

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

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

RPA INTERNATIONAL PTY LTD,
doing business as Nufurn Pty Ltd;
NUFURN INC; DENNIS MICHAEL
KRAWCHUK,

Plaintiffs,

vs.

COMPACT INTL INC; LEE JOHNSON,
an individual; BZ GLOBAL SDN BHD;
BZ GLOBAL HK LIMITED; CHEE
CHOON CHEAH, an individual; KOK
CHEONG SOO, an individual,

Defendants.

CHEE CHOON CHEAH, an individual;
KOK CHEONG SOO, an individual;
COMPACT INTL INC; LEE JOHNSON,
an individual; BZ GLOBAL SDN BHD;
BZ GLOBAL HK LIMITED,

Counter Claimant,

vs.

RPA INTERNATIONAL PTY LTD,
doing business as Nufurn Pty Ltd;
NUFURN INC; DENNIS MICHAEL
KRAWCHUK,

Counter Defendants.

CASE NO. 06cv1147 WQH
ORDER

HAYES, Judge:

The matter before the Court is the Motion for Relief From and/or to Alter, Amend,

1 and/or Vacate Default Judgment filed by Defendants Lee Johnson and Compact International,
2 Inc. (ECF No. 186).

3 **I. Background**

4 On May 26, 2006, Plaintiffs initiated this action by filing the Complaint. (ECF No.1).
5 The Complaint alleged that Plaintiff Dennis Michael Krawchuck owns Plaintiff RPA
6 International Pty Ltd. and Plaintiff Nufurn, Inc. (collectively “Plaintiffs”). The Complaint
7 alleged that Krawchuck is the owner of U.S. Patent No. 6, 969, 113 (“the 113 patent”), entitled
8 “Folding Chair with Metal Inserts,” which was issued to Krawchuck on November 29, 2005.
9 *Id.* at ¶ 4. The Complaint alleged that the 113 patent concerns a resin folding chair invented
10 by Krawchuck known as the “Gladiator chair.” *Id.*

11 The Complaint alleged that Lee A. Johnson is the president of Compact International,
12 Inc. (“Compact”) and Defendants Johnson and Compact infringed Plaintiffs’ patent by
13 “importing, using, offering to sell, and/or selling within the United States the resin folding
14 chairs” *Id.* at ¶¶ 26, 30. The Complaint alleged that Defendants Johnson and Compact
15 exhibited the resin folding chairs at the American Rental Association’s Rental Show in Florida
16 on February 6 through 9, 2006. The Complaint alleged that Defendants Johnson and Compact
17 purchased the resin folding chairs from Defendants BZG Global Sdn. Bhd, BZ Global Limited,
18 Chee Choon Cheah, and Kok Cheong Soo. The Complaint alleged that Plaintiff’s counsel sent
19 a cease and desist letter regarding the infringement to Defendants Johnson and Compact on
20 February 6, 2006. The Complaint asserted a claim of patent infringement against Johnson and
21 Compact and sought relief including lost profits.

22 On September 13, 2006, all of the Defendants including Johnson and Compact filed an
23 Answer to the Complaint. (Doc. No. 15). Defendants were represented by counsel from
24 Wilson Sonsini Goodrich & Rosati, PC. On October 12, 2006, counsel from Merchant &
25 Gould P.C. entered appearances on behalf of all the Defendants. (ECF Nos. 18-19). On
26 December 21, 2006, an Early Neutral Evaluation Conference was held. (ECF No. 43). On
27 January 29, 2007, a Case Management Conference was held. (ECF No. 52).

28 On April 19, 2007, Wilson Sonsini Goodrich & Rosati, PC and Merchant & Gould, PC

1 moved to withdraw as counsel for Defendants Johnson and Compact as well as others, and
2 served Defendants Johnson and Compact with the Motion. (ECF No. 65). Prior to filing the
3 Motion to Withdraw, Defendants Johnson and Compact had filed a Motion for Leave to
4 Amend the Answer and Counterclaims which was granted on May 25, 2007. (ECF No. 72).
5 In the order granting the Motion for Leave to Amend, the Court stated: “No later than ten days
6 from the date of this Order, the Compact Defendants shall file the ‘Amended Answer,
7 Affirmative Defenses and Counterclaims,’... After the filing of the ‘Amended Answer,
8 Affirmative Defenses and Counterclaims,’ the Court will rule on the pending Motion to
9 Withdraw.” *Id.* at 9.

10 On May 31, 2007, the Court granted the Motion to Withdraw and gave the corporate
11 defendants thirty days to obtain new counsel. (ECF No. 76). The order stated:

12 Pursuant to Local Civil Rule 83.3(k) and federal common law,
13 ‘[c]orporations and other unincorporated associations must appear in
14 court through an attorney.’ *D-Beam Ltd. P’ship v. Roller Derby Skates,*
15 *Inc.*, 366 F.3d 972, 973-74 (9th Cir. 2004); *see also United States v.*
16 *High Country Broad. Co.*, 3 F.3d 1244, 1245 (9th Cir. 1993).
17 Accordingly, Defendants Compact International, Inc., BZ Global Sdn.
18 Bhd., and BZ Global (H.K.) Limited are HEREBY NOTIFIED that
they have 30 days from the date this order is filed to obtain new counsel
and have counsel file a notice of appearance. Defendants Compact
International, Inc., BZ Global Sdn. Bhd., and BZ Global (H.K.) Limited
are also notified that if they fail to obtain new counsel and have counsel
file a notice of appearance, they may be subject to default proceedings.
See High Country Broadcasting, 3 F.3d at 1245.

19 *Id.* at 2-3. The Court ordered the Clerk of the Court to mail a copy of the order to Defendants
20 Johnson and Compact. The corporate defendants failed to obtain new counsel.

21 On July 31, 2007, Plaintiffs filed a Motion for Default Judgment against the corporate
22 defendants including Defendant Compact. (ECF No. 83). Plaintiffs served Defendants
23 Johnson and Compact with the Motion. Defendant Compact did not appear or file an
24 opposition to the motion. On October 17, 2007, this Court entered default against Defendant
25 Compact for failure to obtain new counsel but declined to enter default judgment stating:

26 On May 31, 2007, the Court ordered the Corporate Defendants to
27 obtain new counsel and have the new counsel file a notice of
28 appearance by July 7, 2007. The record shows that the Corporate
Defendants have not filed a notice of appearance through counsel.
The Court finds that the Corporate Defendants have failed to comply
with the Court’s May 31, 2007 Order and have failed to otherwise

1 defend. Therefore, the Court directs entry of default against the
2 Corporate Defendants in accordance with Rule 55(a) of the Federal
Rules of Civil Procedure.

3 The Court finds that a default judgment against the Corporate
4 Defendants is not appropriate at this stage of the proceedings. No
damages have been established and there are claims proceeding against
the remaining defendants.

5 IT IS HEREBY ORDERED that the Motion for Default
6 Judgment against Corporate Defendants for failing to comply with the
Court's May 31, 2007 Order (Doc. # 83) is DENIED at this stage. The
7 Court directs entry of the Corporate Defendants' DEFAULT pursuant
to Rule 55(a) of the Federal Rules of Civil Procedure.

8 (ECF No. 98). On October 19, 2007, the Clerk of the Court entered default against Defendant
9 Compact. (ECF No. 99).

10 Plaintiffs had also served discovery requests on the individual defendants including
11 Defendant Johnson and, after receiving no response, filed a Motion to Compel Defendants'
12 Response to Plaintiffs' Written Discovery Requests Pursuant to Fed. R. Civ. P. 37. (ECF No.
13 84). Plaintiffs requested an order including "a warning that if the Defendants do not comply
14 with the Court's Order, then Defendants will be subject to sanctions, which may include,
15 among other sanctions, an order rendering a judgment of default" (ECF No. 84 at 3).
16 Plaintiffs served Defendants Johnson and Compact with the Motion. The Magistrate Judge
17 granted the Motion stating:

18 Individual defendants Chee Choon Cheah and Lee A. Johnson shall
19 completely respond to Plaintiffs' First Set of Interrogatories and
produce all documents responsive to Plaintiffs' First Set of Document
Requests on or before September 25, 2007.

20 Defendants' Cheah and Johnson are warned that failure to
21 comply with this order will result in this Court recommending to the
district judge that Defendants' Cheah and Johnson actions manifest the
22 requisite fault justifying Defendants' Cheah and Johnson answer be
stricken and default judgment be entered pursuant to Fed. Rules Civ.
23 Proc. Rule 37(d). *Sigliano v. Mendoza*, 642 F.2d 309 (9th Cir. 1981)
(A party's repeated failure to comply with discovery requests and
24 district court orders manifested the requisite fault and fully justified
district court's imposition of sanction of case terminating sanctions.).

25 (ECF No. 89). Approximately three weeks later, Plaintiffs filed a Supplemental Document
26 stating that Defendants Cheah and Johnson had failed to comply with the Magistrate Judge's
27 Order. (ECF No. 93). Plaintiffs served Defendants Johnson and Compact with the
28 Supplemental Document. Plaintiffs submitted the Declaration of Amanda L. Lowerre,
Plaintiffs' counsel, which stated that on September 12, 2007, Plaintiffs had served Defendants

1 Johnson and Compact with the Magistrate Judge's Order as well as a letter stating that
2 Plaintiffs "will seek a default judgment against you as individuals ... should you continue to
3 be unresponsive to discovery." (ECF No. 94-1 at 3). On November 2, 2007, the Magistrate
4 Judge issued a Report and Recommendation stating:

5 Defendants Cheah and Johnson were warned in the September 10, 2007
6 Order, that failure to comply with that Order would result in this Court
7 recommending to the district judge that Defendant's Cheah and
8 Johnson's Answers be stricken and default judgments be entered.
9 Defendants, Cheah and Johnson's repeated failure to comply with the
10 rules of discovery or court orders enforcing such rules and flagrant
11 disregard of those rules and this Court's orders are evidenced by: 1)
12 Defendants' failure to appear at the Case Management Conference on
13 August 1, 2007; and 2) Defendants' failure to comply with this Court's
14 Order of September 10, 2007, to respond in any way, or participate in
15 the instant case. These actions on behalf of Defendants' Cheah and
16 Johnson manifest the requisite fault to fully justify this Court's
17 recommendation that case terminating sanctions be imposed. *G-K*
18 *Properties v. Redevelopment Agency of City of San Jose*, 577 F.2d 645
19 (9th Cir. 1978); *Sigliano v. Mendoza*, 642 F.2d 309 (9th Cir.
20 1981)(stating that where the drastic sanctions of dismissal or default
21 are imposed for failure to comply with discovery request, the losing
22 party's noncompliance must be due to willfulness, fault or bad faith).

...

23 This report and recommendation will be submitted to the United States
24 District Judge assigned to this case, pursuant to the provisions of 28
25 U.S.C. §636(b)(1). Written objections must be filed with the court and
26 a copy served on all parties by November 12, 2007. The document
27 should be captioned 'Objections to Report and Recommendation.' Any
28 reply to the objections shall be served and filed by November 26, 2007.
The parties are advised that failure to file objections within the
specified time may waive the right to raise those objections on appeal
of the Court's order. *Martinez v. Ylst*, 951 F.2d 1153 (9th Cir. 1991).

(ECF No. 100 at 2-3).

21 On January 31, 2008, this Court adopted the Report and Recommendation and entered
22 default against Defendant Johnson stating:

23 The Court has reviewed the entire record and concludes that the
24 Magistrate Judge correctly determined that the imposition of sanctions
25 against Cheah and Johnson for their failure to comply with the Order
26 Granting the Motion to Compel is appropriate. The Court concludes
27 that the Magistrate Judge correctly determined that default judgment is
28 not appropriate at this stage of the proceedings because there are claims
proceeding against remaining Defendant Kok Cheong Soo. *See [Frow*
v. De La Vega, 82 U.S. 552, 554 (1872)]. Although default judgment
is not appropriate at this time, the Court concludes that the Magistrate
Judge correctly determined that the entry of default against Cheah and
Johnson is an appropriate sanction given Cheah and Johnson's
disregard of the Order Granting the Motion to Compel, which contained

1 explicit warning that failure to comply with the Order would result in
2 a recommendation to this Court that 'Cheah and Johnson's Answers be
stricken and default judgments be entered.'

3 (ECF No. 110 at 6).

4 On April 27, 2010, Plaintiffs filed a Motion for Default Judgment in the amount of
5 \$51,202.00 against Defendants Johnson and Compact along with the Declaration of Lowerre
6 which stated that she had served Defendants Johnson and Compact. (ECF Nos. 172; 172-2 at
7 2). On August 11, 2010, the Court granted Plaintiffs' Motion for Default Judgment. (ECF No.
8 174). With regard to damages against Defendants Johnson and Compact the Court stated:

9 In support of its request for damages, Plaintiffs submitted the
10 Declaration of Dennis M. Krawchuk, who states that prior to
11 Defendants' infringement, Plaintiffs received approximately \$19.25 in
12 profit per chair sold. (Doc. # 172-3 at 2). Krawchuk explains how he
13 arrived at that figure, describing in detail the cost per chair of
14 production and shipping and subtracting these costs from the price
15 Plaintiffs receive per chair. *Id.* at 2-5. Business records attached to
16 Krawchuk's declaration confirm the numbers Krawchuk uses. *See*
17 Doc. # 172-3, Ex. 1-6. Plaintiffs also submitted the declaration of
18 Plaintiffs' Counsel, Merrit Blakeslee, who states that shipment records
19 show that Compact International shipped 532 cartons of infringing
20 chairs which each contain five chairs, for a total of 2,660 chairs. (Doc.
21 # 172-4 at 2). The shipment records which are attached to the
22 declaration confirm those figures. *See* Doc. # 172-4, Ex. 1- 5.

23 *Id.* at 7-8.

24 On February 7, 2011, the Court entered final judgment stating in part: "Judgment is
25 rendered in favor of Plaintiffs and against Defendant Compact International and Defendant Lee
26 A. Johnson, jointly and severally, in the amount of \$51,205 for compensatory damages for
27 infringement of the '113 patent under Count I of the Complaint." (ECF No. 184 at 2).

28 On May 20, 2011, Defendants Johnson and Compact filed a Motion for Relief From
and/or to Alter, Amend, and/or Vacate Default Judgment. (ECF No. 186). On May 27, 2011,
Defendant Lee Johnson filed a Supplemental Declaration. (ECF No. 187). On June 27, 2011,
Plaintiffs filed an Opposition. (ECF No. 192).

29 **II. Discussion**

30 Defendants Johnson and Compact seek to alter or amend the judgment against them
31 pursuant to Federal Rule of Civil Procedure 59. Plaintiffs contend that the motion is untimely.

32 Federal Rule of Civil Procedure 59 provides: "A motion to alter or amend a judgment

1 must be filed no later than 28 days after the entry of the judgment.” Fed. R. Civ. P. 59(e). The
2 district court may not extend the time for filing a Rule 59 motion and may not consider an
3 untimely motion. *See Harman v. Harper*, 7 F.3d 1455, 1458 (9th Cir. 1993); *Carter v. United*
4 *States*, 973 F.2d 1479, 1488 (9th Cir. 1992). In this case, final judgment was rendered against
5 Defendants Johnson and Compact on February 7, 2011. The current motion was filed over 28
6 days later on May 20, 2011. The Court finds that the Rule 59 Motion is not timely. The Court
7 concludes that Defendants Johnson and Compact are not entitled to relief under Rule 59.

8 Defendants Johnson and Compact seek to “vacate, set aside, alter, and/or amend the
9 defaults entered in or about 2007/2008 and the default judgment against Defendants on or
10 about February 7, 2011” pursuant to Federal Rule of Civil Procedure 60. (ECF No. 186 at
11 2). Defendants Johnson and Compact contend that “judgment was entered a result of surprise,
12 excusable mistake, inadvertence and/or neglect and/or error of law, that good cause exists
13 therefore and that such relief would be in the interest of justice.” *Id.* Defendants contend that
14 “[a] fundamental miscarriage of justice has occurred, at least as to Johnson.” (ECF No. 186-1
15 at 2).

16 Federal Rule of Civil Procedure 60 regarding relief from a judgment provides: “On
17 motion and just terms, the court may relieve a party ... from a final judgment, order, or
18 proceeding for the following reasons: (1) mistake, inadvertence, surprise, or excusable
19 neglect.... ” Fed. R. Civ. P. 60(b)(1). “The ‘good cause’ standard that governs vacating an
20 entry of default under Rule 55(c) is the same standard that governs vacating a default judgment
21 under Rule 60(b).” *Franchise Holding II, LLC v. Huntington Restaurants Group, Inc.*, 375
22 F.3d 922, 925 (9th Cir. 2004). Three factors are relevant when considering whether to vacate
23 or alter judgment: (1) whether the defaulting party engaged in culpable conduct, (2) whether
24 the defaulting party has a meritorious defense, and (3) whether setting aside the entry of default
25 would prejudice the Plaintiff. *Franchise Holding II, LLC*, 375 F.3d at 926. “This tripartite test
26 is disjunctive. Hence, a finding that the plaintiff will be prejudiced, or that the defendant lacks
27 a meritorious defense, or that the defendant’s own culpable conduct prompted the default is
28 sufficient to justify the district court’s refusal to vacate a default judgment.” *Cassidy v.*

1 *Tenorio*, 856 F.2d 1412, 1415 (9th Cir. 1988) (citations omitted); *see also American Ass'n of*
2 *Naturopathic Physicians v. Hayhurst*, 227 F.3d 1104, 1108 (9th Cir. 2000). The defaulting
3 party bears the burden of showing that any of these factors favor setting aside the default
4 judgment. *Franchise Holding II, LLC*, 375 F.3d at 926.

5 Defendant Johnson has submitted a declaration which states that “Mr. Soo ... arranged
6 for a defense to be provided to [him] and Compact by lawyers representing him and his
7 company in this action. However, Mr. Soo apparently failed to pay such lawyers” (ECF
8 No. 186-2 at 2). Defendant Johnson states: “I frankly did not really understand the legal
9 proceedings against me and Compact or what was required ..., felt overwhelmed by them,
10 believed that Plaintiff was proceeding primarily against Mr. Soo and other Defendants, and did
11 not know how to represent myself or for Compact to represent itself in this action, nor was I
12 able to obtain counsel to represent us.” *Id.* at 2-3. Defendant Johnson states that he “just
13 learned about this default judgment” in early May 2011. *Id.* at 3.

14 Plaintiffs contend that Defendants are “sophisticated businessmen, and they had ample
15 notice of proceedings against them,” but Defendants “studiously failed to respect the authority
16 of this Court and its procedures for the past five years, and now that Plaintiffs have finally
17 achieved its long-sought final relief [the] Compact Defendants seek to ... obtain the Court’s
18 assistance.” (ECF No. 189 at 2). Plaintiffs contend that Defendants Johnson and Compact
19 received notice of this action and participated in it which weighs against a finding of excusable
20 neglect and weighs in favor of a finding of culpable conduct.

21 Plaintiffs have submitted the declaration of Merritt R. Blakeslee, counsel for Plaintiffs
22 who states that he exchanged correspondence with Defendant Johnson in April and May 2010
23 and has attached the correspondence as exhibits to his declaration. A letter dated April 2,
24 2010, from Blakeslee to Defendant Johnson states:

25 Nufurn brought suit for patent infringement against BZ Global, its
26 Malaysian affiliate, their principals, and two California importers –
27 including you and Compact International – in the U.S. District Court
28 for the Southern District of California. Since then, every defendant but
one has either defaulted or settled with Nufurn. You and Compact
have defaulted and thus have given up your right to defend this
action....

[T]he court has definitively and conclusively rejected every one

1 of the defenses and counterclaims put forward by Mr. Soo, and the
2 liability phase of the litigation has ended with the court finding Mr.
3 Soo liable for the willful infringement of Nufurn's patent. I am
4 attaching a copy of the court's decision. At present, the court is
5 preparing to hear plaintiff's case on damages – monetary payment and
6 an injunction. ...

7 In the damages phase, the court will determine the additional
8 amounts that you owe to Mr. Krawchuk in connection with the resin
9 chairs that you imported.

10 In other words, the case is entering its final stage, and Nufurn
11 will shortly be turning its attention to seeking relief against you and
12 Compact International for your violation of Nufurn's intellectual
13 property rights. Accordingly, you must now decide whether to seek to
14 resolve the matter through settlement or to face further legal
15 proceedings to collect the amount adjudged by the court to be owed to
16 Mr. Krawchuk.

17 (ECF No. 192-1 at 10-11).

18 Plaintiffs have submitted a letter dated April 13, 2010, from Defendant Johnson to
19 Blakeslee which states: "This will acknowledge receipt of your letter dated April 2, 2010
20 together with the Order of the Court Case Number 06cv1147WQH(AJB)... [I] failed to
21 answer; and thus, I gave up my right to defend this action." *Id.* at 13. Plaintiffs have submitted
22 a letter dated May 6, 2010, from Blakeslee to Defendant Johnson which states: "[O]n April 27,
23 2010 Nufurn filed a motion with the court asking it to award monetary damages jointly and
24 severally against the defaulted defendants – which include you and Compact International –
25 in the amount of \$51,205.00." *Id.* at 15.

26 The issue of excusable neglect "largely overlaps" with the issue of culpability.
27 *Franchise Holding II, LLC*, 375 F.3d at 927 (quotation omitted) ("'[G]ood cause' is typically
28 enough to demonstrate 'excusable neglect,' [therefore] no reason exists to analyze these criteria
separately."). "Excusable neglect is an equitable concept that takes account of factors such as
prejudice, the length of the delay and impact on judicial proceedings, the reason for the delay,
including whether it was within the reasonable control of the movant, and whether the movant
acted in good faith." *Franchise Holding II, LLC*, 375 F.3d at 927 (quotation omitted); *see also*
Laurino v. Syringa General Hosp., 279 F.3d 750, 753 (9th Cir. 2002). Although a court
considers each factor, "inadvertence, ignorance of the rules, or mistakes construing the rules
do not usually constitute 'excusable neglect.'" *Pioneer Inv. Services Co. v. Brunswick*
Associates Ltd. Partnership, 507 U.S. 380, 392 (1993); *see also Engleson v. Burlington*

1 *Northern R. Co.*, 972 F.2d 1038, 1043-44 (9th Cir. 1992). Likewise, a defendant's conduct
2 may be "culpable if he has received actual or constructive notice of the filing of the action" and
3 fails to respond. *Meadows v. Dominican Republic*, 817 F.2d 517, 521 (9th Cir. 1987) (citations
4 omitted). The court may also consider whether the defaulting party acted intentionally or
5 deliberately; whether the party can offer a credible, good faith explanation negating any
6 intention to take advantage of the opposing party, interfere with judicial decision making, or
7 otherwise manipulate the legal process; and whether the party is familiar with legal processes
8 or has consulted with lawyers. *TCI Group Life Ins. Plan v. Knoebber*, 244 F.3d 691, 697 (9th
9 Cir. 2001).

10 In this case, Defendants Johnson and Compact had actual notice of this action and
11 participated in this action through counsel for almost one year. Defendants Johnson and
12 Compact were served with the motion to withdraw, the Court's order granting counsel's motion
13 to withdraw and warning that Defendant Compact's failure to secure new counsel may result
14 in default proceedings, the motion for entry of default against Defendant Compact, the motion
15 to compel discovery responses from Defendant Johnson, the Magistrate Judge's order warning
16 that failure to respond would result in a recommendation of case terminating sanctions, the
17 motion for entry of default against Defendant Johnson, and the motion for default judgment
18 seeking damages in the amount of \$51,202.00 from Defendants Johnson and Compact.

19 The Clerk of the Court entered default against Defendant Compact on October 19, 2007.
20 Defendant Compact failed to appear or oppose the entry of default against it for the next three
21 and a half years. On January 31, 2008, the Court entered default against Defendant Johnson.
22 Defendant Johnson failed to appear or oppose the entry of default against it for the next three
23 years. On February 7, 2011, final judgment was rendered. Defendants Johnson and Compact
24 did not file the current motion seeking to vacate or alter the judgment until over three months
25 later, after Plaintiffs attempted to collect.

26 The Court finds that the actual notice of this action and early participation in this case
27 by Defendants Johnson and Compact weighs against a finding of excusable neglect. The facts
28 of this case show that Defendants had notice of the entries of default and motion for default


1 judgment against them. The Court finds Defendants Johnson and Compact's over three year
2 delay in opposing the entries of default against them and over three month delay in opposing
3 the final judgment entered against them was lengthy, impacted the course of these proceedings,
4 and was within the control of Defendants Johnson and Compact. The Court finds that
5 Defendant Johnson and Compact have failed to present a credible, good faith explanation for
6 their failure to participate in this case.

7 The Court concludes that Defendant Johnson and Compact's culpable conduct led to
8 the entries of default and final judgment against them. The Court concludes that the entries
9 of default and final judgment was not the result of excusable neglect. The Court concludes that
10 Defendants Johnson and Compact have not demonstrated that there is good cause to vacate or
11 alter the judgment.

12 **III. Conclusion**

13 IT IS HEREBY ORDERED that Motion for Relief From and/or to Alter, Amend, and/or
14 Vacate Default Judgment (ECF No. 186) filed by Defendants Lee Johnson and Compact
15 International, Inc. is DENIED.

16 DATED: September 21, 2011

17 
18 **WILLIAM Q. HAYES**
19 United States District Judge

20
21
22
23
24
25
26
27
28