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UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

QUANTUM CAPITAL FUNDING CORPORATION,

Plaintiff,

v.

PDI GROUP, INC.; RG GROUP, LLC;  
JOHN F. GEHM, JR.; JOHN F.  
GEHM, III; and DOES 1 through 25,  
inclusive,

Defendants.

No. 2:18-cv-03279-WBS-KJN PS

ORDER

(ECF Nos. 49, 51)

On December 7, 2021, the magistrate judge filed findings and recommendations (ECF No. 51), which were served on the parties and which contained notice that any objections to the findings and recommendations were to be filed within twenty-one (21) days. No objections were filed. Accordingly, the court presumes that any findings of fact are correct. See Orand v. United States, 602 F.2d 207, 208 (9th Cir. 1979). The magistrate judge’s conclusions of law are reviewed de novo. See Britt v. Simi Valley Unified School Dist., 708 F.2d 452, 454 (9th Cir. 1983).

The court has reviewed the applicable legal standards and, good cause appearing, concludes that it is appropriate to adopt the findings and recommendations in full.

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1 Accordingly, IT IS HEREBY ORDERED that:

- 2 1. The findings and recommendations (ECF No. 51) are ADOPTED IN FULL;
- 3 2. Plaintiff's Motion for Default Judgment (ECF No. 49) is GRANTED in part and DENIED
- 4 in part;
- 5 3. The motion is granted with respect to liability as follows:
- 6 a. All defendants are jointly and severally liable for PDI's breach of contract under
- 7 the First Cause of Action;
- 8 b. RG Group is liable for RG Group's breach of contract under the First Cause of
- 9 Action;
- 10 c. PDI and RG Group are each separately liable for their respective portions of the
- 11 money had and received claim in the Second Cause of Action;
- 12 d. PDI and RG Group are each separately liable for their respective portions of the
- 13 open book account claim in the Third Cause of Action;
- 14 e. PDI and RG Group are each separately liable for their respective portions of the
- 15 account stated claim in the Fourth Cause of Action;
- 16 f. PDI, Gehm Jr., and Gehm III are jointly and severally liable for PDI's conversion
- 17 under the Seventh Cause of Action; and
- 18 g. RG Group is liable for RG Group's conversion under the Seventh Cause of Action.
- 19 4. The motion is denied with respect to liability in that defendant Gehm III is not liable for
- 20 either intentional or negligent misrepresentation under the Fifth and Sixth Causes of
- 21 Action; and
- 22 5. The motion is denied without prejudice with respect to damages.

23  
24 Dated: January 5, 2022



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WILLIAM B. SHUBB  
UNITED STATES DISTRICT JUDGE