UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Marriott International, Inc. v. M/Y Under the Radar, a 2001 37.8-Foot Sea Ray Sundancer Motor Yacht, U.S. Coast Guard Official No. 1120637

Marriott International, Inc. v. M/Y Under the Radar · No. 24-cv-1871-AJB-MSB · Decided June 30, 2025

SUMMARY

The United States District Court for the Southern District of California granted Marriott International, Inc.'s motion for interlocutory sale of the vessel M/Y Under the Radar and authorization to credit bid. The court found that Marriott had maritime liens based on necessaries provided through wharfage services and damages arising from maritime trespass. The court authorized a public auction and permitted Marriott to credit bid its secured indebtedness and qualifying custodial costs, excluding attorneys' fees, subject to applicable local-rule requirements.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Anthony J. Battaglia
JURISDICTION	United States District Court for the Southern District of California
DECIDED	June 30, 2025
DOCKET	24-cv-1871-AJB-MSB
DISPOSITION	other
PROCEDURAL POSTURE	In an in rem admiralty action following arrest of the vessel and entry of clerk default, Plaintiff moved for an interlocutory public sale of the vessel and authorization to credit bid its maritime lien claims. The court granted the motion.
STANDARD OF REVIEW	The court determined whether the requirements for an interlocutory vessel sale under Supplemental Rule E(9)(a)(i) and for credit bidding under Local Rule E.1(e)(2) were satisfied.
PRECEDENTIAL VALUE	unpublished district court order; precedential status unknown

TOPICS

maritime liens · vessel arrest · admiralty · remedies · default

PRACTICE AREAS

admiralty · maritime liens · civil procedure · remedies · contracts

QUESTIONS PRESENTED

1. Whether Marriott established a maritime lien under 46 U.S.C. § 31342(a) for providing wharfage or storage services constituting necessaries to the vessel.
2. Whether the vessel's continued presence in the marina after termination of the wharfage contract and notice to remove it supported a preferred maritime lien for damages arising from maritime trespass under 46 U.S.C. § 31301(5)(B).
3. Whether an interlocutory sale was warranted because the expense of keeping the vessel was excessive or disproportionate and because there was an unreasonable delay in securing its release.
4. Whether Marriott could credit bid the amount of its secured maritime lien claims and authorized custodia legis expenses at the vessel auction, excluding attorneys' fees.

HOLDINGS

1. Wharfage or storage services reasonably needed for the vessel's operations are necessaries under 46 U.S.C. § 31342(a), and Marriott therefore held a maritime lien against the vessel.
2. The continued presence of the vessel in Marriott's marina after termination of the wharfage contract, notice, and an opportunity to remove the vessel supported a finding of maritime trespass and a preferred maritime lien under 46 U.S.C. § 31301(5)(B).
3. An interlocutory sale was warranted because the expense of keeping the arrested vessel was excessive or disproportionate to its value and because there was an unreasonable delay in securing its release.
4. Marriott was authorized to credit bid at the auction up to the amount of its secured indebtedness established by affidavit, including its maritime lien claim and actual demonstrable custodia legis expenses, but excluding attorneys' fees.

KEY QUOTATIONS

> *"Storage of the Defendant Vessel is reasonably needed for its operations."* (at 3)

> *"Because the total expenses are more than the fair value of the Defendant Vessel and no one has attempted to secure its release, the Court finds that the expense of keeping the Defendant Vessel is disproportionate to its value."* (at 6)

> *"However, as Plaintiff's maritime necessaries lien interest in the Defendant Vessel does not, as a matter of law, include attorneys' fees, such fees are not to be included in any credit bid Plaintiff makes;"* (at 9)

FACTUAL BACKGROUND

Marriott operated a marina and provided wharfage services to the vessel under a maritime wharfage contract beginning in 2009. After the contract was terminated and the owner was notified and given an opportunity to remove the vessel, the vessel remained in Marriott's marina without authorization. The vessel was arrested, no owner or other interested party secured its release or responded to the action, and substitute-custodian expenses exceeded the vessel's estimated fair market value.

PROCEDURAL HISTORY

Plaintiff commenced the action on October 15, 2024, seeking vessel arrest, interlocutory sale, and damages for breach of maritime contract, trespass, and quantum meruit. The court authorized arrest and appointed Plaintiff as substitute custodian on November 25, 2024; clerk default was entered against the vessel on February 20, 2025. Plaintiff filed the motion for interlocutory sale and credit bidding on April 15, 2025, and no opposition was filed.

DISPOSITION

other

CASES CITED

- Foss Launch & Tug Co. v. Char Ching Shipping U.S.A., Ltd., 808 F.2d 697, 699 (9th Cir. 1987)
- Ex parte Easton, 95 U.S. 68, 73 (1877)
- Stuart Cay Marina v. M/V SPECIAL DELIVERY, 510 F. Supp. 2d 1063, 1074-75 (S.D. Fla. 2007)
- Ferrous Fin. Servs. Co. v. O/S Arctic Producer, 567 F. Supp. 400, 401 (W.D. Wash. 1983)
- Bank of Rio Vista v. VESSEL CAPTAIN PETE, No. C 04-2736 CW, 2004 WL 2330704, at *2 (N.D. Cal. Oct. 14, 2004)
- Vineyard Bank v. M/Y Elizabeth I, No. 08CV2044 BTM (WMC), 2009 WL 799304, at *1-2 (S.D. Cal. Mar. 23, 2009)
- Merchants Nat. Bank of Mobile v. Dredge General G.L. Gillespie, 663 F.2d 1338, 1342 (5th Cir. 1981)
- California Yacht Marina--Chula Vista, LLC v. S/V OPILY, No. 14-CV-01215-BAS BGS, 2015 WL 1197540, at *5 (S.D. Cal. Mar. 16, 2015)