

United States District Court
For the Northern District of California

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

MAURICE KANBAR and KANBAR
SPIRITS, INC,

No C 07-2123 VRW

ORDER

Plaintiffs,

v

HENRY KAUFMAN,

Defendant.

_____ /

Maurice Kanbar and Kanbar Spirits, Inc ("KSI") brought this action, alleging negligence and breach of fiduciary duty by Henry Kaufman in Kaufman's handling of various of Kanbar's investments. Doc #39 at 1. This case was tried before the court without a jury on August 18 and 19, 2008. Doc ##81-82.

On October 22, 2008, the court issued its findings of fact and conclusions of law. Doc #86. The court determined that

1 Kaufman breached his fiduciary duty of candor to plaintiffs by
2 making an interest-free loan of \$250,000 to John Snyder without
3 first informing Kanbar. Id at 36 ¶120.

4 To calculate damages for the breach, the court ordered
5 plaintiffs and Kaufman to submit evidence of the term of the loan
6 and a reasonable interest rate for the loan. Id at 41 ¶138. In
7 response, the parties stipulated that the loan was disbursed on
8 December 15, 2005 and remained outstanding for 226 days. Doc #87
9 at 2. Plaintiffs first asserted that the Snyder loan should bear
10 an interest rate of eight percent and in no case less than seven
11 percent. Doc #88 at 2. Kaufman initially proposed an interest
12 rate of 5.7 percent, Doc #89 at 3, but in a later filing proposed a
13 rate of 7.25 percent, the prime rate in December 2005. Doc #92 at
14 1. Plaintiffs then agreed to Kaufman's proposed 7.25 percent
15 interest rate. Doc #93 at 2.

16 Using annual compounding, this implies daily interest of
17 \$49.6575 over the term of the loan ($\$250,000 \times 0.0725 / 365$).
18 Accordingly, plaintiffs are entitled to damages of \$11,222.60 for
19 breach by Kaufman of the fiduciary duty of candor ($\$49.6575 \times 226$).

20 The clerk is ORDERED to enter judgment forthwith and to
21 close the file.

22
23 IT IS SO ORDERED.

24
25 

26 VAUGHN R WALKER
27 United States District Chief Judge
28