

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

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)

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