UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA, INDIANAPOLIS DIVISION

David Frye, Trustee; Ward Daniels, Trustee; Indiana Laborers Welfare, Pension, Training and Defined Contribution Trust Funds v. DIR Group, LLC

Frye v. DIR Group, LLC · No. 1:24-cv-02104-SEB-TAB · Decided March 9, 2026

SUMMARY

The United States District Court for the Southern District of Indiana granted plaintiffs' motion for default judgment against DIR Group, LLC in an ERISA delinquent-contribution action. The court awarded $44,918.74 for unpaid contributions, liquidated damages, interest, attorney fees, and costs, and allowed recovery of additional collection-related fees and costs.

CASE DETAILS

COURT	United States District Court for the Southern District of Indiana, Indianapolis Division
WRITING FOR THE COURT	Sarah Evans Barker
JURISDICTION	United States District Court for the Southern District of Indiana
DECIDED	March 9, 2026
DOCKET	1:24-cv-02104-SEB-TAB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved for default judgment under Federal Rule of Civil Procedure 55(b) after the Clerk entered default against Defendant for failing to answer or appear.
STANDARD OF REVIEW	On a motion for default judgment, well-pleaded allegations concerning liability are accepted as true, but damages must be established with reasonable certainty. A damages inquiry may be conducted without an evidentiary hearing when the amount is liquidated or ascertainable from documentary evidence or detailed affidavits.
PRECEDENTIAL VALUE	unpublished

PARTIES	David Frye, Trustee, Ward Daniels, Trustee, Indiana Laborers Welfare, Pension, Training and Defined Contribution Trust Funds v. DIR Group, LLC

TOPICS

default judgment · default · erisa · employee benefits · attorney fees

PRACTICE AREAS

ERISA · employee benefits · civil procedure · remedies · attorney fees

QUESTIONS PRESENTED

1. Whether default judgment should be entered against DIR Group, LLC after the Clerk entered default for failure to answer or appear.
2. Whether Plaintiffs established the amount of damages with reasonable certainty without an evidentiary hearing.
3. Whether Plaintiffs were entitled under ERISA to unpaid contributions, liquidated damages, interest, reasonable attorney fees, and costs.
4. Whether the requested attorney fees and costs were reasonable and recoverable.

HOLDINGS

1. Upon entry of default, the well-pleaded factual allegations relating to liability are accepted as true, and entry of default judgment establishes the defendant's liability on each cause of action alleged in the complaint.
2. A plaintiff seeking default judgment must establish monetary damages with reasonable certainty, but no evidentiary hearing is required when the amount is liquidated or ascertainable from documentary evidence or detailed affidavits.
3. Under ERISA §§ 515 and 502(g)(2), an employer obligated to contribute to a multiemployer plan must make contributions according to the plan or collective bargaining agreement, and plan fiduciaries are entitled to recover unpaid contributions, interest, liquidated damages within the statutory limit, reasonable attorney fees, costs, and other appropriate relief.
4. Plaintiffs were entitled to reasonable attorney fees of $1,168.50 and reimbursement of the $402.00 filing fee as costs.

KEY QUOTATIONS

> *"the establishment of the default, and the actual entry of a default judgment."*

> *"upon default, the well-pleaded allegations of a complaint relating to liability are taken as true."*

> *"The district court must . . . conduct an inquiry . . . to ascertain the amount of damages with reasonable certainty."*

> *“Every employer who is obligated to make contributions to a multiemployer plan under the terms of the plan or under the terms of a collectively bargained agreement shall . . . make such contributions in accordance with the terms and conditions of such plan or such agreement.”*

FACTUAL BACKGROUND

DIR Group, LLC was an employer-party to two collective bargaining agreements requiring monthly contributions to several employee benefit funds on behalf of covered employees. Plaintiffs alleged that DIR failed to make timely contributions from April 2023 through September 2024, violating the agreements and ERISA § 515. The Clerk entered default after DIR failed to answer or appear, and Plaintiffs submitted documentary evidence and affidavits supporting their claimed unpaid contributions, liquidated damages, interest, attorney fees, and costs.

PROCEDURAL HISTORY

Plaintiffs filed an ERISA action on November 26, 2024, seeking delinquent employee benefit contributions, liquidated damages, interest, attorney fees, and costs. The Clerk entered default against DIR Group, LLC on March 11, 2025. Plaintiffs moved for default judgment on August 6, 2025, and the court granted the motion, entering judgment for $44,918.74 plus additional fees and costs incurred in collecting the judgment.

DISPOSITION

other

CASES CITED

- In re Catt, 368 F.3d 789, 793 (7th Cir. 2004)
- VLM Food Trading Int'l, Inc. v. Ill. Trading Co., 811 F.3d 247, 255 (7th Cir. 2016)
- Dundee Cement Co. v. Howard Pipe & Concrete Prods., Inc., 722 F.2d 1319, 1323 (7th Cir. 1983)
- e360 Insight v. The Spamhaus Project, 500 F.3d 594, 602 (7th Cir. 2007)
- Moriarity ex rel. Local Union No. 727 v. Svec, 429 F.3d 710, 717 (7th Cir. 2005)
- Trs. Int'l Painters & Allied Trades Loc. No. 47 Health & Welfare Plan v. Mid-States Painting Co., Inc., No. 1:20-cv-01560-JPH-DLP, 2021 WL 5235113, at *2 (S.D. Ind. Nov. 8, 2021)

OPINION

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA INDIANAPOLIS DIVISION DAVID FRYE Trustee,) WARD DANIELS Trustee,) INDIANA LABORERS WELFARE,) PENSION, TRAINING AND DEFINED) CONTRIBUTION TRUST FUNDS,)) Plaintiffs,)) v.) No. 1:24-cv-02104-SEB-TAB) DIR GROUP, LLC Clerk's Entry of Default) entered on 3/11/2025,)) Defendant.) ORDER GRANTING PLAINTIFFS' MOTION FOR DEFAULT JUDGMENT On March 11, 2025, the Clerk entered a default against Defendant DIR Group, LLC ("DIR").

[Dkt. 9.] Now pending before the Court is Plaintiffs' Motion for Default Judgment, [dkt. 10], filed pursuant to Federal Rule of Civil Procedure 55(b), seeking damages for delinquent contributions, liquidated damages, interest, and attorney fees and costs.

For the reasons stated below, Plaintiffs' motion is GRANTED. BACKGROUND Plaintiffs include employee benefit plans Indiana Laborers Welfare, Pension, Training, and Defined Contribution Trust Funds ("the Funds") along with Trustees David Frye and Ward Daniels, who administer the Funds pursuant to various Trust Agreements. See 29 U.S.C. §§ 1002(1)–(3), (21). DIR, an Indiana limited liability company, is an employer-party to two Collective Bargaining Agreements (the "CBAs"), both of which benefit the Funds.

Compl. ¶¶ 1, 4–5, 7, 9, 12, dkt. 1. As a signatory to the CBAs, DIR covenanted to abide by the Trust Agreements including making monthly contributions to the Funds on behalf of each covered employee, which contributions were due on or before the tenth day of the month following the month in which employee work was performed. See generally dkt. 10-2 through 10-5.

On November 26, 2024, Plaintiffs filed their complaint alleging that, from April 2023 through September 2024, DIR failed to make timely contributions to the Funds, in violation of the CBAs and the Trust Agreements. Compl. ¶¶ 14–16, dkt. 1. These so- called "delinquent contributions" expose DIR to certain prescribed penalties under the Trust Agreements: to wit, the imposition of a ten percent interest rate per annum as well as liquidated damages of up to twenty percent of the total amount of the delinquent contributions.

See dkt. 10-2 through 10-5. Plaintiffs aver that DIR's failure to make timely contributions to the Funds violates § 515 of the ERISA, codified at 29 U.S.C. § 1145. Compl. ¶ 15, dkt. 1. Plaintiffs seek a judgment in the amount of DIR's delinquencies to the Funds plus liquidated damages, interest, and attorney fees and costs of these proceedings, as provided by § 502(g)(2) of the ERISA, codified at 29 U.S.C. § 1132(g)(2).

Id. ¶¶ 17–18. On March 11, 2025, the Clerk entered a Default based on DIR's failure to answer the complaint or appear in these proceedings. See dkt. 9. On August 6, 2025, Plaintiffs moved for default judgment, seeking an award totaling $44,918.74 for unpaid contributions, liquidated damages, interest, and attorney fees and costs. See dkt. 10. DISCUSSION Federal Rule of Civil Procedure 55 outlines the two stages of a default proceeding: "the establishment of the default, and the actual entry of a default judgment."

In re Catt, 368 F.3d 789, 793 (7th Cir. 2004). The "effect of an entry of default (step one) is that 'upon default, the well-pleaded allegations of a complaint relating to liability are taken as true.' " VLM Food Trading Int'l, Inc. v. Ill. Trading Co., 811 F.3d 247, 255 (7th Cir. 2016) (quoting Dundee Cement Co. v. Howard Pipe & Concrete Prods., Inc., 722 F.2d 1319, 1323 (7th Cir.

1983)) (internal alterations omitted). The second step, entry of a default judgment, establishes as a matter of law that the defendant is liable to the plaintiffs on each cause of action alleged in the complaint. e360 Insight v. The Spamhaus Project, 500 F.3d 594, 602 (7th Cir. 2007). By contrast, plaintiffs' allegations of monetary damages are "not deemed true;" rather, "[t]he district court must... conduct an inquiry... to ascertain the amount of damages with reasonable certainty."

In re Catt, 368 F.3d at 793 (internal citations omitted). Such an inquiry may be accomplished without a hearing, if "the amount is liquidated or capable of ascertainment from definite figures contained in the documentary evidence or in detailed affidavits." Dundee Cement Co., 722 F.2d at 1323.

Here, as previously noted, default was entered against DIR; thus, we accept the substantive, factual allegations set out in the complaint as true for purposes of establishing DIR's liability. Fed. R. Civ. P. 55(b). We find that the amount of monetary damages sought by Plaintiffs can be calculated from the documentary evidence submitted by them, thereby eliminating the need for an evidentiary hearing. e360 Insight, 500 F.3d at 602.

Under the ERISA, "[e]very employer who is obligated to make contributions to a multiemployer plan under the terms of the plan or under the terms of a collectively bargained agreement shall... make such contributions in accordance with the terms and conditions of such plan or such agreement." 29 U.S.C. § 1145. Furthermore, plan fiduciaries, like Plaintiff-Trustees here, are also entitled to redress ERISA violations.

Id. § 1132(g)(2). In delinquent contribution cases, ERISA directs courts to award damages for unpaid contributions; interest on unpaid contributions; liquidated damages, as provided for under the plan (so long as such amount does not exceed twenty percent of the unpaid contributions); reasonable attorney fees and costs; and other appropriate legal or equitable relief.

Id. I. DELINQUENT CONTRIBUTIONS, LIQUIDATED DAMAGES & INTEREST Plaintiffs request $33,025.00 as the principal amount for the delinquent contributions to the Funds. Dkt. 10 ¶¶ 5, 7. In addition, the CBAs provide for liquidated damages assessed at ten percent per month, capped at twenty percent of the total outstanding delinquency, which in this case amounts to $6,605.00.

Dkt. 10 ¶¶ 6–7. An itemization of the amounts claimed as owed is as follows: • Welfare Trust Fund o Unpaid Contributions: $14,187.50 o Liquidated Damages: $2,837.50 • Pension Trust Fund o Unpaid Contributions: $16,977.50 o Liquidated Damages: $3,395.50 • Training Trust Fund o Unpaid Contributions: $837.00 o Liquidated Damages: $167.40 • ILDC Trust Fund: o Unpaid Contributions: $1,023.00 o Liquidated Damages: $204.60 Dkt.

10-6. DIR's delinquent contributions are also subject to a ten percent annual interest rate, which totals in the aggregate the sum of $3,718.24. Dkt. 10 ¶ 6. As evidentiary support, Plaintiffs rely on the affidavit of Collection Manager Robert Heller ("Mr. Heller"), who manages the contribution collection for the Funds. See Heller Aff., dkt. 10-1. Mr. Heller's affidavit sufficiently corroborates the details of Plaintiffs' request for unpaid contributions, liquidated damages, and interest.

II. ATTORNEY FEES & COSTS Pursuant to 29 U.S.C. § 1132(g)(2)(D), district courts shall direct "reasonable attorney's fees and costs of the action, to be paid by the defendant." In awarding reasonable attorney fees, courts must "consider [ ] the proportionality of attorneys' fees to the total damage award" and explain the hourly rate applied. Moriarity ex rel.

Local Union No. 727 v. Svec, 429 F.3d 710, 717 (7th Cir. 2005). Plaintiffs request attorney fees in the sum of $1,168.50 for the work of one attorney, Neil E. Gath ("Mr. Gath"), the owner and principal of Gath Law Office located in Indianapolis, Indiana. See Gath Aff. ¶¶ 1–2, 7–11, dkt. 10-7.

The requested attorney fees reflect legal services from the time beginning when Plaintiffs engaged Mr. Gath to assist in their efforts to recover delinquent contributions from DIR. Id. ¶ 1. Mr. Gath billed a total of 5.7 hours at the hourly rate of $205.00. Id. ¶¶ 7–8.

We find this rate to be reasonable and commensurate to rates charged by other law firms for this type of work. Trs. Int'l Painters & Allied Trades Loc. No. 47 Health & Welfare Plan v. Mid-States Painting Co., Inc., No. 1:20-cv-01560-JPH-DLP, 2021 WL 5235113, at *2 (S.D. Ind. Nov. 8, 2021) (approving attorney rates between $200.00 and $230.00 an hour). Plaintiffs request an additional payment of $402.00 to reimburse them for the filing fee they paid to initiate this lawsuit.

Id. ¶ 9. Having carefully reviewed Mr. Gath's affidavit and time entries, the Court concludes that an award for attorney fees in the amount of $1,168.50 is reasonable, as was the amount of time expended to recover the delinquent contributions from DIR.

The 5.7 hours billed reflect counsel's efforts to draft the Complaint, arrange for service of process, engage in settlement discussions with DIR, move for entry of default and default judgment, and communicate with Plaintiffs regarding the status of this litigation. Plaintiffs are also entitled to payment of $402.00 as reimbursement of costs. CONCLUSION For the reasons outlined above, the Court hereby GRANTS Plaintiffs' Motion for Default Judgment against Defendant and awards payment in the sum of $44,918.74, comprised of $33,025.00 in unpaid contributions, $6,605.00 in liquidated damages, $3,718.24 in interest, and $1,570.50 in attorney fees and costs, as specifically detailed in Plaintiffs' submissions.

[Dkt. 10.] A default judgment shall enter in the total amount of $44,918.74 in Plaintiffs' favor. Plaintiffs are further entitled to reimbursement for any additional attorney fees and costs incurred in their collecting the judgment amount. Final judgment shall issue accordingly. IT IS SO ORDERED. Date: 3/9/2026 Sud Bins Biker SARAH EVANS BARKER, JUDGE United States

District Court Southern District of Indiana Distribution: Neil E. Gath GATH LAW OFFICE ngath@gathlaw.com