UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO

Lead Real Estate Co., Ltd. v. BF Borgers CPA PC

Lead Real Estate · No. 1:25-cv-01698-CNS-NRN · Decided January 8, 2026

SUMMARY

The United States District Court for the District of Colorado adopted a magistrate judge's recommendation and granted Lead Real Estate Co., Ltd.'s motion for default final judgment against BF Borgers CPA PC. The court awarded restitution, compensatory damages, prejudgment and post-judgment interest, and litigation costs based on the defendant's substantial breach of accounting and auditing agreements and related claims. The plaintiff was ordered to submit its prejudgment-interest calculations within ten days.

CASE DETAILS

COURT	United States District Court for the District of Colorado
WRITING FOR THE COURT	Charlotte N. Sweeney
JURISDICTION	United States District Court for the District of Colorado
DECIDED	January 8, 2026
DOCKET	1:25-cv-01698-CNS-NRN
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default final judgment after Defendant failed to appear or respond despite service. A magistrate judge recommended granting the motion, and the district court reviewed and adopted that recommendation without objection.
STANDARD OF REVIEW	For an unchallenged magistrate judge's recommendation, the district court may review the recommendation under any standard it deems appropriate and has considerable discretion; the court reviewed the recommendation for clear error on the face of the record.
PRECEDENTIAL VALUE	Unknown; district court order identified as per curiam and without a reporter citation.

TOPICS

default judgment · default · service of process · breach of contract · prejudgment interest

PRACTICE AREAS

civil procedure · contracts · commercial litigation · remedies

QUESTIONS PRESENTED

1. Whether the court should adopt an unchallenged magistrate judge's recommendation granting default final judgment.
2. Whether Plaintiff was entitled to restitution, compensatory damages, prejudgment interest, post-judgment interest, and litigation costs following Defendant's default and substantial breach of the parties' agreements.

HOLDINGS

1. When no party objects to a magistrate judge's recommendation, the district court may review it under any appropriate standard and may adopt it when satisfied that it is sound and contains no clear error on the face of the record.
2. Default final judgment was warranted against Defendant, which failed to appear or respond after service, and Plaintiff was entitled to the damages and interest awarded in the adopted recommendation.

KEY QUOTATIONS

> *"For the reasons below, the Court AFFIRMS and ADOPTS the Recommendation and GRANTS the Motion for Default Final Judgment."*

> *"The Court is "accorded considerable discretion" when reviewing "unchallenged" recommendations."*

FACTUAL BACKGROUND

Lead Real Estate entered three contracts with BF Borgers CPA PC for accounting and auditing services. Lead Real Estate alleged professional malpractice, negligent misrepresentation, breach of contract, and unjust enrichment, and served BF Borgers by certified mail at its principal place of business after the registered agent could not be located with reasonable diligence. BF Borgers never appeared or participated in the action, and the court adopted findings that it substantially breached the agreements and that Lead Real Estate was entitled to specified damages and interest.

PROCEDURAL HISTORY

Plaintiff filed claims for professional malpractice, negligent misrepresentation, breach of contract, and unjust enrichment arising from accounting and auditing agreements. Defendant was served, failed to appear, and was subject to entry of clerk's default. The magistrate judge recommended default final judgment and an award of restitution, compensatory damages, prejudgment interest, post-judgment interest, and litigation costs; neither party objected, and the district court affirmed and adopted the recommendation.

DISPOSITION

other

CASES CITED

- Summers v. State of Utah, 927 F.2d 1165, 1167 (10th Cir. 1991)
- Thomas v. Arn, 474 U.S. 140, 150 (1985)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO Judge Charlotte N. Sweeney Civil Action No. 1:25-cv-01698-CNS-NRN LEAD REAL ESTATE CO., LTD., Plaintiff, v. BF BORGERS CPA PC, Defendant. ORDER Before the Court is United States Magistrate Judge N. Reid Neureiter's Recommendation to grant Plaintiff Lead Real Estate Co., Ltd.'s Motion for Default Final Judgment.

See ECF No. 16 (Motion for Default Final Judgment); ECF No. 25 (Recommendation). Neither party has objected to the Recommendation. Just as critical, Defendant BF Borgers CPA PC did not respond to the motion for default judgment and has not otherwise appeared or participated in this lawsuit, despite being served. See ECF No. 7.

For the reasons below, the Court AFFIRMS and ADOPTS the Recommendation and GRANTS the Motion for Default Final Judgment. I. BACKGROUND On May 30, 2025, Plaintiff brought this action against Defendant arising out of three contracts into which Plaintiff entered with Defendant for accounting and auditing services. ECF No. 1. Plaintiff asserted four claims against Defendant, including professional malpractice, negligent misrepresentation, breach of contract, and unjust enrichment.

See id. at 7-11. On June 16, 2025, Plaintiff served Defendant at its principal place of business via U.S. certified Mail, return receipt requested.1 See ECF Nos. 7, 7-2. Despite being served, Defendant never entered an appearance in the case.

On July 8, 2025, Plaintiff filed a Motion for Entry of Clerk's Default, ECF No. 10, and default was entered against Defendant the same day, ECF No. 11. On August 13, 2025, Plaintiff filed the instant motion requesting that the Court issue an order entering a default final judgment against Defendant and awarding Plaintiff damages, costs, and fees. See ECF No. 16 at 11.

The Court referred the motion to Magistrate Judge Neureiter, ECF No. 17, who heard oral argument on October 22, 2025, ECF No. 25 at 1. On December 1, 2025, Magistrate Judge Neureiter issued his Recommendation that Plaintiff's motion for default judgment be granted and finding that Defendant substantially breached its three agreements with Plaintiff. ECF No. 25 at 12.

Magistrate Judge Neureiter also concluded that Plaintiff is entitled to restitution damages (based on Defendant's substantial breach), compensatory damages, prejudgment interest, post-judgment interest, and litigation costs. Id. at 12–13. Magistrate Judge Neureiter further advised the parties that they had 14 days to file written objections to his Recommendation.

Id. at 13. No party objected. 1 As noted in Magistrate Judge Neureiter's Recommendation, "[s]ervice via U.S. Certified Mail was proper in this case because Defendant's registered agent was not located at the registered agent address listed with the Colorado Secretary of State, and could not be served with reasonable diligence." ECF No. 25 at 7 (citing Colo.

Rev. Stat. § 7-90-704(2) ("If an entity that is required to maintain a registered agent..., or if the registered agent is not located under its registered agent name at its registered agent address,... the entity may be served by registered mail or by certified mail, return receipt requested, addressed to the entity at its principal address.)). II. LEGAL STANDARD & ANALYSIS When—as is the case here—a party does not object to a Magistrate Judge's Recommendation, the Court "may review a magistrate [judge]'s report under any standard it deems appropriate." Summers v. State of Utah, 927 F.2d 1165, 1167 (10th Cir.

1991) (citing Thomas v. Arn, 474 U.S. 140, 150 (1985)). The Court is "accorded considerable discretion" when reviewing "unchallenged" recommendations. Id. Here, the Court has reviewed Magistrate Judge Neureiter's thorough Recommendation and is satisfied that it is sound and that there is no clear error on the face of the record. III. CONCLUSION Consistent with the above, the Court ORDERS as follows: (1) The Court AFFIRMS and ADOPTS Magistrate Judge Neureiter's Recommendation, ECF No. 25, in its entirety as an order of this Court; (2) The Motion for Default Final Judgment, ECF No. 16, is GRANTED; (3) Defendant is ORDERED to pay Plaintiff the following damages: a. Restitution in the amount of $1,870,000.00; and b. Prejudgment interest on $1,870,000.00 at a rate of 8% per annum, compounded annually, from May 9, 2024 through the date of this Order, pursuant to Colo.

Rev. Stat. § 5-12-102; and c. Compensatory damages in the amount of $78,005.81; and d. Prejudgment interest on $78,005.81 at a rate of 8% per annum, compounded annually, from September 30, 2024 through the date of this Order, pursuant to Colo. Rev. Stat. §5-12-102; and e. Post-judgment interest at a daily rate as determined by the Clerk of the Court until Defendant complies with this judgment, pursuant to 28 U.S.C. § 1961; and f. Litigation costs in an amount to be determined by the Clerk of the Court upon Plaintiff's timely filing of a Bill of Costs; and (4) Plaintiff is ORDERED to submit to the Court its calculation of prejudgment interest pursuant to paragraphs 3(b) and (d) above within TEN DAYS.

DATED this 8th day of January 2026. BY THE COURT: f Hf NL Mp Qhérlotte □□ wedney United Sta Strict Judgé