UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

**CIVIL MINUTES – GENERAL**

| Case No. | 8:23-cv-02059-MRA-JDE | Date | April 25, 2025 |
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| Title | Zhuhai Dingfu Phase I Industrial Energy Conservation Investment Fund, LP v. Phillip Liang Zhang | | |

| Present: The Honorable | MONICA RAMIREZ ALMADANI, UNITED STATES DISTRICT JUDGE |
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| Gabriela Garcia | None Present |
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| Deputy Clerk | Court Reporter |
| Attorneys Present for Plaintiffs: | Attorneys Present for Defendants: |
| None Present | None Present |

**Proceedings:** **(IN CHAMBERS) ORDER GRANTING IN PART AND DENYING IN PART RESPONDENT'S MOTION TO AMEND FINDINGS AND JUDGMENT [ECF 50] AND DENYING RESPONDENT'S MOTION FOR STAY OF EXECUTION OF JUDGMENT [ECF 49]**

Before the Court is Respondent Phillip Liang Zhang's ("Respondent") Motion to Amend Findings and Judgment, ECF 50, and Motion for Stay of Execution of Judgment, ECF 49. The Court read and considered the moving, opposing, and reply papers and held a hearing on April 14, 2025. ECF 86. For the reasons stated herein, the Court **GRANTS IN PART** and **DENIES IN PART** the Motion to Amend Findings and Judgment and **DENIES** the Motion for Stay of Execution of Judgment as **MOOT**.

## I. BACKGROUND

On November 1, 2023, Petitioner Zhuhai Dingfu Phase I Industrial Energy Conservation Investment Fund, LP ("Petitioner") filed its Petition for Recognition and Enforcement of Foreign Arbitral Award, seeking to recover on an arbitral award issued by the Shanghai Arbitration Commission ("SHAC") against Respondent on December 2, 2021. ECF 1. Petitioner partially recovered on the award in China, but, as of Petitioner's filing of its Petition, there remained a balance, with accrued interest, of approximately $3.6 million. *Id.* ¶ 26. On March 21, 2024, Petitioner filed a Motion for Recognition and Enforcement of the Foreign Arbitral Award ("Motion to Enforce"), seeking to enforce the balance of the Award plus the accrued interest. ECF 21. Respondent opposed the Motion. ECF 24.

On January 21, 2025, the Court granted Petitioner's Motion to Enforce. ECF 45. On January 29, 2024, the Court entered judgment in favor of Petitioner in the amount of $4,795,282.92 (which included interest that had accrued on the award up to January 27, 2025), and ordered that interest run on the amount awarded at a rate of $1,359.99 per day, for every day

after January 27, 2025, until the judgment is fully satisfied. ECF 47. The amount awarded in the judgment was based on the arbitral award issued by the SHAC, including the interest on the award as set forth in the SHAC's award. ECF 45, 47.

On February 26, 2025, Respondent filed the instant Motions. ECF 49, 50. Respondent also filed an Ex Parte Application for Immediate Extension of Administrative Stay of Execution of Judgment. ECF 51. The Court denied the Application because Respondent did not post a bond to support his request for a stay and did not properly argue that a stay was warranted absent a bond. ECF 57; *see also* Fed. R. Civ. P. 62(b).

## II. LEGAL STANDARDS

Respondent brings his Motion to Amend pursuant to Federal Rules of Civil Procedure 52(b) and 59(e). Rule 52(b) provides that, "[o]n a party's motion filed no later than 28 days after the entry of judgment, the court may amend its findings—or make additional findings—and may amend the judgment accordingly." Fed. R. Civ. P. 52(b). Rule 52(b) motions are "designed to correct findings of fact which are central to the ultimate decision; the Rule is not intended to serve as a vehicle for a rehearing." *R.C. Fischer and Co. v. Cartwright*, No. C-09-02316 EDL, 2011 WL 6025659, at *4 (N.D. Cal. 2011) (citing *Davis v. Mathews*, 450 F. Supp. 308, 318 (E.D. Cal. 1978)).

Rule 59(e) provides that "[a] motion to alter or amend a judgment must be filed no later than 28 days after the entry of the judgment." Fed. R. Civ. P. 59(e). "Since specific grounds for a motion to amend or alter are not listed in the rule, the district court enjoys considerable discretion in granting or denying the motion." *McDowell v. Calderon*, 197 F.3d 1253, 1255 n.1 (9th Cir. 1999) (en banc) (per curiam). However, amending a judgment after its entry is "an extraordinary remedy which should be used sparingly." *Id.* (internal quotation marks omitted). Generally, there are four bases upon which a Rule 59(e) motion may be granted: "(1) if such motion is necessary to correct manifest errors of law or fact upon which the judgment rests; (2) if such motion is necessary to present newly discovered or previously unavailable evidence; (3) if such motion is necessary to prevent manifest injustice; or (4) if the amendment is justified by an intervening change in controlling law." *Allstate Ins. Co. v. Herron*, 634 F.3d 1101, 1111 (9th Cir. 2011).

In short, Rule 52(b) motions are "primarily designed to correct findings of fact which are central to the ultimate decision," whereas Rule 59(e) motions permit "a court to alter or amend a judgment." *Provencio v. Hatton*, No. 1:15-cv-01327-LJO-MJS (HC), 2018 WL 1256655, at *1 (E.D. Cal. Mar. 12, 2018).

## III. DISCUSSION

Respondent seeks to amend the Court's Order granting Petitioner's Motion to Enforce and the accompanying judgment in three ways: (1) to change the rate at which post-judgment interest was awarded; (2) to allow Respondent to obtain discovery on the amount Petitioner collected from Respondent's assets in China; and (3) to account for what Respondent describes as newly discovered evidence of duress. ECF 50-1. The Court addresses each issue in turn.

### A. Post-Judgment Interest

The Court ordered that interest shall run on the amount awarded in favor of Petitioner at a rate of $1,359.99 per day. ECF 47. Respondent argues that this daily interest rate "lacks a clear statutory or contractual basis." ECF 50-1. Rather, under 28 U.S.C. § 1961(a), post-judgment interest in federal court cases accrues from the date of entry of the judgment, and the interest rate is based on the weekly average 1-year constant maturity Treasury yield, as published by the Federal Reserve for the calendar week preceding the judgment. ECF 50-1 at 14. Respondent further argues that inclusion of interest from the date of the SHAC's award and prior to this Court's judgment (that is, post-award, prejudgment interest), would violate federal law and binding Ninth Circuit precedent. *Id.*

Respondent is correct as to post-judgment interest. The Ninth Circuit has held that "[a] judgment confirming an arbitration award is treated similarly to any other federal judgment." *Fidelity Fed. Bank, FSB v. Durga Ma Corp.*, 387 F.3d 1021, 1023-24 (9th Cir. 2004) (citing 9 U.S.C. § 13). "[O]nce an arbitration award is confirmed in federal court, the rate specified in [28 U.S.C.] § 1961 applies." *Id.* Section 1961(a) provides that "[i]nterest shall be allowed on any money judgment in a civil case recovered in a district court." 28 U.S.C. § 1961(a). It calculates interest at a rate "equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the date of judgment." *Id.* Neither party briefed nor otherwise presented argument on the rate of post-judgment interest to the Court before issuance of the judgment against Respondent. At the hearing on Respondent's Motion, however, Petitioner agreed that, upon subsequent review of the relevant case law, Respondent is correct that post-judgment interest should be issued pursuant to 28 U.S.C. § 1961(a). Accordingly, the Court will amend the judgment to order post-judgment interest at the rate set forth in 28 U.S.C. § 1961(a).

The Court issued its judgment in this case on January 29, 2025. ECF 47. As of January 29, 2025, the remaining principal on the award, plus all post-award, prejudgment interest

(accruing at the rate ordered by the SHAC), amounted to $4,798,002.90.[1] Interest will run on that amount for every day after January 29, 2025, at a rate equal to the weekly average 1-year constant maturity Treasury yield for the calendar week preceding the date of the Judgment, issued on January 29, 2025. For the week of January 24, 2025, that rate is 4.19%. *See* https://www.federalreserve.gov/releases/H15/. This amounts to $550.78 per day.[2]

With respect to post-award, prejudgment interest, Respondent argued that awarding "pre-judgment interest under the guise of post-judgment interest would . . . create judicially impermissible retroactive interest accrual and be contrary to Ninth Circuit case law." ECF 50-1 at 15-16. Petitioner opposed, ECF 55 at 11, and Respondent did not raise this argument again in his Reply, ECF 59. The Court disagrees with Respondent's moving argument concerning post-award, prejudgment interest: the Ninth Circuit has held that courts may award such interest consistent with the underlying arbitration decision. *See Ministry of Def. & Support for the Armed Forces of the Islamic Republic of Iran v. Cubic Def. Syst., Inc.*, 665 F.3d 1091, 1102 (9th Cir. 2011). Therefore, post-award, prejudgment interest (applied through the date on which the Court issued its original judgment, January 29, 2025) will remain at the rate ordered by the SHAC ($1,359.99 per day).

**B. Damages Discovery**

Respondent argues, as it did in its briefing on Petitioner's Motion to Enforce, that Petitioner has failed to offer enough information about its collection of Respondent's assets in China to evaluate "the reasonableness of its request for further collection in the United States, such as

[1] In its original judgment, the Court issued judgment in favor of Petitioner in the amount of $4,795,282.92. This amount included the interest that had accrued on the SHAC award, at the rate ordered by the SHAC, through January 27, 2025 (the date on which Petitioner submitted the proposed judgment). Because the Court herein clarifies that post-award, prejudgment interest (which applies through the date on which the Court entered judgment) will accrue on the SHAC award at the rate issued by the SHAC ($1,359.99 per day), and clarifies that a different post-judgment interest rate will now apply, the Court's amended judgment now explicitly includes the interest that accrued on the SHAC award through January 29, 2025—the date on which the Court issued judgment. Therefore, the amended judgment awards Petitioner $4,798,002.90.

[2] This daily interest rate was calculated by:

(1) Multiplying the total judgment amount ($4,798,002.90) by the post-judgment interest rate (.0419), which equals an annual interest amount of $201,036.32.

(2) To calculate the daily interest rate, the Court then divided the annual interest amount ($201,036.32) by 365, which equals $550.78.

pertinent information about the process of collections or outcome." ECF 50-1 at 12. Respondent argues that the Court should therefore amend its Order granting the Motion to Enforce to allow Respondent discovery. *Id.* at 14. Respondent further asks the Court to amend its judgment to provide that "[t]he amount of judgment will be determined after Respondent's discovery on the issue of damages is completed and any relevant challenges to Petitioner's calculations are decided by this Court." *Id.* at 13-14.

The Court denies this request, because it already addressed Respondent's request for discovery in its Order. ECF 45. In assessing Respondent's prior request for discovery, the Court stated that, "[a]lthough Petitioner does not submit records showing the amount recovered from Respondent through his assets in China, the Court agrees with Petitioner that this can be addressed when Petitioner takes discovery of Respondent's assets for collection purposes." ECF 45 at 19-20. As Petitioner confirms, "[t]he Court's intent is obvious from the context, and the Order clearly authorizes Zhang to take discovery from Petitioner regarding the amount it has actually recovered to date on the award." ECF 55 at 8. Moreover, at the hearing on the instant Motions, the Court reiterated, and Petitioner agreed, that Respondent may conduct discovery into these issues. To the extent that any ambiguity remains, the Court hereby clarifies that Respondent may seek discovery on the amount recovered from Respondent through his assets in China.

### C. Newly Discovered Evidence

Finally, Respondent argues that he recently acquired new evidence that supports his duress defense that the Court previously rejected in granting Petitioner's Motion to Enforce. *See* ECF 45 at 17-18. Specifically, Respondent submits that, for the first time on February 20, 2025, a contact in China alerted Respondent that Petitioner had possibly obtained an exit ban against Respondent, providing Respondent with a copy of an "Order of Restriction" on his travel dated 2022 (after the SHAC issued its Award). ECF 50-1 at 18-19. This information led Respondent to investigate further, and on February 25, 2025, Respondent received confirmation that Petitioner had sought and obtained an exit ban against him. *Id.* at 19-20. Respondent received a copy of the original document on February 26, 2025. *Id.* at 20.

In presenting his original defenses to confirmation of the foreign arbitral award, Respondent argued that he had signed certain contracts (upon which the SHAC's Award was based) under duress, because Petitioner had threatened to obtain an "exit ban" against Respondent, which would have prevented Respondent from leaving China. ECF 50-1 at 17. Although the newly discovered exit ban was issued *after* the SHAC proceedings, Respondent argues that this new information is relevant because it "demonstrates the credibility of Respondent['s] [] fear and distress regarding Petitioner's threats to impose the exit ban upon him[,]" and so warrants the

Court's reconsideration of this defense. *Id.*

The Court disagrees that the Court's prior findings warrant amendment. First, this new evidence is not "consequential to the ultimate disposition and judgment entered in this case." *Hadsell v. United States*, No. 20-cv-03512-VKD, 2022 WL 1539532, at *2 (N.D. Cal. May 16, 2022). The Court previously rejected Respondent's duress defense because Respondent had failed to assert it as a defense during the SHAC proceedings. *See* ECF 45 at 17-18. Second, Respondent has not established that with reasonable diligence he could not have discovered this new evidence prior to the Court's decision. *See Far Out Prods., Inc. v. Oskar*, 247 F.3d 986, 998 (9th Cir. 2001) (confirming that district court rejected new evidence since appellants "could have obtained that evidence sooner"); *Walis v. J.R. Simplot Co.*, 26 F.3d 885, 892 n.6 (9th Cir. 1994) (noting that trial court was not obligated to consider evidence that could have been earlier discovered with reasonable diligence). Respondent notes, for example, that he requested discovery to take the deposition of Huang Xingzhou to explore threats allegedly made by Petitioner to get Respondent to sign certain contracts lest he be banned from exiting China. ECF 59 at 8; ECF 32-1 at 23. But such discovery as to an alleged threatening statement would not have uncovered evidence of a later exit ban, and Respondent does not otherwise state that he sought such evidence. Furthermore, as Petitioner points out, the exit ban that Respondent brings to the Court's attention was obtained based on Respondent's failure to pay the award against him in China. ECF 55 at 14 (citing Article 262 of the Civil Procedure Law of the People's Republic of China (2021), which provides that the people's court "may take or notify a relevant entity to assist in taking the measure of restricting exit from China" where "the party against whom enforcement is sought fails to perform obligations determined in a legal instrument[.]"). Respondent has not shown how this *post*-Award exit ban is therefore improper.

### D. Post-Judgment Discovery and Payment

Although not clearly briefed, in his Reply in support of the Motion to Stay and at the hearing on the instant Motions, Respondent requested a hearing to discuss a payment plan to satisfy the judgment and avoid destruction of Respondent's business "in which he holds a substantial interest[,] and which has significant value." ECF 58 at 6. The Court explained at the hearing that the parties should follow ordinary court procedures to address such matters. "A money judgment is enforced by a writ of execution, unless the court directs otherwise. The procedure on execution—and in proceedings supplementary to and in aid of judgment or execution—must accord with the procedure of the state where the court is located, but a federal statute governs to the extent it applies." Fed. R. Civ. P. 69(a)(1). California law, specifically California Code of Civil Procedure sections 680.10 through 724.260, applies to Petitioner's execution of the money judgment in this case. Central District of California Local Rule 69-1

further provides that "[a] motion concerning execution of a judgment shall be made to the assigned District Judge, *unless* the motion relates to the scheduling and conducting of judgment debtor and third party examinations pursuant to Cal. Civ. Code Proc. §§ 708.110 et seq. *or other post-judgment discovery*, in which case the motion shall be made to the assigned Magistrate Judge." L.R. 69-1 (emphases added). Moreover, the Court notes that nothing prevents the parties from negotiating and stipulating to a voluntary payment plan. *See, e.g.*, *Californians for Alternatives to Toxics v. Kernen Construction*, No. 20-cv-01348-YGR (LB), 2023 WL 4991861 (N.D. Cal. Apr. 21, 2023).

## IV. CONCLUSION

For the foregoing reasons, Respondent's Motion to Amend Findings and Judgment is **GRANTED IN PART** and **DENIED IN PART**. The Court will issue an amended judgment. Having ruled on the Motion to Amend, Respondent's Motion for Stay of Execution of Judgment pending decision on the Motion to Amend is **DENIED** as moot.

**IT IS SO ORDERED.**

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