

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL ‘O’

Case No. 2:16-cv-08832-CAS(AGRx) Date July 31, 2017

Title UNITED STATES OF AMERICA v. MOBILE XL, LLC ET AL.

Present: The Honorable CHRISTINA A. SNYDER

Catherine Jeang

Laura Elias

N/A

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Zoran Segina, AUSA

Not Present

Christen Sproule, AUSA

Proceedings:

PLAINTIFF’S MOTION FOR ENTRY OF DEFAULT
JUDGMENT AGAINST DEFENDANTS (Dkt. 29, filed June 22,
2017)

On or around May 9, 2008, Mobile XL, LLC sought and obtained a loan from Merchants Bank of California (“Merchants Bank”). Dkt. 1 (“Compl.”) ¶ 7 (“2008 Loan”). The 2008 Loan was issued in the amount of \$250,000 with an initial variable interest rate of 7.5 percent. *Id.* ¶ 9. The Small Business Administration (“SBA”) guaranteed the line of credit issued by Merchants Bank. *Id.* ¶ 8. A promissory note was executed pursuant to the 2008 Loan. *Id.* ¶ 7 & Ex. 1 (“2008 Note”). Guy Kamgaing-Kouam signed the 2008 Note as Manager of Mobile XL, LLC and executed a guaranty of the 2008 Note in his individual capacity (“Kouam Guaranty”). *Id.* ¶¶ 10–11 & Ex. 2.

On or around May 9, 2009, Mobile XL, Inc. sought and obtained a loan from Merchants Bank (“2009 Loan”). *Id.* ¶ 17. The 2009 Loan was issued in the amount of \$250,000 with an initial variable interest rate of 5.75 percent. *Id.* ¶ 19. A promissory note was executed pursuant to the 2009 Loan. *Id.* ¶ 17 & Ex. 3 (“2009 Note”). Kouam signed the 2009 Note as President of Mobile XL, Inc. *Id.* ¶ 20.

On or around December 7, 2011, Merchants Bank assigned the 2008 Note, the 2009 Note, and the Kouam Guaranty (collectively, the “Documents”) to the SBA. *Id.* ¶¶ 16, 24.

On November 29, 2016, plaintiff United States of America, on behalf of the SBA, initiated this action against defendants Mobile XL, LLC, Mobile XL, Inc., and Kouam, alleging that defendants failed to repay loans issued by the SBA. See generally Compl.

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The government alleges that defendants have failed to pay the SBA pursuant to the Documents. Id. ¶¶ 14, 15, 23.

On February 9, 2017, defendants each executed a Waiver of Service of Summons, whereby they agreed to respond to the Complaint by March 13, 2017. Dkts. 9, 10, 11. On March 13, 2017, plaintiff and Kouam stipulated to extend the deadline for Kouam’s answer to April 12, 2017. Dkt. 14.

Mobile XL, LLC and Mobile XL, Inc. (collectively, “the corporate defendants”) did not file an answer by March 13, 2017. Therefore, on March 20, 2017, plaintiff requested and the Clerk entered a default against the corporate defendants. Dkt. 16. On April 12, 2017, plaintiff and Kouam stipulated to extend the deadline for Kouam’s answer to May 12, 2017. Dkts. 17, 18. On May 30, 2017, Kouam filed an answer to the Complaint. Dkt. 23.

On June 22, 2017, the United States filed the instant motion for default judgment against the corporate defendants. Dkt. 29. The government seeks a default judgment against the corporate defendants in the amount of \$323,510.54, comprised of \$241,388.63 in principal owing and \$82,121.91 in fees. Id. 2–3.

The Court held oral argument on July 31, 2017 and defendants did not appear.

At oral argument, counsel for the United States asserted that the 2008 Note was “converted into” and “rolled into” the 2009 Note. The Court cannot discern whether Kouam continued to serve as the guarantor on the 2009 Note. The Court directs the United States to provide an answer to this question on or before August 4, 2017.

IT IS SO ORDERED.

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Initials of Preparer CMJ