract and that claim is 11 meritorious; (3) the award sought is reasonable because it was determined within the settlement 12 agreement; (4) there is no likelihood of a genuine issue of material fact existing; (5) defendant's 13

default lacks any indication of excusable neglect; and (6) that defendant's failure to appear renders a judgment on the merits impossible. (Id. at 6–9.) As a result, the magistrate judge concluded that consideration of the Eitel factors weigh in favor of granting the pending motion for default judgment. (Id. at 10): see also *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986). The magistrate judge therefore recommended that the court issue an order entering judgment in favor of plaintiff, awarding plaintiff \$1,010,000 in damages pursuant to the underlying settlement agreement, awarding plaintiff \$39,077 in prejudgment interest, and awarding plaintiff post-judgment interest pursuant to 28 U.S.C. § 1961. (Id. at 12.) The pending findings and recommendations were served on the parties and contained notice that any objections thereto were to be filed within fourteen (14) days after service. (Id. at 23 12.) To date, no objections to the findings and recommendations have been filed, and the time in which to do so has since passed. In accordance with the provisions of 28 U.S.C. § 636(b)(1)(C), this court has conducted a de novo review of the case. Having carefully reviewed the entire file, the court concludes that the findings and recommendations are supported by the record and by proper analysis. Accordingly, 1. Plaintiffs request that the court adopt the pending findings and recommendations 3 (Doc. No. 21) is GRANTED and the findings and recommendations issued on 4 May 12, 2025 (Doc. No. 18) are ADOPTED in full;

2. Plaintiff's motion for default judgment (Doc. No. 11) is GRANTED; 3. Default judgment is ENTERED in favor of plaintiff and against defendant Ross 7 Island Sand & Gravel Co. in the amount of \$1,049,077 (\$1,010,000 in damages 8 and \$39,077 in prejudgment interest); 9 4. Plaintiff is AWARDED post-judgment interest accruing at the applicable rate 10 pursuant to 28 U.S.C. § 1961 to begin accruing from the date of entry of judgment; 11 5. The initial scheduling conference currently set for September 22, 2025 is hereby 12 VACATED; and 13 7. The Clerk of the Court is directed to enter judgment and close this case. 14 IT IS SO ORDERED. | pated: _ September 15, 2025 Da A. 2, ye

16 DALE A. DROZD

UNITED STATES DISTRICT JUDGE

18 19 20 21 22 23 24 25 26 27 28