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2 UNITED STATES DISTRICT COURT  
3 NORTHERN DISTRICT OF CALIFORNIA  
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5 U.A. LOCAL 393 HEALTH AND  
6 WELFARE TRUST FUND, et al.,

7 Plaintiffs,

8 v.

9 THE KRAUTSTRUNK COMPANY, INC.,

10 Defendant.

Case No. [22-cv-01372-JSC](#)

**ORDER GRANTING MOTION FOR  
DEFAULT JUDGMENT OF LIABILITY  
AND REQUESTING SUPPLEMENTAL  
SUBMISSION ON DAMAGES**

Re: Dkt. No. 33

11 **INTRODUCTION**

12 U.A. Local 393 Health and Welfare Trust Fund, U.A. Local 393 Pension Fund, and  
13 Trustees Alex Hall and Eric Mussynski (“Plaintiffs”) allege Krautstrunk Company, Inc.  
14 (“Defendant”) failed to pay contributions for hours its employees worked, in violation of the  
15 Employee Retirement Income Security Act of 1974 (“ERISA”). Magistrate Judge Nathanael  
16 Cousins reassigned the case with a recommendation to grant Plaintiffs’ motion for default  
17 judgment. (Dkt. No. 33.) The Court GRANTS Plaintiffs’ motion for default judgment as to  
18 liability as recommended by Magistrate Judge Cousins, but requires a supplemental submission  
19 regarding damages.

20 **BACKGROUND**

21 **A. Complaint Allegations**

22 U.A. Local 393 Health and Welfare Trust Fund and U.A. Local 393 Pension Fund (the  
23 “Trust Funds”) are employee benefit plans pursuant to ERISA § 3(3), 29 U.S.C. § 1002(3). The  
24 Trust Funds are organized based on the Labor Management Relations Act of 1947 (“LMRA”) §§  
25 302(c)(5), 302(c)(6), 302(c)(9). The Joint Board of Trustees of each fund are the fiduciaries of the  
26 Trust Funds pursuant to ERISA § 302(a), 29 U.S.C. § 1002(a). The Krautstrunk Company, Inc.,  
27 doing business under the name Hauser Construction, is an employer in accordance with ERISA §  
28

1 3(5), 29 U.S.C. § 1002(5), and National Labor Relations Act of 1935 (“NLRA”) § 2(2), 29 U.S.C.  
2 § 152(2).

3 Defendant utilized Santa Clara Valley Contractors Association (“SVCA”) as its bargaining  
4 agent and agreed to abide by the terms of the bargaining agreement formed with the U.A. Local  
5 393 Union. (Dkt. No. 1 ¶ 9.) This agreement was formed on July 1, 2018 and was to remain in  
6 effect until June 30, 2021 unless either of the parties gave written notice to modify or terminate of  
7 at least 60 days, but no more than 90 days prior to June 30, 2021. (Dkt. No. 21 ¶ 5.)<sup>1</sup> The  
8 agreement requires Defendant make employer contributions to the Trust Funds based on hours  
9 worked by employees. (Dkt. No. 1 ¶ 11.) Moreover, according to the agreement, Plaintiffs are  
10 entitled to \$250.00 per contractor per each month of delinquent contributions payment, which  
11 increases to 20% of the principal amount due if the delinquencies are not paid prior to the date the  
12 lawsuit is filed. (Dkt. No. 21 ¶ 11; Dkt. No. 21-2 at 112-13; *id.* at 21-2 at 182; *id.* at 202.) In  
13 addition, Plaintiffs are entitled to ten percent annual interest of the delinquent payment of  
14 contributions *until* paid, as well as reimbursement for any attorneys’ fees accrued related to unpaid  
15 contributions. (Dkt. No. 21 ¶¶ 9, 11.)

16 Defendant failed to pay contributions for hours worked by its employees for the months of  
17 October through December 2020. (Dkt. No. 1 ¶ 13.) Plaintiffs’ counsel contacted Defendant  
18 regarding the delinquent payments, and eventually sent a demand letter for owed payments on  
19 March 2, 2021. (Dkt. No. 22 ¶ 7.) Plaintiffs corresponded with a person named Joseph Elimlich  
20 (“Elimlich”) who purportedly works with Defendant. (Dkt. No. 22 ¶ 10.) Elimlich’s exact  
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22 <sup>1</sup> Plaintiffs’ declarations include additional factual information not in the Complaint. (Dkt. Nos.  
23 20, 21, 22, 31, 32.) “Rule 55 gives the court considerable leeway as to what it may require as a  
24 prerequisite to the entry of default judgment.” *TeleVideo Systems, Inc. v. Heidenthal*, 826 F.2d  
25 915, 917-18 (9th Cir. 1987) (holding “[t]he district court exceeded the requirements of the rule by  
26 taking extensive evidence on *all* allegations in the complaint including damages.”). Furthermore,  
27 “[e]vidence of damages in support of a request for default judgment may come in the form of  
28 declarations specifying how damages were computed.” *Jones v. James Trading Co. Ltd.*, No. 21-  
55896, 2023 WL 3882957, at \*1 (9th Cir. June 8, 2023) (citing *NewGen, LLC v. Safe Cig, LLC*,  
840 F.3d 606, 617 (9th Cir. 2016) (affirming imposition of damages in default judgment where the  
district court relied on a declaration from the plaintiff that provided an estimate of defendant  
company's net profits and a “detailed account of how he calculated each figure” in the damages  
request)).

1 relationship with Defendant is unclear from the papers. Elimlich was provided with copies of  
2 Defendant’s self-reported contributions, but failed to provide any revisions or comments. (Dkt.  
3 No. 22 ¶ 10.) Plaintiffs sent two additional demand letters to Defendant for all payments,  
4 damages, and interest owed. (Dkt. No. 22 ¶¶ 11-12.) Defendant failed to respond. (Dkt. No. 22  
5 ¶ 12.)

6 **B. Procedural Background**

7 Plaintiffs filed the complaint on March 3, 2022 to compel Defendant to pay delinquent  
8 contributions, damages, interest, and attorneys’ fees. (Dkt. No. 1.) Defendant was served on  
9 March 10, 2022. (Dkt. No. 8.) On May 16, 2022, default judgment was entered by the court’s  
10 clerk. (Dkt. No. 11.) Request for reassignment to a District Judge with recommendation to grant  
11 Plaintiffs’ motion for default judgment was made on March 27, 2023. (Dkt. No. 33.)

12 **LEGAL STANDARD**

13 “In reviewing a magistrate judge’s report and recommendation, the district court ‘shall  
14 make a *de novo* determination of those portions ... of the report ... to which objection is made,’  
15 and ‘may accept, reject, or modify, in whole or in part, the findings or recommendations made by  
16 the magistrate judge.’” *Hunter v. Oasis Fin. Sols., LLC*, No. 10CV724 L WVG, 2011 WL 997375,  
17 at \*1 (S.D. Cal. Mar. 21, 2011) (quoting 28 U.S.C. § 636(b)(1)). Under this statute, “the district  
18 judge must review the magistrate judge’s findings and recommendations *de novo if objection is*  
19 *made*, but not otherwise.” *United States v. Reyna–Tapia*, 328 F.3d 1114, 1121 (9th Cir. 2003)  
20 (explaining the parameters of the statute). Because there are no objections by Defendant to  
21 Magistrate Judge Cousins’ report and recommendation, the court need not review *de novo*.

22 **DISCUSSION**

23 **A. Sufficiency of Service of Process**

24 “[O]ne becomes a party officially, and is required to take action in that capacity, only upon  
25 service of a summons or other authority-asserting measure.” *Murphy Bros., Inc. v. Michetti Pipe*  
26 *Stringing, Inc.*, 526 U.S. 344, 350 (1999). When ruling on a motion for default judgment, courts  
27 must determine whether a defendant was properly served with notice of the case, because  
28 improper service may explain their failure to appear. *GS Holistic, LLC v. MSA-Bossy Inc.*, No.

1 22-CV-07638-JSC, 2023 WL 3604322, at \*2 (N.D. Cal. May 22, 2023) (citing *Penpower Tech.*  
2 *Ltd. v. S.P.C. Tech.*, 627 F. Supp. 2d 1083, 1088 (N.D. Cal. 2008)).

3 Rule 4(h) allows corporations to be served through an agent for service of process or via  
4 state law’s method for serving an individual. Fed. R. Civ. P. 4(h)(1); Fed. R. Civ. P. 4(e)(1).  
5 California law also allows summons to be served on a corporation to the person designated as  
6 agent for service of process. Cal. Civ. Proc. Code § 416.10. In lieu of personal delivery of  
7 summons and complaint to the person to be served as specified in section 416.10, it is sufficient to  
8 leave a copy of summons and complaint during usual business hours with a person who is  
9 apparently in charge and at least 18 years old, as well as mailing a copy of the summons and  
10 complaint. Cal. Civ. Proc. Code § 415.20(a).

11 Plaintiffs served front desk personnel, Nicolas Perry (“Perry”), at the office for  
12 Defendant’s registered agent for service. (Dkt. No. 8 at 1.) Perry was at least 18 years of age at  
13 the time of service, had apparent control of the premises, and was informed of the nature of the  
14 papers. (Dkt. No. 8 at 1.) Plaintiffs also mailed a copy of the summons and complaint to  
15 Defendant’s agent. (Dkt. No. 8 at 1.) Plaintiffs do not provide any further information regarding  
16 the individual served. Based on these facts as well as the plain language of the statute, this service  
17 of process is sufficient pursuant to Rule 4(e) and section 415.20 of the California Code of Civil  
18 Procedure. Fed. R. Civ. P. 4(e); Cal. Civ. Proc. Code § 415.20(b).

19 **B. Jurisdiction**

20 **a. Subject Matter Jurisdiction**

21 Pursuant to U.S.C. § 1331, federal courts have original jurisdiction over claims that arise  
22 under laws of the United States. Here, Plaintiffs’ complaint directly arises from federal law,  
23 ERISA § 502, which allows civil penalty against a party who violates an employee welfare benefit  
24 plan. Thus, this Court has subject-matter jurisdiction on this basis.

25 **b. Personal Jurisdiction**

26 For a corporation, general personal jurisdiction exists when it is incorporated in the forum  
27 state. *See Daimler AG v. Bauman*, 571 U.S. 117, 137 (2014). In this case, Defendant is a  
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1 California incorporated business. (Dkt. No. 1 ¶ 2.) Thus, this Court has personal jurisdiction over  
2 Defendant.

3 **C. Eitel Analysis**

4 “The district court’s decision whether to enter a default judgment is a discretionary one.”  
5 *Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). In exercising its discretion to grant default  
6 judgment, the court should consider the following factors, as laid out in *Eitel v. McCool*:

- 7 (1) the possibility of prejudice to the plaintiff, (2) the merits of  
8 plaintiff’s substantive claim, (3) the sufficiency of the complaint, (4)  
9 the sum of money at stake in the action; (5) the possibility of a dispute  
10 concerning material facts; (6) whether the default was due to  
excusable neglect, and (7) the strong policy underlying the Federal  
Rules of Civil Procedure favoring decisions on the merits.

11 *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986). Furthermore, in “reviewing a default  
12 judgment, [the] court must take the well-pleaded factual allegations ... as true.” *Cripps v. Life Ins.*  
13 *Co. of N. Am.*, 980 F.2d 1261, 1267 (9th Cir. 1992).

14 **a. Prejudice to Plaintiff**

15 This factor considers whether the plaintiff will suffer prejudice if the Court declines to  
16 enter default judgment, e.g., being left without a legal remedy. *GS Holistic, LLC v. MSA-Bossy*  
17 *Inc.*, No. 22-CV-07638-JSC, 2023 WL 3604322 (N.D. Cal. May 22, 2023). Plaintiffs allege  
18 Defendant failed to pay contributions for its employees’ hours worked over a three-month period,  
19 which have incurred additional liquidated damages and interest. (Dkt. No. 1 ¶¶ 13-14.) Based on  
20 a contractual agreement, Defendant has a duty to pay the amounts due, to timely make required  
21 contributions, liquidated damages and interest, and to timely make required payment of union  
22 dues. (Dkt. No. 1 ¶ 16.) Here, “because [Defendant] did not respond to the complaint,  
23 [Plaintiffs’] only recourse ... is default judgment.” *GS Holistic, LLC*, 2023 WL, at \*3. As such,  
24 there is a high likelihood prejudice to Plaintiffs if the motion for default judgment were not  
25 granted.

26 **b. Merits of Claim and Sufficiency of Complaint**

27 The second and third factors, “often analyzed together,” require Plaintiffs to plead facts  
28 sufficient to establish and succeed upon its claims. *Dr. JKL Ltd. v. HPC IT Educ. Ctr.*, 749 F.

1 Supp. 2d 1038, 1048 (N.D. Cal. 2010). After entry of default, the factual allegations in the  
2 complaint related to liability are accepted as true and deemed admitted. *Fair Hous. of Marin v.*  
3 *Combs*, 285 F.3d 899, 906 (9th Cir. 2002). “The district court is not required to make detailed  
4 findings of fact.” *Id.* at 906.

5 Plaintiffs state an ERISA claim. (Dkt. No. 1 ¶ 3.) Pursuant to 29 U.S.C. § 1132, a party  
6 may bring a civil action against an employer who breaches an agreement without proper written  
7 notice of termination of at least 60 days but no more than 90 days prior to the end of the  
8 agreement. 29 U.S.C. 1132(a). (Dkt. No. 21 ¶ 5.) An employer is “any person acting directly as  
9 an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan.”  
10 29 U.S.C § 1002(5). Defendant is an ERISA employer because Defendant hired members of the  
11 UA Local Union 393 and signed a bargaining agreement with the Union establishing an employee  
12 benefit plan. (Dkt. No. 1 ¶ 9.) The agreement required Defendant to pay sums of money based on  
13 hours worked by Defendant’s employees, maintain time records or timecards, and submit relevant  
14 records for Plaintiffs to examine and determine whether the payments were made in full. (Dkt.  
15 No. 1 ¶¶ 11-12.) Defendant also agreed to make contributions based on hours worked by  
16 employees, as well as liquidated damages and interest on late payments under ERISA §  
17 502(g)(2)(c), 29 U.S.C. § 1132(g)(2)(c). Defendant breached the agreement because Defendant  
18 has reported but failed to pay contributions for employees’ hours worked for the months of  
19 October through December 2020. (Dkt. No. 1 ¶ 13.) Because Plaintiffs have sufficiently alleged  
20 Defendant breached the agreement, they state a claim against Defendant pursuant to 29 U.S.C §  
21 1132 for violations of ERISA and the Bargaining and Trust Agreements.

22 **c. Sum of Money**

23 The sum of money at stake is reasonable based on allegations against Defendant. “One of  
24 the factors the court is free to consider in exercising its discretion to ... deny default judgment is  
25 the sum of money at stake.” *J&J Sports Prod., Inc. v. Rafael*, No. CIV S-10-1046 LKK, 2011 WL  
26 445803, at \*2 (E.D. Cal. Feb. 8, 2011). The court analyzes this factor “in relation to the  
27 seriousness of [the defendant’s] conduct.” *PepsiCo, Inc. v. California Sec. Cans*, 238 F. Supp. 2d  
28 1172, 1176 (C.D. Cal. 2002). Plaintiffs seek \$49,246.52 for Defendant’s unpaid contributions,

1 liquidated damages, interest on the unpaid contributions, and attorneys’ fees and costs. (Dkt. Nos.  
2 20 ¶¶ 6-8, 10; 33 at 4.) Defendant does not dispute liability for these payments, and they are not  
3 unreasonable in light of the circumstances. (Dkt. No. 22 ¶ 10.) As such, the sum of money at  
4 stake favors granting default judgment.

5 **d. Dispute Concerning Material Facts**

6 In exercising its discretion as to the entry of default judgment, courts must consider  
7 whether there is a possibility of dispute concerning material facts. *Eitel*, 782 F.2d at 1471–72. In  
8 this case, it is unlikely a dispute concerning material facts as to liability will arise. According to  
9 Plaintiffs’ declarations, Defendant self-reported the unpaid contributions. (Dkt. No. 20 ¶ 9.) This  
10 includes \$250.00 per each month of delinquent payment of contributions which increased to 20%  
11 of the principal amount due because the delinquencies were not paid prior to the date the lawsuit  
12 was filed, ten percent interest per year on any unpaid contributions, as well as attorneys’ fees and  
13 costs. (Dkt. No. 20-1 at 112-13.) Prior to filing the complaint, Plaintiffs’ counsel provided  
14 Elimlich with these numbers, to which he responded: “Thank you for sending that, I will go over  
15 [t]he numbers with Paychex, I think I already see a mistake on the reports I will get back to you  
16 toward the end of next week [t]hank you and have a great weekend.” (Dkt. No. 22-1 at 9.)  
17 Elimlich did not subsequently provide revisions or corrections. (Dkt. No. 22 ¶ 10.) In turn,  
18 Plaintiffs’ counsel sent several demand letters regarding the payments owed, to which Defendant  
19 failed to respond. (Dkt. No. 22 ¶¶ 10-12.) Defendant did not refute liability, just, arguably, the  
20 amount in controversy. (Dkt. No. 22 ¶ 10.) So, this factor favors entry of default judgment as  
21 “defendant has made no attempt to challenge the accuracy of the allegations in the complaint.”  
22 *Landstar Ranger, Inc. v. Parth Enterprises, Inc.*, 725 F. Supp. 2d 916, 922 (C.D. Cal. 2010).  
23 Because Defendant does not contest liability for failure to pay contributions owed, this factor  
24 favors default judgment of liability for Plaintiffs.

25 **e. Excusable Neglect**

26 “This factor favors default judgment where the defendant has been properly served or the  
27 plaintiff demonstrates that the defendant is aware of the lawsuit.” *Wecosign, Inc. v. IFG Holdings,*  
28 *Inc.*, 845 F. Supp. 2d 1072, 1082 (C.D. Cal. 2012). It is unlikely there are any relevant or

1 extenuating circumstances that would deem Defendant’s failure to respond to result from  
2 excusable neglect. For example, Defendant was made aware of the amounts owed nearly a year  
3 prior to service of process. (Dkt. No. 22 ¶ 10.) In that same year, Plaintiffs’ counsel was in direct  
4 communication with Defendant regarding the balance owed, and Defendant received several  
5 demand letters for payment. (Dkt. No. 22 ¶¶ 7, 9, 11-12.) Moreover, Defendant received the  
6 original service of process, the Clerk’s Notice of Entry of Default, as well as every other pleading  
7 in the action and did not request any alternate resolution or timeline for the matter. (Dkt. No. 22 ¶  
8 17.) Therefore, this factor favors entry of default judgment.

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10 **f. Policy Favoring Decision on the Merits**

11 Because public policy favors a decision on the merits, default judgment is inherently never  
12 the preferred outcome. However, policy must be weighed as one factor among many in  
13 considering whether default judgment should be granted. This is because a “Defendant’s failure to  
14 answer Plaintiffs’ Complaint makes a decision on the merits impractical, if not impossible.”  
15 *PepsiCo, Inc.*, 238 F. Supp. 2d at 1177. Because the other *Eitel* factors favor Plaintiffs, the Court  
16 is not precluded from granting the motion for default judgment despite policy favoring a decision  
17 on the merits.

18 **g. Liability Following *Eitel* Analysis**

19 Based on the findings in the *Eitel* analysis, the Court holds that Defendant is liable for  
20 the unpaid contributions, as well as liquidated damages and interest on late payments under  
21 ERISA § 502(g)(2)(c), 29 U.S.C. § 1132(g)(2)(c). Plaintiffs would be prejudiced if default  
22 judgment were not granted, Plaintiffs alleged a meritorious and sufficient complaint, the sum of  
23 money in question is reasonable based on the circumstances, there is not a likely dispute of  
24 material fact regarding liability, and Defendant’s failure to respond is not a result of excusable  
25 neglect. In addition, Defendant does not dispute liability for these amounts, just how *much* is  
26 owed. (Dkt. No. 22 ¶ 10.) Therefore, the Court holds that Defendant is liable for the unpaid  
27 contributions, liquidated damages, and interest, but requires that Plaintiffs provide supplemental  
28 evidence explaining their calculations for damages, as discussed below.



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**D. Damages**

On a default judgment, the Court does not accept factual allegations regarding damages as true. *TeleVideo Sys., Inc*, 826 F.2d at 917 (citing *Geddes v. United Financial Group*, 559 F.2d 557, 560 (9th Cir.1977)). Instead, claimants are required to prove all damages sought in the complaint (and no more than sought in the complaint). *See* Fed. R. Civ. P. 54(c). “The district court may determine the amount of damages without an evidentiary hearing where ‘the amount claimed is a liquidated sum or capable of mathematical calculation.’” *Lasheen v. Embassy of The Arab Republic of Egypt*, 625 F. App’x 338, 341 (9th Cir. 2015) (quoting *Davis v. Fendler*, 650 F.2d 1154, 1161 (9th Cir. 1981)). Furthermore, the Court may “establish the truth of any allegation by evidence; or investigate any other matter.” including declarations and exhibits. Fed. R. Civ. P. 55(b)(2)(c). *See, e.g., Heidarpour v. Empire Cap. Funding Grp. Inc.*, No. 18-CV-00250-YGR, 2018 WL 3455809, at \*2 (N.D. Cal. July 18, 2018) (explaining the plaintiff’s complaint allegations and additional evidence supplied through declarations was still insufficient). Here, the allegations of the complaint and the evidence supplied in support of the default judgment are insufficient to support the amount of damages sought.

**a. Unpaid Contributions, Interest, and Liquidated Damages**

Plaintiffs originally sought \$35,527.83 in damages. This amount consists of unpaid contributions, interest, and liquidated damages. Plaintiffs provide a demand letter from their attorney as well as a declaration from a third-party administrator of the trust funds as evidence of their calculations. (Dkt. Nos. 20; 22 ¶ 7.) However, these documents do not contain clear guidance as to how their damages were calculated, nor do later declarations sufficiently clarify how the amount demanded was calculated. (Dkt. No. 31 ¶ 7.)

<b>Work Month</b>	<b>Unpaid Contributions</b>	<b>20% Liquidated Damages</b>	<b>10% Interest (through 9/15/22 or date paid)</b>	<b>Subtotal</b>
10/20	\$7,387.06	\$1,477.41	\$1,345.32	\$10,209.79
11/20	\$9,981.89	\$1,996.38	\$1,736.28	\$13,714.55
12/20	\$8,494.87	\$1,698.97	\$1,409.65	\$11,603.49
<b>Subtotals</b>	<b>\$25,863.82</b>	<b>\$5,172.76</b>	<b>\$4,491.25</b>	<b>\$35,527.83</b>
<b>GRAND TOTAL</b>				<b>\$35,527.83</b>

1           The chart above details the specific amounts of unpaid contributions, liquidated damages,  
2 and interest sought by Plaintiffs. (Dkt. No. 20 ¶ 10.) The unpaid contributions and 20%  
3 liquidated damages are supported. The unpaid contributions amount to \$25,862.82. (*Id.*) And,  
4 under the agreement, Plaintiffs are entitled to liquidated damages of \$250.00 per each month of  
5 delinquent payment of contributions, or 20% of the principal amount due if the delinquencies were  
6 not paid prior to the date the lawsuit was filed. (Dkt. No. 20-1 at 112-13.) The delinquencies  
7 were not paid prior to the date the lawsuit was filed, meaning Plaintiffs are entitled to 20% of the  
8 principle amount due. Plaintiffs seek \$5,172.76 in liquidated damages, which is 20% of the  
9 alleged unpaid contributions. (Dkt. No. 20 ¶ 10.) Thus, this portion of the damages is sufficiently  
10 explained.

11           But the interest calculations are unclear. According to the complaint, “[c]ontributions are  
12 due and considered delinquent if not received on the fifteenth (15th) day of the month following  
13 the month hours were worked.” (Dkt. No. 1 ¶ 11.) Plaintiffs’ supplemental declaration requesting  
14 additional interest payments through January 4, 2023 explains the ten percent interest amount was  
15 calculated by multiplying the total unpaid contributions (\$25,863.82) by ten percent which equals  
16 \$2,586.38. (Dkt. No. 31 ¶ 7.) \$2,586.38 is then divided by 365 days equal to \$7.09 of interest per  
17 day, and then multiplied by the number of days that have passed since the overdue unpaid  
18 contribution. (*Id.*) But applying that calculation to the numbers listed above yields different  
19 amounts from those listed in the chart. And that method does not follow how interest calculations  
20 are described in the agreement. (*See* Dkt. No. 20-1 at 113 (“Liquidated damages shall be added to  
21 and become a part of said amount due and unpaid and the whole thereof shall bear interest at the  
22 rate of ten percent (10%) per annum until paid.”)) Plaintiffs should file a supplemental declaration  
23 explaining all interest calculations in detail—including how their form of interest calculation  
24 complies with the statute and contract. Plaintiffs should also revise their calculations up to the  
25 present date.

26           **b. Attorneys’ Fees**

27           Plaintiffs adequately explain their request for attorneys’ fees. For example, during the  
28 period from March 1, 2021 through May 31, 2022, Matthew P. Minser of Plaintiffs’ counsel

1 (“Minser”) spent 3.7 hours on this matter, incurring \$851.00 in attorneys’ fees. (Dkt. No. 22 ¶  
2 22.) In addition, Luz E. Mendoza (“Mendoza”) of Plaintiffs’ counsel Luz E. Mendoza spent 1.8  
3 hours in this matter during the period from March 1, 2021 through May 31, 2022, incurring  
4 \$414.00 in attorneys’ fees. (Dkt. No. 22 ¶ 25.) Moreover, paralegal Melissa Huang spent 6.3  
5 hours in this matter during the period from March 1, 2021 through May 31, 2022, incurring  
6 \$850.50 in attorneys’ fees. (Dkt. No. 22 ¶ 23.) Furthermore, paralegal Alicia Wood (“Wood”) of  
7 Plaintiffs’ counsel spent seven hours in this matter during the period from March 1, 2021 through  
8 May 31, 2022, incurring \$945.00 in attorneys’ fees. (Dkt. No. 22 ¶ 24.) During this period,  
9 Plaintiffs’ counsel incurred \$570.49 in additional costs. (Dkt. No. 22 ¶ 29.) Plaintiffs’ counsel  
10 details the nature and content of hours worked. (Dkt. No. 22-1 at 14-20.) The attorneys’ fees and  
11 costs in this period total to \$3,630.99. (Dkt. No. 22 ¶ 30.)

12 Additionally, during the period from June 1, 2022 through January 4, 2023 Minser  
13 recorded that he worked eight hours on this matter, incurring \$1,840.00 (\$230.00 per hour) in  
14 attorneys’ fees. (Dkt. No. 31 ¶ 3.) In addition, Luz E. Mendoza spent 24.60 hours on this matter  
15 during the period from June 1, 2022 through January 4, 2023, incurring \$5,658.00 (\$230.00 per  
16 hour) in attorneys’ fees. (*Id.*) Moreover, Wood spent 10.30 hours in this matter during the period  
17 from June 1, 2022 through January 4, 2023, incurring \$1,363.51 (\$132.38 per hour) in attorneys’  
18 fees. (*Id.*) Plaintiffs’ counsel also incurred \$439.20 in additional costs during this period. (Dkt.  
19 No. 31 ¶ 5.) The attorneys’ fees and costs in this period total to \$9,300.71. Plaintiffs’ counsel  
20 details the nature and content of hours worked. (Dkt. No. 31-1 at 1-6.) As such, Plaintiffs  
21 adequately explain their overall attorneys’ fees and costs of \$12,931.70 which the Court finds are  
22 reasonable.

23 **CONCLUSION**

24 Plaintiffs’ service of process to Defendant was sufficient, and this Court has both subject-  
25 matter and personal jurisdiction in this case. Moreover, the *Eitel* factors weigh in favor of entering  
26 default judgment for Plaintiffs. However, Plaintiffs fail to offer sufficient explanation regarding  
27 calculation of accrued interest. For these reasons, the Court ADOPTS Magistrate Judge Cousins’  
28 Report and Recommendation and GRANTS the motion for default judgment of liability, but

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defers judgment on damages pending Plaintiffs’ supplemental submission. The supplemental damages submission shall be filed by August 15, 2023.

**IT IS SO ORDERED.**

This Order resolves Dkt. No. 33

Dated: August 1, 2023

  
JACQUELINE SCOTT CORLEY  
United States District Judge