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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
8

9 Meridian PO Finance LLC,
10 Plaintiff,

11 v.

12 OTR Tire Group Incorporated, et al.,
13 Defendants.
14

No. CV-20-00446-PHX-MTL

ORDER

15 Plaintiff Meridian PO Finance, LLC (“Meridian”) moves for Default Judgment
16 against Defendants Jason Adkins, LAD ImpEx Corporation, Midwest Coal LLC, OTR Tire
17 Group Incorporated, and Roadmaster Trucking Incorporated (collectively, “Defendants”),
18 pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure (Docs. 137, 138, 139,
19 140, 141). For the following reasons, the Court grants the Motions in part, denies them in
20 part, and awards damages as follows.

21 **I. BACKGROUND¹**

22 Meridian is a financial services company that entered into separate loan agreements
23 with Midwest Coal, LLC (“Midwest”) and OTR Tire Group, Inc. (“OTR Tire Group”) to
24 finance the purchase of oversized off-the-road (“OTR”) mining tires. Meridian entered into
25 one agreement with OTR Tire Group and five agreements with Midwest. (Doc. 144 at 2.)

26
27 ¹ As the Clerk of the Court has entered default (Docs. 50, 51, 52, 53, 54), the Court takes
28 the First Amended Complaint’s factual allegations as true. *See Geddes v. United Financial
Group*, 559 F.2d 557, 560 (9th Cir. 1977) (“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.”).

1 Defendant Adkins, as principal of OTR Tire Group and Midwest, executed two loan
2 guaranties, guaranteeing the loan obligations to Meridian. (*Id.* at 2–3.) Meridian alleges
3 that it was one of several victims of Defendants’ organized scheme to defraud companies
4 out of millions of dollars through fraudulent transactions relating to OTR tires. According
5 to Meridian, Defendants represented that the OTR tires would be sold to their purported
6 customers, with whom Defendants claimed to have existing relationships. (Doc. 70 ¶¶ 28,
7 34, 97, 98.) The purchases Meridian financed, however, were either: (1) for tires that would
8 later be used as collateral to illegally obtain other investments or loans; or (2) for tires that
9 had already been sold or otherwise encumbered in other “Ponzi-style” transactions. (Doc.
10 144 at 3.) In support of this scheme, Defendants produced fraudulent purchase orders from
11 purported clients. (Doc. 70 ¶¶ 75, 76, 138, 157, 176, 193.) Because Meridian did not have
12 a prior working relationship with Defendants, it required a first position secured interest in
13 Defendant’s OTR tire inventory. (*Id.* ¶¶ 43, 104.) Despite maintaining that the inventory
14 was free and clear of any liens or encumbrances, unbeknownst to Meridian, Defendants
15 had already pledged some or all of the inventory as collateral in other fraudulent investment
16 schemes. (*Id.* ¶¶ 44, 45.)

17 In relation to these agreements, LAD ImpEx Corporation (“LAD ImpEx”), a freight
18 forwarder, would purportedly act as an escrow agent handling the loan funds and ensuring
19 their release once the OTR tires arrived at their destination. (Doc. 144 at 3.) This destination
20 was a Houston, Texas storage facility owned by Roadmaster Trucking, Inc.
21 (“Roadmaster”). (*Id.*) In reality, however, LAD ImpEx was secretly controlled by
22 Defendants. (Doc. 70 ¶¶ 79–84.) Midwest and OTR Tire Group defaulted on their loans
23 and assigned ownership in the tires to Meridian. (*Id.* ¶¶ 206, 207.) Despite maintaining that
24 the inventory was free and clear of any liens or encumbrances, unbeknownst to Meridian,
25 Defendants had already pledged some or all of the inventory as collateral in other
26 fraudulent investment schemes. (*Id.* ¶¶ 44, 45, 217.) In 2017, Adkins and an Adkins-owned
27 entity, Landash LLC, declared bankruptcy and listed numerous business entities as his
28 “DBAs,” including Midwest and LAD ImpEx. (*Id.* ¶¶ 218–220.) As a result, a bankruptcy

1 trustee marshaled 148 OTR tires located at the Houston storage facility. (*Id.* ¶¶ 227, 228.)
2 Meridian now claims an ownership interest or, alternatively, a security interest, in 114 of
3 the OTR tires. (Doc. 144 at 4.) Of the 148 OTR tires, 42 had their serial number defaced
4 or were damaged in such a way as to make the tires unidentifiable. (Doc. 70 ¶ 228.)

5 Meridian’s First Amended Complaint alleges: (1) breach of the loan agreements and
6 the implied covenants of good faith and fair dealing against Midwest and OTR Tire Group,
7 (2) breach of contract against Adkins, Midwest, and OTR Tire Group, (3) fraud,
8 conversion, civil conspiracy, and Racketeer Influenced and Corrupt Organizations Act
9 (“RICO”) violations against all Defendants, (4) negligence against Roadmaster for its
10 handling of the OTR tires, and (5) that OTR Tire Group, Midwest, and LAD ImpEx are
11 alter egos of Adkins and Roadmaster. Meridian seeks compensatory damages, incidental
12 damages, attorneys’ fees pursuant to 18 U.S.C. § 1964(c), pre-judgement and post-
13 judgement interest at the statutory rate, punitive damages, treble damages pursuant to 18
14 U.S.C. § 1964(c), and costs. (*Id.* at 41.)

15 Despite being served, or waiving service (*see* Docs. 35, 36, 37, 38, 39), Defendants
16 failed to answer or otherwise respond. (Doc. 137 at 2; Doc. 138 at 1; Doc. 139 at 1; Doc.
17 140 at 1; Doc. 141 at 2.) The Clerk of the Court has entered default against Defendants.
18 (Docs. 50, 51, 52, 53, 54.) Meridian subsequently filed the pending motions for default
19 judgment. (Docs. 137, 138, 139, 140, 141.) The Court held oral argument and an
20 evidentiary hearing. (Doc. 146.) Defendants failed to appear. (*Id.*)

21 **II. LEGAL STANDARD**

22 Once a default is entered the district court has discretion to grant default judgment.
23 Fed. R. Civ. P. 55(b); *Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). In
24 determining whether to grant a default judgment, “[t]he general rule of law [is] that upon
25 default the factual allegations of the complaint, except those relating to the amount of
26 damages, will be taken as true.” *Televideo Sys. Inc. v. Heidenthal*, 826 F.2d 915, 917–18
27 (9th Cir. 1987). While a plaintiff must prove damages when seeking a default judgment,
28 this evidentiary burden is “relatively lenient.” *Elektra Ent. Grp. v. Bryant*, No. CV-03-

1 6381-GAF (JTLX), 2004 WL 783123, at *2 (C.D. Cal. 2004).

2 **III. JURISDICTION, VENUE, AND SERVICE**

3 **A. Personal Jurisdiction**

4 “When entry of default is sought against a party who has failed to plead or otherwise
5 defend, a district court has an affirmative duty to look into its jurisdiction over both the
6 subject matter and the parties.” *Tuli v. Republic of Iraq*, 172 F.3d 707, 712 (9th Cir. 1999).
7 “Federal courts ordinarily follow state law in determining the bounds of their jurisdiction
8 over persons.” *Daimler AG v. Bauman*, 571 U.S. 117, 125 (2014). Arizona’s long-arm
9 statute conforms with the requirements of federal due process. Ariz. R. Civ. P. 4.2(a). The
10 analysis of personal jurisdiction under Arizona law and federal due process is, therefore,
11 the same. *See Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800–01 (9th Cir.
12 2004).

13 The Supreme Court has recognized two types of personal jurisdiction: general and
14 specific. *Ford Motor Co. v. Montana Eighth Judicial District Court*, — U.S. —, 141 S.Ct.
15 1017, 1024 (2021). A court has general personal jurisdiction, that is personal jurisdiction
16 over “any and all claims,” when the defendant is “essentially at home” in the State. *Id.*
17 (citing *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919 (2011)). Most
18 often, defendants are subject to general personal jurisdiction in the state of their domicile.
19 *Id.* Whether the Court may exercise general jurisdiction over the defaulting Defendants is
20 not at issue here.

21 Specific personal jurisdiction—limited to a narrower class of claims than general
22 personal jurisdiction—exists when the defendant has taken “some act by which [it]
23 purposefully avails itself of the privilege of conducting activities within the forum State.”
24 *Id.* (quoting *Hanson v. Denckla*, 357 U.S. 235, 235 (1958)). Specific personal jurisdiction
25 may also be established by party consent, such as through a forum selection clause. *See*
26 *Mallory v. Norfolk S. Ry. Co.*, 143 S.Ct. 2028, 2044 (2023). Such clauses are presumptively
27 valid. *See Doe 1 v. AOL LLC*, 552 F.3d 1077, 1083 (9th Cir. 2009) (citing *M/S Bremen v.*
28 *Zapata Off-Shore Co.*, 407 U.S. 1, 17 (1972)). The Court will analyze whether it may

1 exercise specific personal jurisdiction over Defendants.

2 **1. Adkins**

3 Adkins is an Ohio resident. (Doc. 70 ¶ 14.) Adkins guaranteed both the OTR
4 Finance Agreement (Doc. 137-4 at 1–7) and the Midwest Finance Agreement (Doc. 137-4
5 at 8–12). The guaranties contain identical forum selection clauses stating,

6 Guarantor acknowledges that . . . , Guarantor has transacted
7 business in the State of Arizona and Guarantor hereby
8 voluntary submits . . . to the jurisdiction of courts located in the
9 State of Arizona as to all matters relating or arising from this
10 Guarantee . . . **THE STATE AND FEDERAL COURTS
11 LOCATED IN THE STATE OF ARIZONA SHALL
12 HAVE SOLE AND EXCLUSIVE JURISDICTION OF
13 ANY AND ALL CLAIMS, DISPUTES, AND
14 CONTROVERSIES ARISING UNDER OR RELATING
15 TO THIS GURANTEE. NO LAWSUIT, PROCEEDING,
16 OR ANY OTHER ACTION RELATING TO OR
17 ARISING UNDER THIS GURANTEE MAY BE
18 COMMENCED OR PROSECUTED IN ANY OTHER
19 FORUM EXCEPT AS EXPRESSLY AGREED IN
20 WRITING BY [MERIDIAN].”**

21 (Doc. 137-4 at 5–6, ¶ 19; Doc. 137-4 at 11–12, ¶ 19) (emphasis in originals.)

22 The Court previously found that the forum selection clause is valid and enforceable.
23 *Meridian PO Finance LLC v. OTR Tire Grp. Inc.*, 507 F. Supp. 1148, 1159-60 (D. Ariz.
24 2020). The Court therefore finds that it has personal jurisdiction over Adkins.

25 **2. LAD ImpEx**

26 LAD ImpEx is a Delaware corporation with its principal place of business in New
27 Jersey. (Doc. 70 ¶ 21.) LAD ImpEx did not sign an agreement containing a forum selection
28 clause. As this Court has recognized, however, “the Ninth Circuit has made clear that a
forum selection clause extends to ‘a range of transaction participants, parties and non-
parties.’” *Id.* at 1157 (quoting *Manetti-Farrow, Inc. v. Gucci Am., Inc.*, 858 F.2d 509, 514
n.5 (9th Cir. 1988)). If “the alleged conduct of the non-parties is so closely related to the
contractual relationship . . . the forum selection clause applies to all defendants.” *Manetti-
Farrow, Inc. v.*, 858 F.2d at 514 n.5; *see also Holland v. Am. Line Inc. v. Wartsila N. Am.,
Inc.*, 485 F.3d 450, 456 (9th Cir. 2007) (finding that non-signatories to a contract were also
bound by the forum selection clause).

1 In earlier proceedings, this Court applied the rule in *Manetti-Farrow* and found that
2 it had personal jurisdiction over XPO Global Forwarding, Inc. and XPO Logistics
3 (“XPO”). Meridian alleged that XPO “was actively involved in the alleged fraudulent
4 scheme.” *Meridian PO Fin. LLC*, 507 F. Supp. 3d at 1157–58. For example, XPO had, at
5 Meridian’s insistence, expressly assumed responsibility for protecting Meridian’s security
6 interest in the OTR tires. *Id.* at 1158. Additionally, XPO assured Meridian that no other
7 person or entity had an interest in the tires and that it would provide Meridian with access
8 to the warehouse where the tires were stored. *Id.* After considering XPO’s involvement,
9 this Court concluded that XPO’s alleged conduct with respect to the claims asserted by
10 Meridian was “closely related to the OTR and Midwest Finance Agreements.” *Id.*

11 The Court finds that it has personal jurisdiction over LAD ImpEx for similar
12 reasons. As with XPO, Meridian asserts that LAD ImpEx played an important role in the
13 alleged fraudulent scheme. (Doc. 70 ¶ 22–23.) For example, as part of the transaction
14 Meridian required “that a freight forwarder handle the funds and verify shipment of the
15 [OTR tires].” (*Id.* ¶ 78.) LAD ImpEx was hired and thereafter handled the funds for each
16 of the transactions covered by the OTR and Midwest Financing Agreements. (*Id.* ¶ 79.)
17 Once involved in the transactions, LAD ImpEx allegedly funneled money meant for the
18 sellers of the tires to Adkins’ various corporate entities, such as Midwest. (*Id.* ¶ 380.)

19 LAD ImpEx’s alleged conduct was an integral part of the scheme giving rise to
20 Meridian’s claims, all of which relate to the OTR and Midwest Financing Agreements.
21 Accordingly, the Court finds that LAD ImpEx’s alleged conduct with respect to Meridian’s
22 claims is “closely related” to the OTR and Midwest Financing Agreements. The Court
23 therefore has personal jurisdiction over LAD ImpEx.

24 **3. OTR Tire Group & Midwest**

25 The OTR Tire Group and Midwest Financing Agreements contain identical valid
26 forum selection clauses. Both OTR Tire Group and Midwest agreed that “any suit, action
27 or proceeding arising out of the subject matter [of the financing agreements] . . . shall, if
28 [Meridian] so elects, be instituted in the United States District Court for the District of the

1 Controlling State.” (Doc. 137-2 at 11, ¶ 21.6; Doc. 137-3 at 11, ¶ 21.6.) The Agreements
2 define the “Controlling State” as Arizona. (Doc. 137-2 at 11, ¶ 1.6; Doc. 137-3 at 11,
3 ¶ 1.6.) Accordingly, the Court finds that it has personal jurisdiction over both OTR Tire
4 Group and Midwest.

5 **4. Roadmaster**

6 Roadmaster is a Texas corporation with its principal place of business in Texas.
7 (Doc. 70 ¶ 19.) Roadmaster did not sign an agreement with a forum selection clause.
8 Meridian argues that Roadmaster’s complained of conduct, like that of XPO and LAD
9 ImpEx, is closely related to the OTR and Midwest Financing Agreements. (Doc. 141 at 5.)
10 Meridian therefore alleges that Roadmaster is subject to this Court’s jurisdiction under
11 *Manetti-Farrow*. (*Id.*)

12 As alleged, Roadmaster either negligently allowed for the defacing of the OTR tires’
13 serial numbers, or actively took steps in their defacing. (Doc. 70 ¶¶ 401, 402.) It is further
14 alleged that Roadmaster either negligently allowed for the removal of Meridian’s tires from
15 the Houston storage facility or assisted in their removal. (*Id.* ¶ 404.) Roadmaster also
16 allegedly involved itself in the fraudulent scheme by assuring Meridian that its investment
17 would be protected and providing Meridian with a copy of an insurance policy to assuage
18 Meridian’s concerns. (Doc. 141 at 9.) Like XPO and LAD ImpEx, Roadmaster is alleged
19 to have played a crucial role in inducing the transactions and actively participated in the
20 scheme to defraud.

21 Roadmaster’s alleged conduct played a significant role in the scheme giving rise to
22 Meridian’s claims, all of which relate to the OTR and Midwest Financing Agreement. As
23 a result, the Court finds that Roadmaster’s alleged conduct with respect to Meridian’s
24 claims is “closely related” to the OTR and Midwest Financing Agreements. Accordingly,
25 the Court finds that it has personal jurisdiction over Roadmaster.

26 **5. RICO**

27 Alternatively, 18 U.S.C. § 1965(b) provides personal jurisdiction over all the
28 Defendants. This section of the RICO statute enables “plaintiffs to bring all members of a

1 nationwide RICO conspiracy before a court in a single trial.” *Butcher’s Union Loc. No.*
2 *498, United Food & Com. Workers v. SDC Inv., Inc.*, 788 F.2d 535, 539 (9th Cir. 1986).

3 To demonstrate that a court has jurisdiction over defendants under § 1965(b):

4 the plaintiff must establish (1) that they have sufficiently
5 alleged a multidistrict conspiracy that encompasses the
6 defendants; (2) that the court has personal jurisdiction over at
7 least one of the participants in the alleged multidistrict
8 conspiracy; and (3) that there is no other district in which a
court will have personal jurisdiction over all of the alleged co-
conspirators.

9 *Rocawear Licensing LLC v. Pacesetter Apparel Grp.*, No. CV-06-3093-CJC, 2007 WL
10 5289737, at *5 (C.D. Cal. Sept. 12, 2007) (citing *Butcher’s Union*, 788 F.2d at 539)). The
11 Court finds that the First Amended Complaint adequately alleges a single multidistrict
12 conspiracy encompassing all Defendants. Moreover, as described above, the Court has
13 personal jurisdiction over Adkins, LAD ImpEx, Midwest, OTR Tire Group, and
14 Roadmaster. And there is no other district in which a court has personal jurisdiction over
15 all the alleged co-conspirators because a mandatory forum selection clause requires
16 Adkins, Midwest, and OTR Tire to litigate in Arizona. (Doc. 137 at 3–4, Doc. 139 at 3–4,
17 Doc. 140 at 4.) Accordingly, the Court finds that 18 U.S.C. § 1965(b) facilitates personal
18 jurisdiction over Defendants.

19 **B. Subject Matter Jurisdiction**

20 The Court has original subject matter jurisdiction over the RICO violation claims.
21 *See* 18 U.S.C. § 1964(a) (“The district courts of the United States shall have jurisdiction to
22 prevent and restrain violations of [RICO].”); *see also* 28 U.S.C. § 1331. Meridian alleges
23 a variety of state law claims, also. (Doc. 70 at 24–27, 30–36, 39–40.) These include breach
24 of contract, breach of implied covenant of good faith and fair dealing, fraud, conversion,
25 civil conspiracy, and negligence. (*Id.*) Under 28 U.S.C. § 1367(a), a federal court shall have
26 supplemental jurisdiction over all state-law claims that are within the same common
27 nucleus of operative facts as the claim with original jurisdiction. *United Mine Workers of*
28 *Am. v. Gibbs*, 383 U.S. 715, 725 (1966) (stating that supplemental jurisdiction requires that

1 the “state and federal claims . . . derive from a common nucleus of operative fact”).
2 Because the state-law claims arise from the same common nucleus of operative fact that
3 gave rise to the RICO claims, the Court will exercise supplemental jurisdiction over the
4 state-law claims.

5 **C. Venue**

6 Venue is proper in this district because a substantial part of the events giving rise to
7 Meridian’s claims occurred in the District of Arizona. *See* 28 U.S.C. § 1391(b)(2).

8 **D. Service of Process**

9 Federal Rule of Civil Procedure 4(e) provides that service is proper by “delivering
10 a copy of the summons and of the complaint to the individual personally,” or by “leaving
11 a copy of each at the individual’s dwelling or usual place of abode with someone of suitable
12 age and discretion who resides there.” Fed. R. Civ. P. 4(e)(2)(A–B). Midwest, Roadmaster,
13 and Adkins validly waived service of process. (Docs. 12, 35, 36.) Meridian effectuated
14 service of process on LAD ImpEx, a Delaware corporation, by serving the State of
15 Delaware’s Secretary of State under 8 Del. C. § 321(b). (Doc. 38.) Similarly, Meridian
16 served OTR Tire Group, also a Delaware corporation, by serving its statutory agent. (Doc.
17 39.) Accordingly, the Court finds that the Defendants were validly served.

18 **IV. DEFAULT JUDGMENT**

19 Once a default is entered, the district court has discretion to grant default judgment.
20 *See* Fed. R. Civ. P. 55(b)(2); *Aldabe*, 616 F.2d at 1092; *Brooke v. Sai Ashish Inc.*, No. CV-
21 21-00967-AWI-SAB, 2021 WL 4804220, at *5 (E.D. Cal. 2021) (explaining that default
22 judgment “is a two-step process: an entry of default judgment must be preceded by an entry
23 of default”). The following factors are to be considered when deciding whether default
24 judgment is appropriate:

- 25 (1) the possibility of prejudice to the plaintiff; (2) the merits of
26 the claim; (3) the sufficiency of the complaint; (4) the sum of
27 money at stake; (5) the possibility of a dispute concerning
28 material facts; (6) whether default was due to excusable
neglect; and (7) the strong policy underlying the Federal Rules
of Civil Procedure favoring a decision on the merits.

1 *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986); *New Gen, LLC v. Safe Cig, LLC*,
2 840 F.3d 606, 616 (9th Cir. 2016). As the party seeking default judgment, Meridian “bears
3 the burden of demonstrating to the Court that the complaint is sufficient on its face and that
4 the *Eitel* factors weigh in favor of granting default judgment.” *Ronald Norris v. Shenzhen*
5 *IVPS Tech. Co.*, No. CV-20-01212-PHX-DWL, 2021 WL 4844116, at *2 (D. Ariz. Oct.
6 18, 2021). Meridian also bears the burden of proving damages. *Philip Morris USA, Inc. v.*
7 *Castworld Prods., Inc.*, 219 F.R.D. 494, 498 (C.D. Cal. 2003).

8 **A. Adkins**

9 **1. The First, Fifth, Sixth, and Seventh *Eitel* Factors**

10 The first factor weighs in favor of default judgment because denying Meridian’s
11 Motion will leave it “without other recourse for recovery.” *PepsiCo, Inc. v. Cal. Sec. Cans.*,
12 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002). Prejudice would result if Meridian’s Motion
13 were denied because Meridian would lose the right to a “judicial resolution” of its claims.
14 *See Elektra Ent. Grp, Inc. v. Crawford*, 226 F.R.D. 388, 392 (C.D. Cal. 2005). And this
15 litigation is the only appropriate recourse for Meridian.

16 The fifth factor also weighs in favor of default judgment because the well-pleaded
17 factual allegations in the First Amended Complaint are taken as true, and there is no
18 “genuine dispute of material facts” that would preclude granting the Motion. *See PepsiCo*,
19 238 F. Supp. 2d at 1177.

20 Because Adkins received a copy of the First Amended Complaint (Doc. 137-1 ¶ 89),
21 waived service of process (Doc. 11), and actively participated earlier in this litigation, it is
22 unlikely that his failure to answer was due to excusable neglect. Therefore, the sixth factor
23 also weighs in favor of entering default judgment.

24 The seventh factor, which favors decisions on the merits, generally weighs against
25 default judgment. But “Rule 55(b) indicates that this preference, standing alone, is not
26 dispositive.” *PepsiCo*, 238 F. Supp. 2d at 1177 (internal marks and citation omitted). The
27 Court finds that this factor alone is not sufficient to preclude the entry of default judgment
28 in this case. *Warner Bros. Ent. Inc. v. Caridi*, 346 F. Supp. 2d 1068, 1073 (C.D. Cal. 2004)

1 (explaining that the seventh *Eitel* factor “standing alone, cannot suffice to prevent entry of
2 default judgment for otherwise default judgment could never be entered”).

3 **2. The Second and Third *Eitel* Factors**

4 The second and third *Eitel* factors—the merits of the claim and the sufficiency of
5 the complaint—are often “analyzed together and require courts to consider whether a
6 plaintiff has stated a claim on which [he] may recover.” *Vietnam Reform Party v. Viet Tan-*
7 *Vietnam Reform Party*, 416 F. Supp. 3d 948, 962 (N.D. Cal. 2019). Meridian has
8 adequately alleged that Adkins breached multiple contracts, committed fraud, conversion,
9 civil conspiracy, and violations of RICO in “soliciting Meridian, other purchasers, and
10 lenders to buy tires or provide financing in fraudulent tire transactions.” (Doc. 70 at 37.)

11 As to Meridian’s breach of contract claim, the First Amended Complaint adequately
12 alleges the existence of a contract, its breach, and damages. *See Best W. Int’l, Inc. v. Patel*,
13 523 F. Supp. 2d 979, 988 (D. Ariz. 2007) (citing *Graham v. Asbury*, 112 Ariz. 184, 185
14 (1975)). As briefly explored above, Adkins is alleged to have entered in a valid guaranty
15 agreement securing the OTR and Midwest Financing Agreements. (Doc. 70 ¶ 259.)
16 Meridian maintains that Adkins breached this agreement by failing to pay the amounts
17 owed under the agreement, and that it suffered damages as a result. (*Id.* ¶ 263; Doc. 144 at
18 5–6.) The Court finds that Meridian’s claim has merit, and the First Amended Complaint
19 sufficiently alleges a breach of contract claim.

20 Meridian’s First Amended Complaint also adequately alleges a claim of fraud
21 against Adkins. It provides that Adkins represented to Meridian that LAD ImpEx was
22 “trustworthy and that [it] would safeguard the monies related to the purported transactions”
23 when, in fact, Adkins knew that LAD ImpEx was a co-conspirator in the fraudulent
24 transactions. (Doc. 70 ¶¶ 309, 310.) Similarly, the First Amended Complaint also provides
25 that Adkins falsely represented to Meridian that the OTR tires “were free and clear of any
26 liens or encumbrances,” that “Midwest had recurring contracts with various buyers,” and
27 that there were “five potential [buyers] of OTR tires.” (*Id.* ¶¶ 311, 312, 315–317.) It further
28 provides that these misrepresentations “were material to the transaction and Meridian

1 would not have entered into [the agreements] but for the numerous misrepresentations
2 made by Defendants.” (*Id.* ¶ 339.) Moreover, Meridian alleges that Adkins knew his
3 representations were false, that he intended Meridian to rely on them, that Meridian was
4 justified in relying on them, and that Meridian suffered harm as a result. (*Id.* ¶¶ 340–345.)
5 Accordingly, the Court finds that Meridian’s fraud claim is well plead. *See Echols v. Beauty*
6 *Built Homes, Inc.*, 132 498, 500 (1982) (listing the elements for a fraud claim under
7 Arizona law).

8 The First Amended Complaint provides that Defendants, “by common
9 understanding and design, came to a mutual understating to create false documents and
10 communications . . . to induce Meridian to enter into [the agreements].” (*Id.* ¶ 367.) The
11 Court finds that Meridian has also adequately alleged the existence of “an underlying tort
12 which the alleged conspirators agreed to commit.” *Wojtunik v. Kealy*, 394 F. Supp. 2d
13 1149, 1172 (D. Ariz. 2005) (citation omitted). Therefore, the Court finds that Meridian
14 has sufficiently stated a civil conspiracy claim.

15 Meridian also alleges RICO violations under 18 U.S.C. § 1962(c). (*Id.* ¶¶ 373–394.)
16 To state a claim under § 1962(c), a plaintiff must show: (1) conduct; (2) of an enterprise;
17 (3) through a pattern; (4) of racketeering activity. *Sedima S.P.R.L. v. Imrex Corp.*, 473 U.S.
18 479, 496 (1985). The First Amended Complaint provides that “Defendants’ actions
19 constitute numerous violations of the RICO predicate offenses” by alleging that
20 “Defendants engaged in numerous counts of wire fraud . . . numerous counts of money
21 laundering . . . and numerous counts of engaging in monetary transactions in property
22 derived from specified unlawful activity” (*Id.* ¶¶ 383, 384.) And Meridian has
23 adequately plead a pattern of predicate acts that are “indictable” as mail or wire fraud. *See*
24 18 U.S.C. §§ 1961(1)(B), 1962(c). Therefore, the Court finds the First Amended Complaint
25 adequately states a claim under § 1962(c).

26 Finally, the Court also finds that the First Amended Complaint states a claim for
27 conversion. Meridian alleges that finance agreement provisions entitled it to possession of
28 the OTR tires upon default. (*Id.* ¶¶ 347, 349.) Meridian maintains that Defendants

1 “assumed and exercised dominion and control over the OTR [tires] . . . and did so in an
2 unlawful and unauthorized manner, to the exclusion of, and in a manner inconsistent with,
3 Meridian’s rights.” (*Id.* ¶ 354.) Thus, the First Amended Complaint adequately alleges a
4 conversion claim.

5 Taking the First Amended Complaint’s allegations as true, Meridian has stated a
6 claim on which it can recover. *See NewGen LLC v. Safe Cig LLC*, 840 F.3d 606, 617 (9th
7 Cir. 2016); *Vietnam Reform Party*, 416 F. Supp. 3d at 962. Accordingly, the second and
8 third *Eitel* factors favor the entry of default judgment.

9 3. The Fourth *Eitel* Factor

10 Under the fourth *Eitel* factor, the Court considers the amount of money at stake in
11 relation to the seriousness of the defendants’ conduct. *See PepsiCo, Inc.*, 238 F. Supp. 2d
12 at 1176. If the sum of money at stake is completely disproportionate or inappropriate,
13 default judgment is disfavored. *See Twentieth Century Fox Film Corp. v. Streeter*, 438 F.
14 Supp. 2d 1065, 1071 (D. Ariz. 2006). In contrast to a complaint’s other allegations,
15 allegations pertaining to damages are not taken as true when considering a motion for
16 default judgment. *See Fair Hous. of Marin v. Combs*, 285 F.3d 899, 906 (9th Cir. 2002).
17 And a district court has “wide latitude” in determining the amount of damages to award
18 upon default judgment. *James v. Frame*, 6 F.3d 307, 310 (5th Cir. 1993).

19 Meridian seeks compensatory damages, incidental damages, attorneys’ fees, pre-
20 judgement and post-judgement interest at the statutory rate, punitive damages, treble
21 damages, costs, and any further relief that this Court deems just and equitable. (Doc. 70 at
22 41.) The Court finds that the requested damages are neither disproportionate nor
23 inappropriate.

24 Because six of the seven *Eitel* factors discussed weigh in favor of Meridian, it is
25 entitled to default judgment on its claims. *Tolano v. El Rio Bakery*, No. CV-18-00125-
26 TUC-RM, 2019 WL 6464748, at *2–6 (D. Ariz. Dec. 2, 2019) (granting default judgment
27 where such judgment was supported by all but the seventh *Eitel* factor).

28

1 **B. LAD ImpEx**

2 The Court has already identified the seven *Eitel* factors in the context of Mr. Atkins’
3 default judgment. The same is true regarding the applicable law underlying most of
4 Meridian’s claims for relief. This substantive law will not be repeated for Meridian’s
5 motion for default judgment against LAD ImpEx and the other defaulted defendants.

6 **1. The First, Fifth, Sixth, and Seventh *Eitel* Factors**

7 For the same reasons as above, the first and fifth factors weigh in favor of default
8 judgment here. The sixth factor also weighs in favor of default judgment because LAD
9 ImpEx was properly served (Doc. 38) and it is unlikely that its failure to answer was the
10 result of excusable neglect. *See Streeter*, 438 F. Supp. 2d at 1072 (explaining that there is
11 no excusable neglect where the defendant was properly served with the complaint). The
12 seventh factor again weighs against default judgment but is not dispositive.

13 **2. The Second and Third *Eitel* Factors**

14 Meridian’s First Amended Complaint adequately alleges that LAD ImpEx
15 committed fraud, conversion, civil conspiracy, and violations of RICO.

16 As to Meridian’s fraud claim, the First Amended Complaint provides that Adkins,
17 on behalf of Defendants assured Meridian that LAD ImpEx was “trustworthy and that [it]
18 would safeguard the monies related to the purported transactions” when, in fact, Adkins
19 knew that LAD ImpEx was a co-conspirator in the fraudulent transactions. (Doc. 70 ¶¶ 309,
20 310.) Similarly, the First Amended Complaint states that “Defendants created their
21 fraudulent scheme to induce Meridian to wire the funds . . . to [LAD ImpEx].” (*Id.* ¶ 342.)
22 It further provides that these misrepresentations “were material to the transaction and
23 Meridian would not have entered into [the agreements] but for the numerous
24 misrepresentations made by Defendants.” (*Id.* ¶ 339.) Further, Meridian alleges that
25 Adkins knew his representations were false, that he intended Meridian to rely on them, that
26 Meridian was justified in relying on them, and that Meridian suffered harm as a result of
27 its wire to LAD ImpEx. (*Id.* ¶¶ 340–345.) The Court finds that Meridian’s fraud claim is
28 well plead. *See Echols*, 132 Ariz. at 500.

1 The Court also finds that, for the reasons already stated, Meridian adequately
2 alleged a claim for conversion, civil conspiracy, and violations of RICO against LAD
3 ImpEx. Meridian has therefore stated a claim on which it can recover and the second and
4 third *Eitel* factors favor the entry of default judgment.

5 **3. The Fourth *Eitel* Factor**

6 Meridian seeks compensatory damages, incidental damages, attorneys' fees, pre-
7 judgement and post-judgement interest at the statutory rate, punitive damages, treble
8 damages, costs, and any further relief that this Court deems just and equitable. (Doc. 70 at
9 41.) The Court finds that the requested damages are neither disproportionate nor
10 inappropriate.

11 Six of the seven *Eitel* factors discussed weigh in favor of Meridian, and it is
12 therefore entitled to default judgment on its claims against LAD ImpEx.

13 **C. Midwest**

14 **1. The First, Fifth, Sixth, and Seventh *Eitel* Factors**

15 The first and fifth factors again weigh in favor of default judgment. The sixth factor
16 also weighs in favor of default judgment because Midwest waived service of process (Doc.
17 12) and has been mailed various motions (*See* Docs. 132, 135). It is therefore unlikely that
18 its failure to answer was due to excusable neglect. The seventh factor weighs against
19 default judgment.

20 **2. The Second and Third *Eitel* Factors**

21 Meridian's First Amended Complaint adequately alleges that Midwest breached its
22 contract and the implied covenant of good faith and fair dealing and committed fraud,
23 conversion, civil conspiracy, and violations of RICO.

24 As to Meridian's breach of contract claim, the First Amended Complaint adequately
25 alleges the existence of a contract, its breach, and damages. *See Best W. Int'l, Inc.*, 523 F.
26 Supp. 2d at 988 (citing *Graham*, 112 Ariz. at 185). As explored above, Midwest is alleged
27 to have entered a valid finance agreement to secure the funds purportedly required to
28 purchase the OTR tires. (Doc. 70 ¶ 245.) Meridian maintains that Midwest breached this

1 agreement by failing to pay the amounts owed under the agreement and by using the OTR
2 tires as collateral in other transactions. (*Id.* ¶¶ 249, 250.) Meridian also alleges that it
3 suffered damages as a result. (*Id.* ¶ 251.) Similarly, Meridian maintains that Midwest had
4 a “duty not to impair Meridian’s right to receive the benefits which should have flowed
5 from [the agreements]” and that Midwest breached the implied covenant of good faith and
6 fair dealing “through its explicit breaches” and by using the agreements “as a means of
7 perpetuating a fraud on Meridian and others.” (*Id.* ¶¶ 255, 256.) The Court finds that
8 Meridian’s claim has merit and that the First Amended Complaint sufficiently alleges a
9 breach of contract claim and breach of implied covenant of good faith and fair dealing
10 claim.

11 For the reasons already discussed, the Court also finds that Meridian has adequately
12 alleged a claim for fraud, conversion, civil conspiracy, and violations of RICO against
13 Midwest. Because Meridian has stated a claim on which it can recover, the second and
14 third *Eitel* factors favor the entry of default judgment.

15 **3. The Fourth *Eitel* Factor**

16 Meridian seeks compensatory damages, incidental damages, attorneys’ fees, pre-
17 judgement and post-judgement interest at the statutory rate, punitive damages, treble
18 damages, costs, and any further relief that this Court deems just and equitable. (Doc. 70 at
19 41.) The Court finds that the requested damages are neither disproportionate nor
20 inappropriate.

21 Because six of the seven *Eitel* factors discussed weigh in favor of Meridian, it is
22 entitled to default judgment on its claims against Midwest.

23 **D. OTR Tire Group**

24 **1. The First, Fifth, Sixth, and Seventh *Eitel* Factors**

25 For the same reasons as above, the first and fifth factors weigh in favor of default
26 judgment. The sixth factor also weighs in favor because OTR Tire was properly served
27 (Doc. 39) and it is unlikely that its failure to answer was the result of excusable neglect.
28 The seventh factor, though not dispositive, weighs against default judgment.

1 **2. The Second and Third *Eitel* Factors**

2 Meridian’s First Amended Complaint adequately alleges that Midwest breached its
3 contract and the implied covenant of good faith and fair dealing and committed fraud,
4 conversion, civil conspiracy, and violations of RICO.

5 As to Meridian’s breach of contract claim, the First Amended Complaint adequately
6 alleges the existence of a contract, its breach, and damages. *See Best W. Int’l, Inc.*, 523 F.
7 Supp. 2d at 988 (citing *Graham*, 112 Ariz. at 185). As explored above, OTR Tire Group is
8 alleged to have entered a valid finance agreement to secure the funds purportedly required
9 to purchase the OTR tires. (Doc. 70 ¶ 245.) Meridian maintains that OTR Tire Group
10 breached this agreement by failing to pay the amounts owed under the agreement and by
11 using the OTR tires as collateral in other transactions. (*Id.* ¶¶ 235, 236.) Meridian also
12 alleges that it suffered damages as a result. (*Id.* ¶ 237.) Similarly, Meridian maintains that
13 Midwest had a “duty not to impair Meridian’s right to receive the benefits which should
14 have flowed from [the agreements]” and that Midwest breached the implied covenant of
15 good faith and fair dealing “through its explicit breaches” and by using the agreements “as
16 a means of perpetuating a fraud on Meridian and others.” (*Id.* ¶¶ 241, 242.) The Court finds
17 that Meridian’s claim has merit and that the First Amended Complaint sufficiently alleges
18 a breach of contract claim and breach of implied covenant of good faith and fair dealing
19 claim.

20 For the reasons previously stated, the Court also finds that Meridian has adequately
21 alleged a claim for fraud, conversion, civil conspiracy, and violations of RICO against OTR
22 Tire Group. Meridian has stated a claim on which it can recover and the second and third
23 *Eitel* factors therefore favor the entry of default judgment.

24 **3. The Fourth *Eitel* Factor**

25 Meridian seeks compensatory damages, incidental damages, attorneys’ fees, pre-
26 judgement and post-judgement interest at the statutory rate, punitive damages, treble
27 damages, costs, and any further relief that this Court deems just and equitable. (Doc. 70 at
28 41.) The Court finds that the requested damages are neither disproportionate nor

1 inappropriate.

2 Because six of the seven *Eitel* factors discussed weigh in favor of Meridian, it is
3 entitled to default judgment on its claims against OTR Tire Group.

4 **E. Roadmaster**

5 **1. The First, Fifth, Sixth, and Seventh *Eitel* Factor**

6 The first and fifth factors weigh in favor of default judgment for the reasons detailed
7 above. The sixth factor also weighs in favor of default judgment because Roadmaster was
8 provided with a copy of the complaint (Doc. 141-1 ¶¶ 38–40), waived service of process
9 through its principal Carlos Musetti (Doc. 35), and participated in earlier litigation, it is
10 unlikely that its failure to answer was due to excusable neglect. The seventh factor again
11 weighs against default judgment but is not dispositive.

12 **2. The Second and Third *Eitel* Factors**

13 Meridian’s First Amended Complaint adequately alleges that Roadmaster was
14 negligent and committed fraud, conversion, civil conspiracy, and violations of RICO.

15 To state a claim for negligence under Arizona law, “a plaintiff must prove: (1) a
16 duty requiring the defendant to conform to a certain standard of care; (2) breach of that
17 standard; (3) a causal connection between the breach and the resulting injury; and (4) actual
18 damages.” *CVS Pharmacy, Inc. v. Bostwick ex rel.*, 251 Ariz. 511, 517 (2021) (quoting
19 *Quiorz v. ALCOA Inc.*, 243 Ariz. 560, 563–64 (2018)). As referenced above, Roadmaster
20 owns the Houston facility where the OTR tires were to be stored. (Doc. 70 ¶ 396.) As
21 alleged, Roadmaster was aware of the OTR tire inventory held by Meridian at the facility
22 and it “had a duty of care to Meridian in relation to the warehousing, handling, and shipping
23 of Meridian’s OTR tires” (*Id.* ¶¶ 398, 399.) Meridian further alleges that Roadmaster
24 “had exclusive control over . . . physically handling the OTR tires at the Houston Facility”
25 and it “negligently handled the OTR tires in such a way as the serial numbers on such tires
26 were removed, damaged, or defaced in such a way as to render them unidentifiable.” (*Id.*
27 ¶¶ 400, 401.) Meridian alternatively alleges that Roadmaster “took active steps
28 to . . . deface the serial numbers on the OTR tires at the behest of others, but was negligent

1 in doing so without ensuring that doing so was not in violation of another’s rights.” (*Id.*
2 ¶ 402.) Finally, the First Amended Complaint states that Roadmaster’s breaches “caused
3 damage” to Meridian. (*Id.* ¶ 406.) The Court therefore finds that Meridian’s allegations
4 state a valid claim for negligence.

5 For the reasons already discussed, the Court also finds that Meridian has adequately
6 alleged a claim for fraud, conversion, civil conspiracy, and violations of RICO against
7 Roadmaster. Taking the First Amended Complaint’s allegations as true, Meridian has
8 stated a claim on which it can recover. Accordingly, the second and third *Eitel* factors favor
9 the entry of default judgment.

10 **3. The Fourth *Eitel* Factor**

11 Meridian seeks compensatory damages, incidental damages, attorneys’ fees, pre-
12 judgement and post-judgement interest at the statutory rate, punitive damages, treble
13 damages, costs, and any further relief that this Court deems just and equitable. (Doc. 70 at
14 41.) The Court finds that the requested damages are neither disproportionate nor
15 inappropriate.

16 Because six of the seven *Eitel* factors discussed weigh in favor of Meridian, it is
17 entitled to default judgment on its claims against Roadmaster.

18 **V. PIERCING THE CORPORATE VEIL**

19 Meridian’s First Amended Complaint alleges that OTR Tire Group, Midwest, and
20 LAD ImpEx are alter egos of Adkins and Roadmaster. (Doc. 70 ¶ 408.) Meridian asks that
21 the Court disregard the entity defendants’ corporate form and declare that others, such as
22 the principals of those entities, are liable for Meridian’s damages. (*Id.* ¶ 413.)

23 Meridian’s First Amended Complaint generally asserts that the entity defendants
24 were used to further the fraud, did not observe the corporate form, lacked adequate
25 capitalization, and shared a unity of interest and ownership. (*Id.* ¶¶ 408-12.) It does not
26 support these statements with any specific factual allegations. (*See id.*) Meridian did not
27 pursue its alter ego claim in any of its motions for default judgment or at the August 8,
28 2023, evidentiary hearing. Because the complaint is not “sufficient on its face” with respect

1 to the alter ego claim, entry of default on that claim would be improper. *Ronald Norris*,
2 2021 WL 4844116, at *2 (stating that the party seeking default judgment “bears the burden
3 of demonstrating to the Court that the complaint is sufficient on its face and that the *Eitel*
4 factors weigh in favor of granting default judgment”).

5 **VI. DAMAGES**

6 Having determined that entry of default judgment is appropriate on all but the alter
7 ego claim, the Court must next address damages. The district court has “wide latitude” in
8 determining the amount of damages to award upon default judgment. *James*, 6 F.3d at 310.

9 The Court held an evidentiary hearing where Meridian presented witness testimony
10 and exhibits relating to its damages. Defendants were provided notice of the hearing, but
11 they did not appear. (*Id.*) Considering the evidence presented at the hearing, the Court finds
12 that Meridian is entitled to an award of damages.

13 The first category of damages stems from Meridian’s breach of contract claims
14 against Adkins, OTR Tire Group, and Midwest. “The well-established rule in Arizona is
15 that the damages for breach of contract are those which arise naturally from the breach
16 itself or which may reasonably be supposed to have been within the contemplation of the
17 parties at the time they entered into the contract.” *S. Arizona Sch. for Boys, Inc. v. Chery*,
18 119 Ariz. 277, 280 (Ct. App. 1978). As to OTR Tire Group’s agreement, Meridian claims
19 that it is owed a total of \$10,339,300.26. (Doc. 144 at 5.) As explained at the evidentiary
20 hearing, this amount consists of \$1,636,800 in principal and \$8,838,687.26 in accrued
21 interest calculated at a daily rate of 0.166% since the loan date of September 11, 2014. This
22 amount also reflects a credit a of \$136,187 for the amounts received from the bankruptcy
23 auction proceedings. As to Midwest’s agreements, Meridian claims that it is owed a total
24 of \$22,785,976. (*Id.*) As explained at the evidentiary hearing, this amount consists of
25 \$2,790,000 in principal and \$20,219,976 in accrued interest calculated at a daily rate of
26 0.225% since the four loan dates. This amount also reflects a credit of \$224,000 for the
27 proceeds received from the bankruptcy auction. Finally, as to Adkins guaranty agreements,
28 Meridian claims that it is owed a total of \$33,125,276. (*Id.* at 6.) As discussed at the

1 evidentiary hearing, this amount consists of a total of \$4,426,800 in principal and
2 \$29,058,66.26 in accrued interest—the total accrued interest for the Midwest and OTR Tire
3 Group agreements. Adkins’ total amount owed also reflects a credit of \$360,187 for the
4 proceeds received from the bankruptcy auction.

5 The Court finds that the above damages requested for Meridian’s breach of contract
6 claims are reasonable and will award damages in the amount of \$10,339,300.26 against
7 OTR Tire Group for its breach of contract, \$22,785,976 against Midwest for its breach of
8 contract, and \$33,125,276 against Adkins for his breach of contract.

9 The next category of damages relates to Meridian’s fraud, civil conspiracy, and
10 RICO claims against all Defendants. The RICO statute provides that “[a]ny person injured
11 in his business or property by reason of a violation . . . may sue therefore in any appropriate
12 United States district court and shall recover threefold the damages he sustains” 18
13 U.S.C. § 1964(c). For intentional torts, such as fraud and civil conspiracy, the Court may
14 also award punitive damages “for the purpose of punishing the wrongdoer and deterring
15 others from the same sort of conduct.” *Bradshaw v. State Farm Mut. Auto. Ins. Co.*, 157
16 Ariz. 411, 424 (1988). Punitive damages, however, require something more than the mere
17 commission of a tort. *See Agilysis, Inc. v. Vipond*, No. 04-2023-PHX-DGC, 2006 WL
18 2620103, at *3 (D. Ariz. Sept. 13, 2006). Rather, a plaintiff must show that the defendant
19 engaged in “aggravated and outrageous conduct with an evil mind.” *Id.*

20 Meridian contends that the principal amount of damages is \$4,426,800—the total
21 amount of principal it loaned to OTR Tire Group and Midwest. (Doc. 144 at 8.) As
22 established above, the Court finds that Meridian has adequately alleged a pattern of
23 racketeering activities that are indictable as mail or wire fraud. Accordingly, Meridian is
24 entitled to treble damages under the RICO statute. Therefore, the Court will award
25 Meridian \$13,280,400, jointly and severally, against all Defendants for the RICO violation
26 claims. Similarly, the Court finds that, taking the First Amended Complaint’s allegations
27 as true, Meridian has established that Defendants engaged in an intentional and aggravated
28 course of conduct with an evil mind. Indeed, the Court previously found that the allegations

1 in the First Amended Complaint adequately allege that the Defendants engaged in fraud
2 and a civil conspiracy to commit fraud. Thus, a punitive damage award is appropriate, and
3 the Court will award the requested \$8,853,600—i.e., double the principal damages—in
4 punitive damages against all Defendants, jointly and severally.

5 Meridian requests \$1,554,292 in damages for its conversion claim against all
6 Defendants and for its negligence claim against Roadmaster. This amount reflects the
7 damages incurred because of the loss or defacement of the OTR tires. (*Id.* at 9.)
8 Specifically, Meridian provided evidence showing that it had 85 OTR tires that were either
9 lost or rendered unidentifiable from defacement. The Court finds Meridian’s calculations
10 regarding the largely decreased value of each model of tire to be reasonable. Because the
11 OTR tires were either lost by alleged conversion of all Defendants or through the
12 negligence of Roadmaster, the amount claimed by Meridian for the lost OTR tires is the
13 same for both claims. The Court will award Meridian \$1,554,292 against all Defendants,
14 jointly and severally, for the conversion claim. The Court, however, will not allow for
15 double recovery of the value of the OTR tires, and will therefore not award any damages
16 stemming from the alleged negligence claim.

17 Finally, as discussed on the record at the evidentiary hearing, the Court will set off
18 the award against all Defendants to account for the settlement amount received by Meridian
19 in connection with some of the already dismissed defendants. To do this, the Court will
20 reduce the award for the violations of RICO by \$1,250,000.

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1 **VII. CONCLUSION**

2 Accordingly,

3 **IT IS ORDERED** granting Plaintiff Meridian PO Finance LLC’s Motion for
4 Default Judgment as to Jason Adkins (Doc. 137), Motion for Default Judgment as to LAD
5 ImpEx (Doc. 138), Motion for Default Judgment as to Midwest Coal (Doc. 139), Motion
6 for Default Judgment as to OTR Tire Group (Doc. 141) and Motion for Default Judgment
7 as to Roadmaster Trucking, Inc (Doc. 141), with respect to all claims except the alter ego
8 claim.

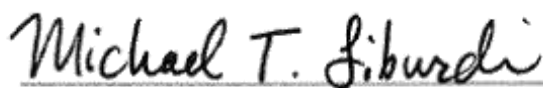
9 **IT IS FURTHER ORDERED** awarding Meridian PO Finance LLC damages as
10 follows:

- 11 1. \$10,339,300.26 against OTR Tire Group Incorporated for its breach of
12 contract
- 13 2. \$22,785,976 against Midwest Coal LLC for its breaches of contract.
- 14 3. \$33,125,276 against Jason Adkins for his breaches of contract.
- 15 4. \$12,030,400 against all Defendants, jointly and severally, for their violations
16 of the Racketeer Influenced Corrupt Organizations Act.
- 17 5. \$8,853,600 in punitive damages against all Defendants, jointly and severally.
- 18 6. \$1,554,292 against all Defendants, jointly and severally, for their conversion
19 of the OTR tires.

20 **IT IS FURTHER ORDERED** that Meridian PO Finance LLC shall have thirty
21 days from the date of this Order to file a motion for attorneys’ fees and costs that complies
22 in all respects with LRCiv. 54.2.

23 **IT IS FINALLY ORDERED** directing the Clerk of Court to close this case and
24 enter judgment accordingly.

25 Dated this 18th day of August, 2023.

26 

27 Michael T. Liburdi
28 Michael T. Liburdi
United States District Judge