

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Ameris Bank v. 2 Sons Trucking LLC

Ameris Bank · No. 8:24-cv-02268-CAS-ADSx · Decided May 21, 2025

SUMMARY

The United States District Court for the Central District of California granted Ameris Bank's motion for default judgment against 2 Sons Trucking LLC and Willie Hall. The court found that the Eitel factors supported default judgment on claims for breach of an equipment financing agreement and guaranty. The court awarded \$193,108.95 in compensatory damages, \$14,071.40 in prejudgment interest, \$7,462.17 in attorney fees, and \$655.00 in costs.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Christina A. Snyder
JURISDICTION	United States District Court for the Central District of California
DECIDED	May 21, 2025
DOCKET	8:24-cv-02268-CAS-ADSx
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment under Federal Rule of Civil Procedure 55(b)(2) after defendants were served but failed to appear or respond.
STANDARD OF REVIEW	A court exercises discretion under the Eitel factors when deciding whether to enter default judgment. Well-pleaded liability allegations are accepted as true upon default, but allegations concerning damages, legal conclusions, and facts that are not well pleaded are not admitted; the plaintiff must prove damages through testimony, affidavits, or documentary evidence.
PRECEDENTIAL VALUE	unpublished district court judgment; persuasive only

TOPICS

- default judgment
- default
- breach of contract
- prejudgment interest
- attorney fees

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Eitel factors favored entry of default judgment against defendants who were served but failed to appear.
2. Whether the complaint adequately pleaded breach-of-contract claims based on the equipment financing agreement and guaranty.
3. Whether the plaintiff proved compensatory damages, prejudgment interest, attorney fees, and costs recoverable on default judgment.

HOLDINGS

1. Default judgment was appropriate because all Eitel factors favored entry of judgment: plaintiff would otherwise lack a remedy, the claims were adequately pleaded, the amount sought was related to defendants' contractual misconduct, a factual dispute was unlikely, excusable neglect was unlikely after proper service, and defendants' failure to appear made a merits decision impractical.
2. Ameris Bank adequately pleaded that 2 Sons breached the equipment financing agreement and that Hall breached the guaranty.
3. Ameris Bank was entitled to \$193,108.95 in compensatory damages for the remaining monthly payments due under the equipment financing agreement and guaranty.
4. Ameris Bank was entitled to prejudgment interest at 10 percent per annum from August 23, 2024, through May 15, 2025, totaling \$14,071.40.
5. Ameris Bank was entitled to \$7,462.17 in attorney fees and \$655.00 in costs.

KEY QUOTATIONS

“facts alleged in the complaint not relating to damages are deemed to be true upon default.” (at 2)

“On the other hand, a defendant is not held to admit facts that are not well-pleaded or to admit conclusions of law.” (at 2)

“Although “[c]ases should be decided upon their merits whenever reasonably possible,” Eitel, 782 F.2d. at 1472, “termination of a case before hearing the merits is allowed whenever a defendant fails to defend an action.”” (at 6)

“The general rule of law is that upon default the factual allegations of the complaint, except those relating to the amount of damages, will be taken as true.” (at 7)

“The goal is to put the plaintiff in as good a position as he or she would have occupied if the defendant had not breached the contract.” (at 8)

FACTUAL BACKGROUND

Ameris Bank, doing business as Balboa Capital, financed equipment for 2 Sons Trucking LLC under an equipment financing agreement. 2 Sons allegedly failed to make required monthly payments, and Willie Hall allegedly failed to perform under a guaranty of 2 Sons' obligations. Defendants were personally served with the complaint and the request for entry of default but did not appear. The court found damages of \$193,108.95, prejudgment interest of \$14,071.40, attorney fees of \$7,462.17, and costs of \$655.00.

PROCEDURAL HISTORY

Ameris Bank filed a diversity action for breach of an equipment financing agreement and guaranty on October 18, 2024. Defendants 2 Sons Trucking LLC and Willie Hall were served, failed to appear, and had defaults entered. The court granted Ameris Bank's motion for default judgment and directed the Clerk to enter judgment.

DISPOSITION

other

CASES CITED

- Landstar Ranger, Inc. v. Parth Enters. Inc., 725 F. Supp. 2d 916, 920 (C.D. Cal. 2010)
- PepsiCo, Inc. v. Cal. Sec. Cans, 238 F. Supp. 2d 1172, 1175-77 (C.D. Cal. 2002)
- Seiko Epson Corp. v. Prinko Image Co. (USA), 2018 WL 6264988, at *2 (C.D. Cal. Aug. 22, 2018)
- Bd. of Trustees of Sheet Metal Workers v. Moak, 2012 U.S. Dist. LEXIS 156381, 2012 WL 5379565, at *2 (N.D. Cal. Oct. 31, 2012)
- Cathcart, 2010 U.S. Dist. LEXIS 19998, 2010 WL 1048829, at *4
- Cripps v. Life Ins. Co. of N. Am., 980 F.2d 1261, 1267 (9th Cir. 1992)
- Danning v. Lavine, 572 F.2d 1386, 1388 (9th Cir. 1978)
- Oasis W. Realty, LLC v. Goldman, 51 Cal. 4th 811, 821 (2011)
- CDF Firefighters v. Maldonado, 158 Cal. App. 4th 1226, 1239 (2008)
- Beacon Sales Acquisition, Inc. v. S. W. Solar, Inc., 2022 WL 3574413, at *2 (C.D. Cal. June 7, 2022)
- Fair Hous. of Marin v. Combs, 285 F.3d 899, 906 (9th Cir. 2002)
- Vogel v. Rite Aid Corp., 992 F. Supp. 2d 998, 1012 (C.D. Cal. 2014)
- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 617 (9th Cir. 2016)
- Wells Fargo Bank, N.A. v. Darmont Constr. Corp., 2021 WL 5862170, at *3 (C.D. Cal. July 29, 2021)
- Ameris Bank v. Old Pylon Trucking, LLC, 2024 WL 2406693, at *3 (C.D. Cal. Apr. 16, 2024)
- Craigslist, Inc. v. Naturemarket, Inc., 694 F. Supp. 2d 1039, 1060-61 (N.D. Cal. 2010)
- Wecosign, Inc. v. IFG Holdings, Inc., 845 F. Supp. 2d 1072, 1082 (C.D. Cal. 2012)
- Shanghai Automation Instrument Co. v. Kuei, 194 F. Supp. 2d 995, 1005 (N.D. Cal. 2001)
- Adobe Sys. Inc. v. Kern, 2009 WL 5218005, at *6 (N.D. Cal. Nov. 24, 2009)
- TeleVideo Sys. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987)
- Bd. of Trs. of the Boilermaker Vacation Tr. v. Skelly, Inc., 389 F. Supp. 2d 1222, 1226 (N.D. Cal. 2005)
- Nike, Inc. v. B&B Clothing Co., 2007 WL 1515307, at *1 (E.D. Cal. May 22, 2007)

- Speirs v. BlueFire Ethanol Fuels, Inc., 243 Cal. App. 4th 969, 989 (2015)
- Runyan v. Pac. Air Indus., Inc., 2 Cal. 3d 304, 316 n.15 (1970)
- Lewis Jorge Constr. Mgmt., Inc. v. Pomona Unified Sch. Dist., 34 Cal. 4th 960, 967 (2004)
- Fireman's Fund Ins. Co. v. Allstate Ins. Co., 234 Cal. App. 3d 1154 (1991)
- Vogel v. Harbor Plaza Ctr., LLC, 893 F.3d 1152, 1159 (9th Cir. 2018)
- Carnes v. Zamani, 488 F.3d 1057, 1059 (9th Cir. 2007)
- Grove v. Wells Fargo Fin. Cal., Inc., 606 F.3d 577, 580 (9th Cir. 2010)
- Escriba v. Foster Poultry Farms, Inc., 743 F.3d 1236, 1247 (9th Cir. 2014)
- Save Our Valley v. Sound Transit, 335 F.3d 932, 945 (9th Cir. 2003)
- Marx v. Gen. Revenue Corp., 568 U.S. 371, 377 (2013)

OPINION

Ameris Bank v. 2 Sons Trucking LLC

PER CURIAM.

1 JS-6 2 3 4 5 6 7 8

THE UNITED STATES DISTRICT COURT

9

FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 11 AMERIS BANK, a Georgia state- Case No. 8:24-cv-02268-CAS-ADSx 12 chartered
banking corporation, doing business as BALBOA CAPITAL, [Assigned to the Hon. Christina A.
13 Snyder] Plaintiff,

14 JUDGMENT

vs. 15 Complaint Filed: October 18, 2024 1 SONS TRUCKING LLC, a North Trial Date: None 16
Carolina limited liability company; and WILLIE HALL, an individual, 17 Defendants. 18 19 20
21 22 23 24 25 26 27 28

1 JUDGMENT

2 Pursuant to plaintiff Ameris Bank, a Georgia state-chartered banking 3 corporation, doing
business as Balboa Capital's ("Balboa") Motion for Default 4 Judgment ("Default Motion"), and
pursuant to Federal Rules of Civil Procedure

5 Rule 55(b)(2), and good cause appearing, therefore,

6 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT: 7 1. Eitel Factors 8 a.
Prejudice to the Plaintiff 9 "The first Eitel factor considers whether a plaintiff will suffer prejudice
if a 10 default judgment is not entered." Landstar Ranger, Inc. v. Parth Enters. Inc., 725 F.

11 Supp. 2d 916, 920 (C.D. Cal. 2010). Prejudice can be shown if denying default

12 judgment would leave a plaintiff without a remedy. Id.; see also PepsiCo, Inc. v. 13 Cal. Sec.
Cans, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002) (finding that 14 "[p]otential prejudice to
Plaintiffs favors granting a default judgment" where 15 denying the requested default judgment
would leave plaintiffs "without other 16 recourse for recovery.") Although Defendants were

served, they have not appeared 17 in this action. (See generally Dkt.) Here, absent an entry of default judgment, 18 Balboa would “likely be without other recourse for recovery.” See PepsiCo, 238 F.

19 Supp. 2d at 1177; see *Seiko Epson Corp. v. Prinko Image Co. (USA)*, 2018 WL 20 6264988, at *2 (C.D. Cal. Aug. 22, 2018) (“Given Defendant’s unwillingness to 21 answer and defend, denying default judgment would render Plaintiffs without 22 recourse.”). Accordingly, the Court finds Balboa will be prejudiced if default 23 judgment is not entered. Therefore, the Court finds the first Eitel factor weighs in 24 favor of granting default judgment. 25 b. Merits of Claims and Sufficiency of Complaint. 26 The second and third Eitel factors look at a plaintiff’s likelihood of success 27 on the merits, requiring it to “state a claim on which [it] may recover.” See 28 PepsiCo, 238 F. Supp. 2d at 1175 (quotations omitted). “In considering the 1 sufficiency of the complaint and the merits of the plaintiff’s substantive claims, 2 facts alleged in the complaint not relating to damages are deemed to be true upon 3 default.” *Bd. of Trustees of Sheet Metal Workers v. Moak*, 2012 U.S. Dist. LEXIS 4 156381, 2012 WL 5379565, at *2 (N.D. Cal. Oct. 31, 2012). “On the other hand, a 5 defendant is not held to admit facts that are not well-pleaded or to admit 6 conclusions of law.” *Cathcart*, 2010 U.S. Dist. LEXIS 19998, 2010 WL 1048829, 7 at *4. Moreover, “necessary facts not contained in the pleadings, and claims which 8 are legally insufficient, are not established by default.” *Cripps v. Life Ins. Co. of N. 9 Am.*, 980 F.2d 1261, 1267 (9th Cir. 1992) (citing *Danning v. Lavine*, 572 F.2d 10 1386, 1388 (9th Cir. 1978)). 11 Here, Balboa alleges 2 Sons Trucking LLC (“2 Sons”) breached the EFA, 12 and Willie Hall (“Hall”) breached the Guaranty. (Compl. ¶¶ 12-27.) An 13 enforceable contract under California law consists of (1) parties are capable of 14 contracting; (2) their consent; (3) a lawful object; and (4) a sufficient cause or 15 consideration. See Cal. Civ. Code § 1550. To sufficiently allege a claim for breach 16 of contract under California law, a plaintiff must allege (1) “the existence of the 17 contract”; (2) the “plaintiff’s performance or excuse for nonperformance”; (3) the 18 “defendant’s breach”; and (4) “the resulting damages to the plaintiff.” *Oasis W. 19 Realty, LLC v. Goldman*, 51 Cal. 4th 811, 821 (2011) (citation omitted); see *CDF 20 Firefighters v. Maldonado*, 158 Cal. App. 4th 1226, 1239 (2008) (same). The Court 21 finds Balboa adequately alleges its claims for breach of contract. First, taking 22 Balboa’s allegations as true and reviewing the evidence attached to the Complaint 23 and Motion, there were valid and enforceable contracts between Balboa and 24 Defendants, namely the EFA between Balboa and 2 Sons, and the Guaranty 25 between Balboa and Hall. (See Compl. ¶¶ 15, 23; Dkt. 1-1, Exhs. A-B); see also 26 *Beacon Sales Acquisition, Inc. v. S. W. Solar, Inc.*, 2022 WL 3574413, at *2 (C.D. 27 Cal. June 7, 2022) (“Usually, a written contract can be pleaded by alleging its 28 making and attaching a copy which is incorporated by reference.”); *Fed. R. Civ. P. 1 10(c)* (“A copy of a written instrument that is an exhibit to a pleading is a part of 2 the pleading for all purposes.”); *Fair Hous. of Marin v. Combs*, 285 F.3d 899, 906 3 (9th Cir. 2002) (“With respect to the determination of liability and the default 4 judgment itself, the general rule is that well-pled allegations in the complaint 5 regarding liability

are deemed true.”). Under the EFA, Balboa agreed to finance 6 equipment for 2 Sons’ business in exchange for an agreement from 2 Sons to make 7 monthly payments, and under the Guaranty, Hall, agreed to guarantee 2 Sons’ 8 obligations. (See Compl. ¶¶ 15, 23; Dkt. 1-1, Exhs. A-B.) Second, Balboa provided 9 the financing for the equipment for 2 Sons and performed its contractual obligations 10 that were not excused or prevented by Defendants’ failure to perform under the 11 EFA and Guaranty. (Id., ¶¶ 18, 24.) Third, 2 Sons failed to make payments under 12 the EFA, and Hall failed to make payments under the Guaranty. (Id., ¶¶ 16, 25.) 13 Fourth, Balboa was damaged. (Id., ¶¶ 19, 26.) The Court finds that Balboa’s 14 allegations sufficiently allege that 2 Sons breached the EFA and Hall breached the 15 Guaranty. The Court therefore concludes the breach of contract claims are well- 16 pleaded, so the second and third Eitel factors favor entry of default judgment. 17 c. Amount of Money at Issue. 18 Under the fourth Eitel factor, “the court must consider the amount of money 19 at stake in relation to the seriousness of Defendant’s conduct.” *PepsiCo*, 238 F.

20 Supp. 2d at 1176. “Default judgment is disfavored where the sum of money at stake 21 is too large or unreasonable in relation to defendant’s conduct.” *Vogel v. Rite Aid* 22 Corp., 992 F. Supp. 2d 998, 1012 (C.D. Cal. 2014). 23 In this case, Balboa seeks a total of \$215,297.52. (See Motion generally.) The 24 court finds that this amount, though not insignificant, arises directly from the 25 contracts at issue and is tailored to Defendants’ specific misconduct. See *NewGen*, 26 LLC v. *Safe Cig, LLC*, 840 F.3d 606, 617 (9th Cir. 2016) (affirming default 27 judgment award of nearly \$1.5 million when district court found that “[NewGen] 28 only seeks contractual damages directly proportional to [Safe Cig]’s breach of the 1 contracts” and thus “the amount of money at stake does not bar an entry of default 2 judgment”) (alterations in original); see also *Wells Fargo Bank, N.A. v. Darmont 3 Constr. Corp.*, 2021 WL 5862170, at *3 (C.D. Cal. July 29, 2021) (“The remedy for 4 breach of contract is typically money damages, and ‘the amount awarded is 5 determined with the purpose of putting the injured party in as good a position as he 6 would have occupied, had the contract been fully performed by the defendant.’”) 7 (quoting *Pay Less Drug Stores v. Bechdolt*, 92 Cal. App. 3d 496, 501 (1979)). 8 “Since the relevant agreements clearly define the remedy for breach,” the court 9 finds the fourth Eitel factor weighs in favor of granting default judgment. *Ameris 10 Bank v. Old Pylon Trucking, LLC*, 2024 WL 2406693, at *3 (C.D. Cal. Apr. 16, 11 2024); see also, e.g., *Key Carrier Grp.*, 2024 WL 3740093, at *4 (“Because 12 Defendant is contractually obligated to pay the requested damages, the court finds 13 the requested damages are sufficiently tailored to Defendant’s misconduct, namely 14 breach of the EFA.”). Thus, this factor favors default judgment. 15 d. The Possibility of a Dispute Concerning Material Facts. 16 “The fifth Eitel factor examines the likelihood of dispute between the parties 17 regarding the material facts surrounding the case.” *Craigslist, Inc. v. Naturemarket, 18 Inc.*, 694 F. Supp. 2d 1039, 1060 (N.D. Cal. 2010). “Where a plaintiff has filed a 19 well-pleaded complaint, the possibility of dispute concerning material facts is 20 remote.” *Wecosign, Inc. v. IFG Holdings, Inc.*, 845 F. Supp. 2d 1072, 1082 (C.D.

21 Cal. 2012). As discussed above, Balboa's breach of contract claims are well-
22 pleaded. Thus, a dispute concerning material facts is unlikely, and this factor 23 weighs in favor
of default judgment. 24 e. The Possibility of Excusable Neglect. 25 "The sixth Eitel factor
considers the possibility that the default resulted from 26 excusable neglect." PepsiCo, 238 F.
Supp. 2d at 1177. Where a defendant is 27 "properly served with the Complaint, the notice of
entry of default, as well as the 28 papers in support of the instant motion," the default "cannot be
attributed to 1 excusable neglect." Shanghai Automation Instrument Co. v. Kuei, 194 F. Supp. 2d 2
995, 1005 (N.D. Cal. 2001). Here, there is no indication that Defendants' default 3 were due to
excusable neglect because they failed to appear altogether despite being 4 served with the
Complaint. See Adobe Sys. Inc. v. Kern, 2009 WL 5218005, at *6 5 (N.D. Cal. Nov. 24, 2009)
("Defendant's voluntary decision to allow default to be 6 entered contradicts any argument for
excusable neglect."); Landstar Ranger, Inc. v. 7 Parth Entm't, Inc., 725 F. Supp. 2d 916, 922 (C.D.
Cal. 2010) (finding "the 8 possibility of excusable neglect [was] remote" when the defendant was
properly 9 served). Thus, the court concludes that the sixth Eitel factor weighs in favor of 10
entering default judgment. See, e.g., Key Carrier Grp., 2024 WL 3740093, at *5 11 ("Because the
record indicates that Plaintiff properly served Defendant, the court 12 concludes the possibility of
excusable neglect is minimal."); Miljanovic Trucking, 13 Inc., 2024 WL 3740050, at *3 ("Here,
Miljanovic was served with the Complaint, 14 the request for entry of default, and the Motion.
There appears little possibility that 15 the default resulted from excusable neglect.") (citations
omitted). Here, Balboa has 16 submitted proof of personal service to Defendants 2 Sons and Hall,
pursuant to 17 California Code of Civil Procedure. (See Dkts. 10-11.) Defendants were similarly
18 served at the same location with the Request for Entry of Default. (See Dkt. 12.) 19 This
evidence that Defendants were served and were aware of the lawsuit favors 20 default judgment.
21 f. Policy Favoring Decisions on the Merits. 22 "The final Eitel factor examines whether the
strong policy favoring deciding 23 cases on the merits prevents a court from entering a default
judgment." Craigslist, 24 694 F. Supp. 2d at 1061. Although "[c]ases should be decided upon their
merits 25 whenever reasonably possible," Eitel, 782 F.2d. at 1472, "termination of a case 26
before hearing the merits is allowed whenever a defendant fails to defend an 27 action." PepsiCo,
238 F. Supp. 2d at 1177. Notwithstanding the strong policy 28 presumption in favor of a decision
on the merits, where a defendant's failure to 1 appear and respond "makes a decision on the merits
impractical, if not impossible," 2 default judgment is appropriate. Id. Here, Defendants failed to
appear and respond. 3 This factor therefore favors entry of default judgment. 4 g. Conclusion on
the Eitel Factors. 5 In sum, the Court finds that the Eitel factors weigh in favor granting Balboa 6
default judgment against Defendants 2 Sons and Hall. 7 2. Remedies. 8 a. Compensatory
Damages. 9 Balboa requests \$193,108.95 in compensatory damages on the EFA. (See 10 Motion
generally.) "The general rule of law is that upon default the factual 11 allegations of the complaint,
except those relating to the amount of damages, will 12 be taken as true." TeleVideo Sys. v.
Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 13 1987). The plaintiff bears "the burden of proving

damages through testimony or 14 written affidavit.” Bd. of Trs. of the Boilermaker Vacation Tr. v. Skelly, Inc., 389 F.

15 Supp. 2d 1222, 1226 (N.D. Cal. 2005). “Where damages are liquidated or otherwise
16 capable of ascertainment from definite figures contained in the documentary 17 evidence or in
detailed affidavits, judgment by default may be entered without a 18 damages hearing.” Nike, Inc.
v. B&B Clothing Co., 2007 WL 1515307, at *1 (E.D. 19 Cal. May 22, 2007) (internal citations
omitted). 20 “Damages for breach of contract include general (or direct) damages, which 21
compensate for the value of the promised performance, and consequential damages, 22 which are
indirect and compensate for additional losses incurred as a result of the 23 breach.” Speirs v.
BlueFire Ethanol Fuels, Inc., 243 Cal. App. 4th 969, 989 (2015) 24 (citation omitted). “Direct
damages are typically expectation damages, measured by 25 what it would take to put the non-
breaching party in the same position that it would 26 be in had the breaching party performed as
promised under the contract.” Id. 27 (citation omitted). An award of contract damages is meant to
compensate the 28 aggrieved party “for the loss of his ‘expectational interest’—the benefit of his 1
bargain which full performance would have brought.” Runyan v. Pac. Air Indus., 2 Inc., 2 Cal. 3d
304, 316 n.15 (1970). “The goal is to put the plaintiff in as good a 3 position as he or she would
have occupied if the defendant had not breached the 4 contract.” Lewis Jorge Constr. Mgmt., Inc.
v. Pomona Unified Sch. Dist., 34 Cal. 5 4th 960, 967 (2004) (internal quotation marks omitted).
The court finds Balboa has 6 provided sufficient proof of the damages stemming from the breach
of the EFA and 7 the breach of the Guaranty in the form of the remaining monthly payments owed
8 under the EFA, including by providing copies of the EFA, the Guaranty, and 9 accounting
records related to Balboa’s financing to 2 Sons. (See Dkt. 1-1, Exhs. A- 10 B; Ngo Decl. Exh. C
(Balboa’s Accounting Records).) The Court further finds that 11 damages for the remaining
monthly payments owed are no greater than the amount 12 required to put Balboa in the same
position it would have been in had 2 Sons 13 performed under the EFA and/or Hall performed
under the Guaranty, and those 14 damages are appropriately awarded. See Lewis Jorge Constr.
Mgmt., Inc. v. 15 Pomona Unified Sch. Dist., 34 Cal. 4th 960, 967 (2004) (“The goal is to put the
16 plaintiff in as good a position as he or she would have occupied if the defendant had 17 not
breached the contract.”) (internal quotation marks omitted). Because there are 18 52 remaining
monthly payments of \$3,786.45 each, with Balboa crediting 19 Defendants in the amount of
\$3,786.45 for one post-default monthly payment, , the 20 Court awards \$193,108.95 in
compensatory damages. 21 b. Prejudgment Interest. 22 Balboa also requests prejudgment interest
at the statutory rate of 10% per 23 annum from the date of breach until the date judgment is
entered. (Motion for 24 Default Judgment ¶ 1.a.; Densen Decl. ¶ 5.) California law provides that
25 prejudgment interest on a breach of contract claim begins to run from the date of 26 injury if
the damages are certain, but from no earlier than the date of the complaint 27 if the damages are
uncertain. Cal. Civ. Code § 3287. “Typically, damages are 28 deemed certain or capable of being
made certain when ‘there is essentially no 1 dispute between the parties concerning the basis of

computation of damages’ and 2 the underlying dispute centers solely on the question of liability.” W. Air Charter, 3 Inc. v. Schembari, 2019 WL 6998789, at *2 (C.D. Cal. Mar. 7, 2019) (quoting 4 Fireman’s Fund Ins. Co. v. Allstate Ins. Co., 234 Cal. App. 3d 1154 (1991)). 5 Because there is no material dispute that Balboa performed under the EFA 6 and the Guaranty while Defendants did not, the Court finds liability for each 7 monthly payment was clearly ascertainable as of the date each was due. California 8 law provides that Balboa’s requested rate of 10% per annum is properly awarded 9 where prejudgment interest is available based on a breach of contract action unless 10 another rate is specified in the contract. Cal. Civ. Code § 3298(b). Thus, the Court 11 will apply a 10% per annum rate to Balboa’s breach of contract damages, from the 12 date of Defendants’ breach, August 23, 2024, to the date judgement is entered, May 13 15, 2025. As explained in Section B.1., supra, the Court finds the amount owed for 14 remaining monthly payments, discounted by credit to Defendants applied by 15 Balboa of a total of \$3,786.45, under the EFA and the Guaranty, the court awards 16 \$193,108.95. Multiplying that amount by an interest rate of 10%, divided by 365 17 days per year, results in a daily rate of \$52.90. (Densen Decl. ¶ 5.) There are 266 18 days between August 23, 2024, the date of the breach, and the date of judgment, 19 May 15, 2025. (See id.) Thus, the court awards \$14,071.40 in prejudgment interest.

20 c. Attorney Fees. 21 Balboa requests attorney fees in accordance with the fee schedule in Central 22 District of California Local Rule 55-3. (Densen Decl. ¶ 7.) Under Local Rule 55-3, 23 a party awarded more than \$100,000 may recover \$5,600 in attorney fees plus 2% 24 of the judgment amount over \$100,000, so long as an “applicable statute provides 25 for the recovery of reasonable attorneys’ fees.” C.D. Cal. L.R. 55-3; see also Vogel 26 v. Harbor Plaza Ctr., LLC, 893 F.3d 1152, 1159 (9th Cir. 2018). “In a diversity 27 case, the law of the state in which the district court sits determines whether a party 28 is entitled to attorney fees, and the procedure for requesting an award of attorney 1 fees is governed by federal law.” Carnes v. Zamani, 488 F.3d 1057, 1059 (9th Cir. 2 2007). As relevant here, California Code of Civil Procedure § 1021 provides that 3 “[e]xcept as attorney’s fees are specifically provided for by statute, the measure and 4 mode of compensation of attorneys and counselors at law is left to the agreement, 5 express or implied, of the parties.” Cal. Civ. Proc. Code § 1021. California Civil 6 Code § 1717 further provides: 7 In any action on a contract, where the contract specifically 8 provides that attorney’s fees and costs, which are incurred 9 to enforce that contract, shall be awarded either to one of the parties or to the prevailing party, then the party who is 10 determined to the party prevailing on the contract, whether 11 he or she is the party specified in the contract or not, shall be entitled to reasonable attorney’s fees in addition to other 12 costs. 13 14 Cal. Civ. Code § 1717(a). The trial court “shall determine who is the party 15 prevailing on the contract” by analyzing which party “recovered a greater relief in 16 the action on the contract.” Id., § 1717(b). 17 As the court noted, the EFA specifically provides that Balboa may recover 18 attorney fees. (EFA ¶ 20.) And the Court finds Balboa is the prevailing party 19 because Balboa recovered “a greater relief in the action on the contract,” including 20 the compensatory damages and prejudgment interest described above.

Cal. Civ. 21 Code § 1717(a). Therefore, the Court concludes Balboa is entitled to attorney fees 22 under California law. Balboa asks the Court to calculate attorney fees based on the 23 amount of compensatory damages awarded, which is \$193,108.95. (See Densen 24 Decl. ¶ 7; Section B.2., supra.) The court therefore awards Balboa \$5,600 in 25 attorney fees, plus 2% of the amount over \$100,000, or \$1,862.17, for a total 26 attorney fee award of \$7,462.17. See C.D. Cal. L.R. 55-3; (Densen Decl. ¶ 7). 27 28 1 d. Costs. 2 Finally, Balboa requests \$655.00 in costs, which is comprised of \$405.00 for 3 the Complaint's filing fee, \$125.00 to serve 2 Sons, and \$125.00 to serve Hall. 4 (Densen Decl. ¶ 7, Exh. E.) Unless federal law or the Federal Rules of Civil 5 Procedure provide otherwise, the court may order costs other than attorney fees to a 6 prevailing party. Fed. R. Civ. P. 54(d)(1); see also L.R. 54-1 (stating the prevailing 7 party, or "the party in whose favor judgment is entered," is entitled to costs). Courts 8 may award "taxable costs" such as: (1) fees of the clerk and marshal; (2) fees for 9 transcripts necessarily obtained for use in the case; (3) fees and disbursements for 10 printing and witnesses; (4) fees for necessarily obtained exemplification and 11 copying costs; (5) docket fees; and (6) compensation of court appointed experts and 12 interpreters. 28 U.S.C. § 1920; see also L.R. 54-3. 13 In addition, where a statute's fee shifting provisions permit the recovery of 14 reasonable attorney fees, the court has discretion to award non-taxable costs to the 15 prevailing party. See *Grove v. Wells Fargo Fin. Cal., Inc.*, 606 F.3d 577, 580 (9th

16 Cir. 2010). Although a "district court must specify reasons for its refusal to award 17 costs," *Escriba v. Foster Poultry Farms, Inc.*, 743 F.3d 1236, 1247 (9th Cir. 2014) 18 (citation and internal quotation marks omitted), the court need not "specify reasons 19 for its decision to abide the presumption and tax costs to the losing party." *Save Our Valley v. Sound Transit*, 335 F.3d 932, 945 (9th Cir. 2003); see also *Marx v. 21 Gen. Revenue Corp.*, 568 U.S. 371, 377 (2013) ("Rule 54(d)(1) codifies a venerable 22 presumption that prevailing parties are entitled to costs."). 23 As the party awarded default judgment and damages, Balboa is the prevailing 24 party and thus may recover costs associated with the civil filing fee and service of 25 process pursuant to Rule 54(d) and Local Rules 54-3.1 and 54-3.2. See L.R. 54-3.1 26 & 54-3.2 ("Reasonable fees for service of process under F.R.Civ.P. 4 . . . are 27 taxable, including reasonable fees for research, surveillance, wait time, and parking 28 incurred in connection with service."). The Court finds Balboa has provided 1 | sufficient documentation substantiating its requested costs. (Densen Decl. 7, Exh. 2 | E.) Accordingly, the Court awards Balboa \$655.00 in costs. 3] 3. DISPOSITION. 4 For the above reasons, the Motion for Default Judgment is GRANTED. The 5 | Clerk is ordered to enter this Judgment forthwith. © Dated: May 21, 2025 hho vine Uh □□□

8 HONORABLE CHRIS&INA A. SNYDER

9 UNITED STATES DISTRICT COURT

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