

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

COLUMBUS LTACH MANAGEMENT, LLC
and COLUMBUS LTACH, LLC,

Plaintiffs,

v.

QUANTUM LTACH HOLDINGS, LLC and
QUANTUM INTERNATIONAL INCOME
CORP.,

Defendants.

Civil Action No. 16-6510

ORDER

John Michael Vazquez, U.S.D.J.

This matter comes before the Court by way of Plaintiffs' unopposed motion for default judgment as to Defendant Quantum LTACH Holdings, LLC (D.E. 21); and it further

APPEARING that two of the remaining Defendants, Quantum International Income Corporation and Manu Sekhri, have filed a pending motion to dismiss (D.E. 13) Plaintiffs' Amended Complaint;¹ and it further

APPEARING that Plaintiffs have alleged that Defendant Quantum LTACH Holdings, LLC is "nothing more than the alter[.]ego" of Defendant Quantum International Income Corporation (D.E. 9 at ¶ 9); and it further

APPEARING that "[i]f a default is entered against some defendants in a multi-party case, the preferred practice is for the court to withhold granting default judgment until the action is

¹ Grant White also remains a co-Defendant in this matter. Plaintiffs have not moved for default against Mr. White. Mr. White also has not answered or moved to dismiss Plaintiffs' Amended Complaint.

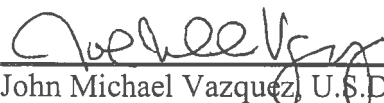
resolved on its merits against the non-defaulting defendants.” *Animal Science Prods., Inc. v. China Nat’l Metals & Minerals Import & Export Corp.*, 596 F. Supp. 2d 842, 849 (D.N.J. 2008); *see also* 10A Charles A. Wright et al, Fed. Prac. & Proc. § 2690 (3d ed. 2015) (when several defendants have closely related defenses “entry of judgment also should await an adjudication of the liability of nondefaulting defendants”). This is because courts do not want to “create the risk of potentially inconsistent judgments.” *Eteam, Inc. v. Hilton Worldwide Holdings, Inc.*, 2016 WL 54676, at *3 (D.N.J. Jan. 5, 2016) (denying motion for default judgment where allegations against defaulting and non-defaulting defendants were identical).

As Plaintiffs’ motion for default judgment only applies to Defendant Quantum LTACH Holdings, LLC, the Court in keeping with the preferred practice of this District will not grant default judgment² until the action is resolved as to the remaining Defendants.

For the foregoing reasons, and for good cause shown,

IT IS on this 20th day of February, 2018, hereby

ORDERED that Plaintiffs’ motion for default judgment as to Defendant Quantum LTACH Holdings, LLC (D.E. 21) is **DENIED** without prejudice.



John Michael Vazquez, U.S.D.J.

² To be clear, the Court is not indicating that it will necessarily enter default judgment once the matter is resolved as to all remaining Defendants. Instead, the Court is indicating that it will not consider such a motion until that time.