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7 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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9 ALLSTATE INSURANCE CO., *et al.*,

10 Plaintiffs,

11 v.

12 LIGHTHOUSE LAW P.S. INC., *et al.*,

13 Defendants.

NO. C15-1976RSL

AMENDED ORDER GRANTING
DEFAULT JUDGMENT

14 This matter comes before the Court on plaintiffs' "Motion for Entry of Default
15 Judgment." Dkt. # 105. Having reviewed the motion and the supporting materials, the Court
16 finds as follows.

17 The default entered in the above-captioned matter has established the well-pleaded
18 allegations of the amended complaint pertaining to liability. Dkt. # 84. Defendants' default
19 cannot be attributed to excusable neglect, as they were properly served with the amended
20 complaint in October 2016, Dkt. ## 78, 79, 80, and defendant Seok Bae "Mike" Seo appeared
21 for two separate depositions in this case, in July 2016 and November 2016, Dkt. # 90-2 at 40-50.
22 In this second deposition, Mr. Seo acknowledged that he and his wife, defendant Lee Ok Mi,
23 were both aware of the lawsuit against them. Dkt. # 90-2 at 48. Though a large sum of money is
24 at stake in this action – plaintiffs have provided documentation supporting over \$1 million in
25 damages resulting from fraudulent claims submitted by the sham law firm, defendant Lighthouse
26 Law, P.S., Inc., see Dkt. # 107-1 – defendants were on notice from October 2016 that they might
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28 AMENDED ORDER GRANTING DEFAULT JUDGMENT - 1

1 be held jointly and severally liable for damages of at least \$600,000, the amount stated in the
2 amended complaint. Dkt. # 52 at 26, 27. Despite the strong policy favoring decisions on the
3 merits, it appears in this case that defendants Seo, Mi, and their company, defendant Hanna &
4 Dooree (H&D) Corporation, simply chose not to appear to defend against this suit. Default
5 judgment in favor of plaintiffs and against defendant is therefore appropriate. See Eitel v.
6 McCool, 782 F.2d 1470, 1471–72 (9th Cir. 1986).

7 Plaintiffs have not, however, shown that the full damages amount of \$600,000 should be
8 awarded against these defendants. Though defendant Seo admitted to participating in the
9 trafficking of insurance claims through the sham law firm, defendant Lighthouse Law, P.S., Inc.,
10 see Dkt. # 90-2 at 48, plaintiffs have not shown that *all* of the fraudulent claims underlying their
11 losses are attributable to the “capping” work of defendant Seo: indeed, plaintiffs have alleged
12 that Lighthouse compensated a number of different “cappers” for referring clients to the law
13 firm. Dkt. # 52, ¶¶ 53–57; see also Dkt. # 90-3 at 26. Plaintiffs have alleged that defendants
14 Seo, Mi, and H&D Corporation received approximately \$91,712.57 in compensation for
15 defendant Seo’s work referring clients to Lighthouse Law. Dkt. # 52, ¶¶ 39(b), 40(b), 63.
16 Accordingly, the Court concludes that a damages award of \$91,712.57 is appropriate. Because
17 treble damage awards under RCW 19.86.090 are capped at \$25,000, the Court declines to award
18 treble damages.

19 Moreover, plaintiffs have not shown that these defendants should bear the full cost of
20 plaintiffs’ attorney’s fees, costs, and expert expenses (\$319,975 in fees; \$4,081.94 in costs;
21 \$27,447.30 in expert expenses): these defendants were first named as defendants on August 17,
22 2016; they were served on October 19, 2016; and default was entered against them on November
23 14, 2016. Before, during, and after this time period, other defendants were actively litigating
24 this case, and the vast majority of plaintiffs’ fees, costs, and expenses were incurred in the
25 course of that litigation. Accordingly, based on a review of plaintiffs’ counsel’s billing
26 statements and the rest of the docket in this matter, the Court finds that an award of \$19,485 in
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1 attorney's fees and costs is reasonable.¹

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3 It is hereby **ORDERED** that default judgment is entered against Seok Bae "Mike" Seo,
4 Lee Ok Mi, and Hanna & Dooree Corporation in the amount of \$91,712.57 in damages, plus
5 attorney's fees and costs of \$19,485, for a total amount owing of \$111,197.57.

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7 **IT IS FURTHER ORDERED** that this Judgment shall accrue interest on the total
8 unpaid balance at the rate of 6 percent (6%) per annum² from the date of entry hereof until fully
9 paid.

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11 For all of the foregoing reasons, plaintiffs' motion for default judgment (Dkt. # 105) is
12 GRANTED. The Clerk of Court shall enter judgment in favor of plaintiffs and against
13 defendants as described above.

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15 SO ORDERED this 2nd day of May, 2017.

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18 Robert S. Lasnik
19 United States District Judge

20 ¹ This sum represents attorney's fees and costs incurred for tasks specifically related to
21 plaintiffs' claims against defendants Seo, Mi, and H&D Corp. See Dkt. # 106-2 at 143 to Dkt. # 106-3
22 at 116. Fees and costs incurred following entry of default against those defendants are not included,
23 except for those fees and costs incurred in preparing this motion for default judgment. See Dkt. # 106-4
24 at 19-29.

25 ² After the Court entered default judgment with a post-judgment rate of interest of 0.12%, Dkt.
26 # 108, plaintiffs moved for clarification of the rate of interest, pointing out that the rate in their proposed
27 order was 12%, not 0.12%. See Dkt. # 105-1 at 2. No other post-judgment interest rate was discussed
28 in the moving papers. The Court hereby amends the rate of interest to 6% per annum, the rate
authorized by statute for interest on judgments founded on the tortious conduct of individuals. See
RCW 4.56.110(3)(b).