State Farm Mutual Automobile Ins. Co. v. Townsend 25CV03181
Hearing Date: July 7, 2026
Motion to Vacate Dismissal and Enter Judgment

PROPOSED TENTATIVE

On May 20, 2025, plaintiff State Farm Mutual Automobile Insurance Co. (plaintiff) filed a limited civil complaint against defendant Jessica Nicole Townsend (defendant) for "Automobile Negligence." According to the complaint, on August 31, 2022, insured Sophia Uribe was driving her vehicle (a 2008 Acura MDX) when defendant negligently crashed the vehicle she was driving (a 2022 Toyota Land Cruiser) into the insured's vehicle. The insured suffered property damage of $5,414.35 as a result, and plaintiff paid on the claim, subrogating the insured's rights to sue defendant. Defendant answered on September 9, 2025. On November 13, 2025, the parties entered into a settlement agreement, in which defendant agreed to pay the sum of $3,407.25, paid off as follows: 1) $1,407.25 immediately; and 2) the balance of $2,000 paid in monthly installments of $250, to be paid at the beginning of each month, starting November 1, 2025. If defendant defaulted under the agreement, plaintiff would be entitled to "costs after crediting payments that have been made . . . ." The settlement agreement (particularly Item 6 on page 2) expressly provides that that if defendant defaults, "plaintiff may cause judgment to be entered ***for the settlement amount*** plus costs after crediting payment that have been made at that time." (Emphasis added.) The term "settlement amount" is expressly defined in item 2 as the "sum of $3,407.25," not the full amount due as indicated in the complaint.[1] The parties agreed to the expedited procedures contemplated by Code of Civil Procedure[2] section 664.6. In an order signed on November 17, 2025, the court expressly agreed to retain jurisdiction pursuant to section 664.6. In that order the court dismissed the action without prejudice.

On April 24, 2026, plaintiff filed a "Motion to Set Aside Dismissal and to Enter Judgment" against defendant pursuant to section 664.6. Attached to the motion is the settlement agreement, as well as a January 23, 2026 "Notice of Default" from plaintiff to defendant, indicating that $500 was past due (i.e., two months payment). According to the declaration of attorney Susan Benson, defendant's insurance carrier paid $1,407.25, leaving a $2,000 balance; and defendant has made no payments under the settlement agreement. Plaintiff asks the court to enter judgment in favor of plaintiff for $5,414.43, less payments of $1,407.25, for a total principle amount of $4,007.18, with the addition of $75 in filing fees, for total judgment of $4,082.18. This amount is outlined in the proposed order filed by plaintiff on April 24, 2026.

[1] There is no provision in the settlement agreement indicating that if defendant failed to pay, the entire amount of the settlement would be due.

[2] All further statutory references are to the Code of Civil Procedure.

Before addressing the merits, some legal background. Section 664.6 provides a summary procedure for entering judgment under the terms of a settlement agreement. (*Pearson v. Superior Court* (2012) 202 Cal.App.4th 1333, 1337; *In re The Clergy Cases I* (2010) 188 Cal.App.4th 1224, 1236.) Pursuant to this provision, when the parties stipulate to settle pending litigation, the trial court may enter judgment pursuant to the terms of the settlement after dismissal. The court is authorized to enter judgment pursuant to the settlement regardless of whether the settlement's obligations were performed or excused, even after dismissal. (*Hines v. Lukes* (2008) 167 Cal.App.4th 1174, 1184-1185.) More specifically, when the parties stipulate to settle a pending litigation, and even after dismissal, the trial court retrains jurisdiction and enter judgment pursuant to the terms of the settlement agreement. (*Harris v. Rudin, Richman & Appel* (1999) 74 Cal.App.4th 299, 304.) "In order to take advantage of the statute's expedited procedure, a party must first establish the agreement at issue was set forth 'in a writing signed by the parties' [citation] or was made orally before the court." (*Ibid.*) When the settlement agreement and dismissal reserve for the trial court the authority to determine the prevailing party and to award costs, the court has jurisdiction to award such costs and fees. (*Khavarian Enterprises, Inc. v. Commline, Inc.* (2013) 216 Cal.App.4th 310, 320.)

The requirements of section 664.6 have been satisfied. The parties agreed to the expedited procedure, and the court agreed to retain jurisdiction in a November 17, 2025 order signed by the court. (*Wackeen v. Malis* (2002) 97 Cal.App.4th 429, 439.) The request was made during the pendency of the case, by the parties themselves, in a writing signed by the parties. (*Mesa RHF Partners, L.P. v. City of Los Angeles* (2019) 33 Cal.App.5th 913.) The stipulation was filed with the court before the case was dismissed. (*Ibid.*) The parties agreed that the court should retain jurisdiction during litigation in a signed written settlement agreement, filed and signed by the court prior to dismissal, and the court agreed to retain jurisdiction, empowering it to vacate dismissal and enter judgment. The court will vacate dismissal.

The court, however, will not enter judgment for the amounts requested by plaintiff. Plaintiff seems to be under the impression that defendant's default triggered the *<u>full amount due</u>* on the original debt (as outlined in the complaint) under the settlement agreement. That is not the case. As detailed above, the settlement agreement ***<u>expressly</u>*** provides that if defendant defaulted, the settlement amount due would not be $5,414.43, the amount claimed in the complaint, but the settlement amount of $3,407.25. Paragraph 2 of the settlement agreement expressly defines "settlement amount" as $3,407.25. Paragraph 6 expressly provides that in the event of default, "plaintiff may cause judgment to be entered ***<u>for the settlement amount</u>*** plus costs after crediting payment that have been made at that time." The meaning is clear - by the express terms of the settlement agreement the amount plaintiff can request is $3,407.25 - $1,404.25, which equals $2,000, not the amount of $4,007.18 on the original debt. Nothing in the court's November 17, 2025 order altered this. It is not for the court to say what plaintiff subjectively believed the settlement agreement contemplated – the court must base its determination on the objective language of the settlement agreement. The court will award $2,000 on the principal debt.

As for costs, defendant asks for $75. The settlement agreement expressly authorizes plaintiff to seek costs, and $75 for filing fees (including e-filing costs) seems reasonable.

In summary, the court will vacate dismissal and enter judgment in the amount of $2,000 as the principal debt and costs of $75, for a total judgment of $2,075, not the total judgment requested of $4,082.18, for the reasons discussed above. Plaintiff is directed to provide a new proposed order/judgment for signature. The clerk is directed to enter judgment and send notice of judgment to the parties.