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7 UNITED STATES DISTRICT COURT  
8 WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

10 LLOYD SHUGART, dba CLASSIC  
11 YACHT SYSTEMS,

12 Plaintiff,

13 v.

14 GYPSY Official No. 251715, its  
15 Engines, Machinery, Appurtenances,  
16 etc.,  
17 *In Rem*;

18 And

19 MARC FLEMING,  
20 *In Personam*,

21 Defendants.

Case No. C14-1923RSM

FINDINGS OF FACT AND  
CONCLUSIONS OF LAW

22 **I. INTRODUCTION**

23 This case is before the Court on Plaintiff Lloyd Shugart's remaining claims against  
24 Defendants Gypsy (*in rem*) and Marc Fleming. On January 4, 2016, the Court granted partial  
25 summary judgment to Mr. Shugart on certain contract claims. Dkt. #63. The full background  
26 of this case is contained in that same Order, Dkt. #63, and need not be repeated.

27 Subsequent to that Order, the parties resolved Defendants' remaining conversion  
28 counterclaim. Dkt. #69 at 2. Thus the issues remaining for trial were 1) whether the parties

FINDINGS OF FACT AND CONCLUSIONS OF LAW - 1

1 agreed to a 40% markup on parts if Mr. Shugart's final invoice was not paid in full within 30  
2 days, 2) whether Mr. Shugart had satisfied the necessary elements for a maritime lien for  
3 necessities, and 3) whether Defendant Marc Fleming breached the maritime contract by failing  
4 to pay the 40% markup on parts totaling \$8,360.23. Dkt. #69 at 5. A one-day bench trial was  
5 held on February 22, 2016. At the conclusion of the trial, the Court issued its oral ruling in  
6 favor of Defendants, finding that Mr. Shugart had failed to meet his burden of proof.  
7

## 8 **II. FINDINGS OF FACT**

9 The following findings of fact are based upon a preponderance of the evidence  
10 presented at trial.

- 11 1. The Court incorporates by reference the "Admitted Facts" contained in the Agreed  
12 Pretrial Order. *See* Dkt #69 at 2-5.
- 13 2. On October 18, 2013, the parties first met in person to discuss electrical work that  
14 needed to be performed on the vessel Gypsy. In this meeting, Mr. Shugart informed  
15 Mr. Fleming that he charged for parts upfront at wholesale prices.
- 16 3. On November 12, 2013, Mr. Shugart wrote in an email to Mr. Fleming "I don't mark-up  
17 parts" in an effort to explain why he needed to be paid upfront for parts.  
18
- 19 4. On December 30, 2013, Mr. Shugart wrote in an email to Mr. Fleming "[b]ecause I give  
20 you parts without a mark-up that represents a savings of about \$2,500.00 dollars (sic) to  
21 you."  
22
- 23 5. On June 6, 2014, three days after Mr. Fleming terminated the contract with Mr. Shugart,  
24 Mr. Shugart wrote in an email to Mr. Fleming "[a]s per our agreement, I have provided  
25 for a discount on parts markup as long as the invoice is paid 30 days net." This is the  
26 first written mention of a markup on parts if the invoice was not paid within 30 days.  
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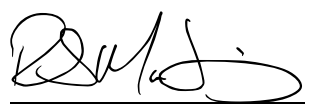
### III. CONCLUSIONS OF LAW

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2 1. To recover damages for breach of a maritime contract, “a plaintiff must prove (1) the  
3 terms of a maritime contract; (2) that the contract was breached; and (3) the reasonable  
4 value of the purported damages.” *Sweet Pea Marine, Ltd. v. APJ Marine, Inc.*, 411 F.3d  
5 1242, 1249 (11th Cir. 2005) (citing *Exxon Corp. v. Cent. Gulf Lines, Inc.*, 500 U.S. 603,  
6 605-06, 111 S.Ct. 2071 (1991)).
- 7  
8 2. Mr. Shugart testified that he informed Mr. Fleming at their initial October 18, 2013,  
9 meeting of his policy of charging a 40% markup on parts if the final invoice was not  
10 paid within 30 days. Mr. Fleming testified that this was not mentioned in any  
11 discussion before work began. Mr. Fleming testified that he was not aware of this  
12 contract term until he read the June 6, 2014, email from Mr. Shugart. The Court finds  
13 Mr. Fleming’s testimony to be credible.
- 14  
15 3. Given the credibility finding above, and the fact that there is no written mention of a  
16 markup for parts until after the contract between the parties was terminated by Mr.  
17 Fleming, Mr. Shugart has failed to meet his burden of proving that the 40% markup on  
18 parts was a term of the maritime contract at issue.
- 19  
20 4. Given that Mr. Shugart has failed to prove the existence of a 40% markup on parts as a  
21 term of the contract, the Court need not address the issues of breach, damages, or  
22 whether Mr. Shugart has satisfied the necessary elements for a maritime lien on those  
23 damages.
- 24  
25 5. Having fully considered the evidence presented at trial, the exhibits admitted into  
26 evidence, and the argument of counsel, and being fully advised, the Court finds in favor  
27 of Defendants. This matter is now CLOSED.
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It is so ORDERED.

DATED this 23 day of February, 2016.



RICARDO S. MARTINEZ  
CHIEF UNITED STATES DISTRICT JUDGE