

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

AWI Builders, Inc. v. ThyssenKrupp Elevator Corporation

AWI Builders · No. 2:19-cv-05677-MEMF-AJR · Decided April 21, 2025

SUMMARY

The United States District Court for the Central District of California denied Thyssenkrupp Elevator Corporation’s motion to strike and granted in part AWI Builders, Inc.’s motion for attorney’s fees, costs, and prejudgment interest. The court held that AWI was the prevailing party on the relevant construction contract claims and entitled to recover fees, but reduced the requested attorney’s-fee award to \$300,000 because AWI failed to substantiate its requested amount and did not comply with the court’s standing-order requirements. The court also denied prejudgment interest and addressed an order to show cause concerning counsel’s candor to the court.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Maame Ewusi-Mensah Frimpong
JURISDICTION	United States District Court for the Central District of California
DECIDED	April 21, 2025
DOCKET	2:19-cv-05677-MEMF-AJR
DISPOSITION	other
PROCEDURAL POSTURE	Post-trial order addressing a motion to strike, a motion for attorney's fees, costs, and prejudgment interest, and an order to show cause concerning counsel's alleged lack of candor to the court.
STANDARD OF REVIEW	Attorney's fee and cost awards are reviewed under the applicable discretionary standards; the court exercises discretion in determining reasonable fees, costs, and whether to award prejudgment interest. A motion to strike is governed by Federal Rule of Civil Procedure 12(f).
PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	AWI Builders, Inc., Hanover Insurance Company, Great American Insurance Company, Ohio Casualty Insurance Company v. Thyssenkrupp Elevator Corporation

TOPICS

construction law contracts attorney fees costs sanctions

PRACTICE AREAS

construction law contracts civil procedure remedies commercial litigation

QUESTIONS PRESENTED

1. Whether Thyssenkrupp's motion to strike AWI's late reply and fees-motion materials should be granted under Federal Rule of Civil Procedure 12(f).
2. Whether AWI was the prevailing party on the contract claims for purposes of contractual attorney's fees under California Civil Code section 1717.
3. What amount of contractual attorney's fees and costs AWI demonstrated it was entitled to recover.
4. Whether AWI was entitled to prejudgment interest under California Civil Code section 3287.
5. Whether AWI's counsel made a false statement and acted in bad faith or otherwise unreasonably multiplied the proceedings so that sanctions should issue.

HOLDINGS

1. A late reply and supporting materials should not be stricken where they are not redundant, immaterial, impertinent, or scandalous and the opposing party identifies no prejudice.
2. AWI was the prevailing party on the contract claims concerning both the 39 Congress Project and Sonora Project and was entitled to recover reasonable attorney's fees under the contracts and California Civil Code section 1717.
3. AWI was entitled to a reduced attorney's-fee award of \$300,000 rather than the \$1,340,917.50 it requested.
4. AWI was entitled to recover \$166,426.70 in costs, including contractual expert-witness and consultant expenses, but not Westlaw research, postage and photocopying, hotel, or inadequately supported stop-notice-bond-release expenses.
5. AWI was not entitled to prejudgment interest.
6. Counsel David Sire made a false statement to the court in bad faith or tantamount to bad faith, unreasonably multiplied the proceedings, and sanctions should issue against Sire and his then law firm, Pacheco and Neach, PC, in an amount to be determined.

KEY QUOTATIONS

"When a party obtains a simple, unqualified victory by completely prevailing on or defeating all contract claims in the action and the contract contains a provision for attorney fees, section 1717 entitles the successful party to recover reasonable attorney fees incurred in prosecution or defense of those claims." (at 6)

"Conduct is sanctionable under a court's inherent power if it is undertaken in bad faith or "tantamount to bad faith."" (at 19)

“The fact that the Court eventually struck the negligence claim does not by any means make Sire’s conduct harmless.” (at 20)

FACTUAL BACKGROUND

The action arose from disputes concerning two construction projects, the 39 Congress Project and the Sonora Project, in which AWI Builders and Thyssenkrupp Elevator Corporation participated. AWI prevailed on contract claims and obtained adjusted damages, while Thyssenkrupp recovered nothing on its contract claims. AWI's counsel had previously stated in an email that AWI was removing its negligence claim, but later represented at the final pretrial conference that the claim remained in play because its omission from filings was inadvertent; the court permitted the claim to proceed, later struck the negligence damages under the economic loss rule, and found counsel's representation false.

PROCEDURAL HISTORY

AWI and Thyssenkrupp Elevator Corporation proceeded to a simultaneous jury and bench trial beginning August 12, 2024. The jury returned a verdict on August 23, 2024, and the court later reduced AWI's damages award and addressed post-trial motions. AWI then moved for attorney's fees, costs, and prejudgment interest; Thyssenkrupp moved to strike the fees motion or its reply; and the court ordered AWI to show cause concerning counsel's statements about a previously withdrawn negligence claim.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. The parties must meet and confer and file a joint statement within 30 days addressing Thyssenkrupp's estimate of fees and costs incurred because of the false statement and AWI's response; the court will determine the sanctions amount.

CASES CITED

- Alyeska Pipeline Service Co. v. Wilderness Society, 421 U.S. 240, 259 n.31 (1975)
- Douglas E. Barnhart, Inc. v. CMC Fabricators, Inc., 211 Cal. App. 4th 230, 239 (2012)
- Diamond v. John Martin Co., 753 F.2d 1465, 1467-68 (9th Cir. 1985)
- Fed-Mart Corp. v. Pell Enterprises, Inc., 111 Cal. App. 3d 215, 228 (Ct. App. 1980)
- Meister v. Regents of University of California, 67 Cal. App. 4th 437, 447-48, 454 (1998)
- Hensley v. Eckerhart, 461 U.S. 424, 430 n.4, 433, 436 (1983)
- Hsu v. Abbara, 891 P.2d 804, 812 (Cal. 1995)
- Applied Medical Distribution Corp. v. Jarrells, 100 Cal. App. 5th 556, 583 (2024)
- Arntz Contracting Co. v. St. Paul Fire & Marine Insurance Co., 47 Cal. App. 4th 464, 491-92 (1996)
- Bullock v. Philip Morris USA, Inc., 198 Cal. App. 4th 543, 574 (2011)
- Faigin v. Signature Group Holdings, Inc., 211 Cal. App. 4th 726, 751 (2012)

- Chambers v. NASCO, Inc., 501 U.S. 32, 42-43 (1991)
- Fink v. Gomez, 239 F.3d 989, 993 (9th Cir. 2001)
- B.K.B. v. Maui Police Department, 276 F.3d 1091, 1107 (9th Cir. 2002)
- Fort Bend County, Texas v. Davis, 587 U.S. 541 (2019)
- Sneller v. City of Bainbridge Island, 606 F.3d 636, 640 (9th Cir. 2010)
- Kaass Law v. Wells Fargo Bank, N.A., 799 F.3d 1290, 1294 (9th Cir. 2015)

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