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|----|--|---------------------------|---------------------------------------|--|--|--|
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| 6 | Attorneys for Defendants, Counter-Claiman | ts | | | | |
| 7 | JB COLLISION SERVICES, INC. dba J&M AUTOBODY dba EL DORADO | | | | | |
| 8 | COLLISION; JJT, INC. dba JOHN'S | | | | | |
| 9 | COLLISION CENTER; and JOHN TYCZK | 1 | | | | |
| 10 | UNITED STATES DISTRICT COURT | | | | | |
| 11 | SOUTHERN DISTRICT OF CALIFORNIA | | | | | |
| 12 | THE SHERWIN-WILLIAMS | Case No.: 13-CV | V-1946 LAB (WVG) | | | |
| 13 | COMPANY, f/k/a SHERWIN-WILLIAMS AUTOMOTIVE FINISHES CORP., | | <u>th:</u> V-1947 LAB (WVG) | | | |
| 14 | Plaintiff, | r | | | | |
| 15 | vs. | DEFENDANTS APPLICATION | <i>' EX PARTE</i> N FOR STAY OF | | | |
| 16 | JB COLLISION SERVICES, INC., dba | EXECUTION | | | | |
| 17 | J&M AUTOBODY, and d/b/a EL DORADO COLLISION; and DOES 1 | | | | | |
| 18 | through 10, inclusive, | Hearing Date: | N/A | | | |
| 19 | Defendants. | Time: Courtroom: | N/A 14A | | | |
| 20 | AND RELATED CROSS-ACTIONS | Judge: | Hon. Larry A. Burns | | | |
| 21 | THE SHERWIN-WILLIAMS COMPANY, d/b/a SHERWIN- |) | | | | |
| 22 | WILLIAMS AUTOMOTIVE FINISHES, |) | | | | |
| 23 | Plaintiff, | · | | | | |
| 24 | vs. | , | | | | |
| 25 | JJT, INC. d/b/a JOHN'S COLLISION |) } | | | | |
| 26 | CENTER; JOHN TYCZKI, and individual; and DOES 1 through 10, inclusive, |) | | | | |
| 27 | Defendants. |) | | | | |
| 28 | AND RELATED CROSS-ACTIONS | | | | | |
| | | | | | | |

DEFENDANTS' *EX PARTE* APPLICATION FOR STAY OF EXECUTION CASE NO. 13-CV-1946 LAB (WVG) CASE NO. 13-CV-1947 LAB (WVG)

CORP.'s

1 In light of Plaintiff, Counter-Defendant THE SHERWIN-WILLIAMS 2 COMPANY, f/k/a SHERWIN-WILLIAMS AUTOMOTIVE FINISHES ("Plaintiff") statements in its Reply in Support of its' Ex Parte Application to Stay 3 Execution ("Reply") [Dkt. 290], Defendants, Counter-Claimants JB COLLISION 4 5 SERVICES, INC. dba J&M AUTOBODY dba EL DORADO COLLISION; JJT, INC. dba JOHN'S COLLISION CENTER; and JOHN TYCZKI ("Defendants") are forced to 6 7 file the instant Ex Parte Application to affirmatively seek relief from Plaintiff's 8 anticipated attempts to execute on the partial judgment in its favor pending post-trial 9 motions and appeals. Importantly, Defendants' only request this relief in the event that the Court grants Plaintiff's Ex Parte Application for Stay of Execution [Dkt. 286]. 10

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Plaintiff comments in its Reply that Defendants have not requested a stay of execution or sought relief from the bond requirement. Indeed, because the net judgment is in Defendants' favor in the amount of \$2,875,551.40, Defendants respectfully contend this exercise is unnecessary, as stated in Defendants' Opposition to Plaintiff's Ex Parte Application. [See Dkt. 288 at pp.1:17-2:10.] However, in an abundance of caution, Defendants seek this affirmative relief at this time, because it appears that Sherwin-Williams wants to ignore the fact of the net judgment (\$2,875.551.40) in Defendants' favor and execute on the \$374,448.60 portion of the verdict.

Federal Rule of Civil Procedure 54 allows for only one winner, even in mixed judgment cases. See Shum v. Intel Corp., 629 F.3d 1360, 1367 (Fed. Cir. 2010). Because the net judgment is in Defendant's favor by \$2,875,551.40, Defendants are the prevailing party. Therefore, Sherwin-Williams should not be permitted to execute upon the portion of the judgment which is entirely negated by the \$3.25 million Judgment in Defendants' favor. As a result, Defendants should not be required to post a bond pending Plaintiff's appeal of the Judgment.

If the Court grants Plaintiff's request to stay execution of the Judgment, Defendants similarly seek a stay of execution of the partial judgment in Plaintiff's favor against Defendants pending resolution of Plaintiff's post-trial motion and anticipated 8

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appeal. The factors weighed in determining whether to grant a stay are in Defendants' favor¹:

- "(1) whether the stay applicant has made a strong showing that he is likely to succeed on the merits"—Plaintiff has the burden of proof on its post-trial motions and potential appeal, and the great weight of the evidence is in Defendants' favor;
- "(2) whether the applicant will be irreparably injured absent a stay"—absent a stay (if the Court deems it necessary), Defendants will be forced to pay a fraction of the Judgment, which is offset by the majority of the Judgment in Defendants' favor, pending Plaintiff's post-trial motions and appeals. Defendants cannot afford to pay the partial Judgment, and this is part of Plaintiff's continued tactics to bankrupt Defendants and attempt to make an example of Defendants;
- "(3) whether issuance of the stay will substantially injure the other parties interested in the proceedings" – If Plaintiff is permitted to execute on the partial judgment at this time, this will interfere with Defendants' ability to pay for legal services rendered, and to be incurred in responding to Plaintiff's continuing legal maneuvers, and to continue to operate its business while waiting for Sherwin-Williams to pay the Judgment; and
- "(4) where the public interest lies."—The public has an interest in ensuring that those who are victorious in the court of law are not punished by delay and procedural tactics of their opponents. Here, Defendants are clearly the prevailing parties, and the net judgment is greatly in their favor.

Additionally, the Court should not require Defendants to post a bond pending **Plaintiff's** post-trial motions and appeal. Waiver of the bond requirement is appropriate if the "requirement would put the [judgment debtor's] other creditors in undue jeopardy." E.g. Waine-Golston v. Time Warner Entm't-Advance/New House P'ship, No. 11cv1057-

¹ The factors are set forth in Dish Network, L.L.C. v. Sonicview USA, Inc., No. 09-cv-1553-L(WVG), 2012 U.S. Dist. LEXIS 86304, at *2 (S.D. Cal. June 21, 2012) (quoting Hilton v. Braunskill, 481 U.S. 770, 776 (1987).

1 GPB(RBB), 2013 U.S. Dist. LEXIS 65118, at *4 (S.D. Cal. May 7, 2013). If Defendants 2 are required to post a bond pending the outcome of *Plaintiff's* post-trial motions and 3 appeals to the net judgment in Defendants' favor, all of Defendants' other creditors 4 would be in jeopardy. Defendants must be able to continue to do business, pay 5 employees, pay business expenses, and maintain lines of credit with other vendors in the 6 course of business. If Plaintiff is permitted to execute on the smaller partial judgment in 7 its favor, and ignore the net judgment against it, even though this amount is offset by the 8 \$3.25 million judgment amount in favor of Defendants, then this would disrupt the 9 Defendants' business and cause prejudice to Defendants as discussed above.

Therefore, for all of the foregoing reasons, in the event that the Court grants Plaintiff's Ex Parte Application to Stay Execution and permits Plaintiff to seek execution on the smaller partial judgment in its favor pending post-trial motions and appeal, Defendants respectfully request that the Court stay the execution of the partial judgment in Plaintiff's favor and waive the bond requirement as to Defendants given the net judgment rendered in favor of Defendants, or alternatively to find that the net judgment is in Defendants' favor in the amount of \$2,875,551.40, and that Sherwin-Williams may not execute upon the portion of the Judgment in its favor given this net judgment amount in favor of Defendants.

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DATED: January 25, 2016

JACKSON LEWIS P.C.

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By: /s/ Paul F. Sorrentino Paul F. Sorrentino, Esq. John P. Nordlund, Esq. Counter-Defendants, Attorneys for Claimants COLLISION SERVICES. AUTOBODY COLLISION; JJT. INC. dba COLLISION CENTER: and JOHN TYCZKI

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| 1 | UNITED STATES DISTRICT COURT, SOUTHERN DIST. OF CALIFORNIA | | | | |
|----------------------------------|---|----------------|--|--|--|
| 2 | CASE NAME: | Sherwin-Willia | ms v. JB Collision | | |
| 3 | CASE NUMBER: | 13-CV-1946 L | AB (WVG) | | |
| 4 | Consolidated with | | | | |
| 5 | CASE NAME: | Sherwin-Willia | ms v. JJT, Inc. | | |
| 6 | CASE NUMBER: | 13-CV-1947 L | AB (WVG) | | |
| 7 | PROOF OF SERVICE | | | | |
| 8 9 | I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within action; my business address is 225 Broadway, Suite 2000, San Diego, California 92101. | | | | |
| 10 | On January 25, 2016, I served following document described as: | | | | |
| 11 12 | DEFENDANT'S EX PARTE APPLICATION FOR STAY OF EXECUTION | | | | |
| 13 | on the parties in this action listed below in the manner designated below: | | | | |
| 14 15 16 17 18 19 | Attorneys for Plaintiff Michael K. Murray, Esq. LANAK & HANNA 625 The City Drive South, Suite 190 Orange, CA 92868 Tel: 714-550-0418 Fax: 714-703-1610 Email: mkmurray@lanak-hanna.com Attorneys for Plaintiff Jeffrey D. Wilson, Esq. Michael M. Jacob, Esq. Eddie Woodworth, Esq. YOUNG BASILE HANLON & MacFARLANE 3001 West Big Beaver Road, Suite 624 Troy, MI 48084 Tel: 248-649-3333 Email: Wilson@youngbasile.com Jacob@youngbasile.com woodworth@youngbasile.com | | | | |
| 21 22 23 | BY NOTICE OF ELECTRONIC FILING. The above-listed counsel have consented to electronic service and have been automatically served by the Notice of Electronic Filing, which is automatically generated by CM/ECF at the time said document was filed, and which constitutes service pursuant to FRCP 5(b)(2)(D). | | | | |
| 24 25 | | | transmitting via electronic notification the address set forth above on this date. | | |
| 26 27 28 | BY U.S. MAIL by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in United States mail in the State of California at San Diego, addressed as set forth above. | | | | |
| | | 1 | PROOF OF SERVICE CASE NO.: 13-CV-1946 LAB (WVG) Consolidated with 13-CV-1947 LAB (WVG) | | |

Case 3:13-cv-01946-LAB-WVG Document 293-1 Filed 01/25/16 Page 2 of 2

| 1 | BY OVERNIGHT MAIL by depositing said document(s) in a box or other | | | | |
|----|--|--|--|--|--|
| 2 | facility regularly maintained by the express service carrier providing overnight delivery | | | | |
| 3 | addressed as set forth above. | | | | |
| 4 | ☐ BY PERSONAL SERVICE by caused said documents to be hand-delivered to the | | | | |
| 5 | addressee on January 25, 2016, via First Legal Services, pursuant to code. | | | | |
| 6 | FEDERAL I declare under penalty of perjury under the laws of the United States | | | | |
| 7 | that the foregoing is true and correct, and that I am employed in the office of a member of the bar of this Court at whose direction the service was made. | | | | |
| 8 | Evaputed on January 25, 2016, at San Diago, California | | | | |
| 9 | Executed on January 25, 2016, at San Diego, California. | | | | |
| 10 | /s/ Gloria Daviston | | | | |
| 11 | Gloria Daviston | | | | |
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| 28 | 2 PROOF OF SERVICE | | | | |
| | CAGE NO. 12 CV 1046 LAD CHYC | | | | |

PROOF OF SERVICE CASE NO.: 13-CV-1946 LAB (WVG) Consolidated with 13-CV-1947 LAB (WVG)