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IN THE THIRD JUDICIAL DISTRICT COURT

SALT LAKE COUNTY, STATE OF UTAH

YUAN CHIH INTERNATIONAL CO., LTD,

Plaintiff,

v.

WINWIN LAW, PLLC; SIMON L. TANG;
CHINA NEW ENERGY GROUP CO.;
GARY BARTHOLOMEW; WALL STREET
NASDAQ LISTING INC.; GEORGE
YANG,

Defendants.

DEFAULT JUDGMENT

Case No. 260904354

Judge JAMES GARDNER

Tier II

This matter came before the Court for hearing on August 24, 2026, at 10:00 a.m. MST, before the Honorable James Gardner, upon the Motion for Default Judgment (“**Motion**”) filed July 21, 2026, by Plaintiff YUAN CHIH INTERNATIONAL CO., LTD (“**YCI**” or “**Plaintiff**”) pursuant to Rule 55(b)(2) of the Utah Rules of Civil Procedure against Defendants WINWIN LAW, PLLC (“**WinWin**”); SIMON L. TANG (“**Tang**”); CHINA NEW ENERGY GROUP CO. (“**CNER**”); and GARY BARTHOLOMEW (“**Bartholomew**”) (collectively, the “**Defendants**”). Alexander S.

Chang of Sollex Legal, L3C appeared on behalf of Plaintiff. No appearance was made by or on behalf of any Defendant, notwithstanding notice.

The Court has reviewed the Motion and its supporting exhibits, the Certificates of Default entered by the Clerk of the Court, the argument and evidence presented at the August 24, 2026 hearing, and the entire record in this action. The Court finds that the Defendants were properly served with the Summons and Complaint, that each has failed to plead or otherwise defend in this action, that the Clerk has duly entered default against each of them, and that the well-pled allegations of the Complaint, deemed admitted by operation of the Defendants' default, together with the evidence adduced in support of the Motion and at the hearing, establish Plaintiff's entitlement to judgment as a matter of law and to damages in the amounts set forth below.

Based upon the record, and good cause appearing, the Court now enters the following Findings of Fact, Conclusions of Law, and Judgment.

FINDINGS OF FACT

1. **Jurisdiction and Venue.** This Court has subject matter jurisdiction over this action and personal jurisdiction over each of the Defendants. Venue is proper in the Third Judicial District Court, Salt Lake County, State of Utah.

2. **Service of Process.** Plaintiff filed its Complaint on June 9, 2026. Defendants WinWin and Tang were served via certified mail directed to their designated address at 9999 Bellaire Blvd., Suite 350, Houston, TX 77036, and Defendants CNER and Bartholomew were served via certified mail directed to their designated address at 8514 South Sagewood Rd., Spokane, WA 99223, in each case in accordance with the contractual service-of-process provision set forth in Section 18 of the Escrow Agreement, which provides that "[s]ervice of

process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process." Service upon all four Defendants was complete as of Monday, June 15, 2026, and Proofs of Service were filed with the Court.

3. **Default.** Under Rule 12(a) of the Utah Rules of Civil Procedure, each Defendant's deadline to file a responsive pleading was Monday, July 6, 2026. No Defendant filed an answer, motion, or other responsive pleading, and no Defendant has made any appearance in this action. Plaintiff filed Applications for Certificate of Default on July 9, 2026, and the Clerk of the Court entered Certificates of Default against all four Defendants on July 16, 2026 (Dkt. 10). Those Certificates of Default remain in full force and effect and have not been set aside.

4. **Dismissal of Remaining Defendants; Finality Under Rule 54(b).** Plaintiff has voluntarily dismissed without prejudice the remaining defendants, WALL STREET NASDAQ LISTING INC. ("WSNL") and GEORGE YANG ("Yang"). WinWin, Tang, CNER, and Bartholomew are therefore the only remaining defendants before this Court, and this Judgment adjudicates all remaining claims of all remaining parties and is final and appealable.

5. **Allegations of the Complaint to be Taken as True.** By operation of law and as a direct result of the Defendants' failure to answer or otherwise defend against this action, all well-pled factual allegations set forth in Plaintiff's Complaint are deemed admitted and taken as true.

CONCLUSIONS OF LAW

6. **Standard Governing Default Judgment.** The entry of default does not automatically entitle a plaintiff to a default judgment for the damages claimed in the complaint. *Skanchy v. Calcados Ortope SA*, 952 P.2d 1071, 1076 (Utah 1998). Rather, "the uncontroverted allegations of the complaint must be sufficient on their face to establish a valid claim against the

defaulting party, and a plaintiff is entitled to default judgment only if the well-pled facts show that the plaintiff is entitled to judgment as a matter of law.” *Davis v. Goldsworthy*, 2010 UT App 78, ¶ 10, 233 P.3d 496; *accord Wachocki v. Luna*, 2014 UT App 139, ¶ 7, 330 P.3d 717 (the factual allegations are deemed admitted, but the court must independently determine that “the pleaded facts will support a valid legal claim”). Where damages are unliquidated, the Court must “review the complaint, determine whether the allegations state a valid claim for relief, and award damages in an amount that is supported by some valid evidence.” *Skanchy*, 952 P.2d at 1076. The Court has conducted that review, has received evidence at the August 24, 2026 hearing, and concludes that each cause of action adjudicated states a valid claim for relief and that each element of damages awarded is supported by valid evidence in the record.

7. **Joint and Several Liability; No Duplicative Recovery.** The claims against WinWin and Tang and the claims against CNER and Bartholomew arise from overlapping conduct and produce overlapping damages. This Judgment reflects a single compensatory judgment, for which the Defendants are jointly and severally liable, and does not permit duplicative recovery. Satisfaction of the compensatory award by any one Defendant, in whole or in part, shall reduce pro tanto the compensatory liability of the others.

8. **Attorney Fees and Costs.** YCI is entitled to reasonable attorney fees on multiple independent bases. Section 7 of the Escrow Agreement contains a provision allowing at least one party to recover attorney fees, thereby triggering Utah Code § 78B-5-826, which permits the Court to award fees to any prevailing party where a written contract allows at least one party to recover attorney fees. Attorney fees are also independently recoverable as a matter of law on YCI’s breach of fiduciary duty claim, which is a recognized exception to the American Rule.

Having reviewed the billing records attached to the Rule 73 Declaration of Alexander S. Chang on the record, the Court finds that attorney fees of \$5,616.00 and costs of \$391.04, totaling \$6,007.04, were reasonably and necessarily incurred in the prosecution of this action and are reasonable in amount given the rates charged, the hours expended, and the results obtained. YCI is the prevailing party in this action.

9. **Prejudgment Interest.** Prejudgment interest is appropriate where the loss is fixed as of a particular time and the amount of damages may be calculated with mathematical accuracy. YCI's compensatory damages of \$195,000 are calculable with mathematical accuracy from undisputed documentary records, including the wire transfer confirmations and WinWin's own escrow account statement, and YCI's loss was complete as of the dates its funds were deposited into escrow and thereafter misappropriated. Prejudgment interest is therefore appropriate as a matter of law and accrues at the statutory rate of ten percent (10%) per annum pursuant to Utah Code § 15-1-1(2).

10. **Computation of Prejudgment Interest.** Prejudgment interest is computed on each deposit from the date that deposit was made through the date of entry of this Judgment, August 25, 2026, as follows. On the principal sum of \$175,000.00, from November 29, 2024 (the date of the first wire transfer into escrow) through August 25, 2026, a period of 634 days, at a daily rate of \$47.945205 ($\$175,000.00 \times 10\% \div 365$), prejudgment interest totals \$30,397.26. On the principal sum of \$20,000.00, from January 22, 2025 (the date of the second wire transfer into escrow) through August 25, 2026, a period of 580 days, at a daily rate of \$5.479452 ($\$20,000.00 \times 10\% \div 365$), prejudgment interest totals \$3,178.08. The aggregate prejudgment interest awarded is therefore **\$33,575.34**.

11. **Punitive Damages.** Punitive damages are warranted where the defendant's conduct manifests a knowing and reckless indifference toward, and a disregard of, the rights of others, or is willful, malicious, or intentionally fraudulent. The Defendants' conduct meets and exceeds that standard. Upon the record before the Court, Tang, an attorney entrusted with money belonging to another, deliberately disbursed \$150,000 of trust funds without authorization, paid his own firm \$10,000 out of those trust funds, funneled \$110,000 to his co-conspirator Bartholomew, and then concealed the entire scheme from his principal for months, disclosing the truth only when confronted with a demand for an accounting. Bartholomew took and kept \$110,000 that he knew belonged to YCI, secretly diverted approximately 24% of CNER's shares to Yang, and then purported to rescind the transaction only after the money was gone. This was a coordinated design to defraud, executed against a party whose inexperience the Defendants exploited, and carried out through the misuse of a lawyer's trust account, an instrument that exists solely because the law presumes it will be honored. Deterrence and punishment are both required, and neither is served by a nominal award.

12. **Reasonableness of the Punitive Award.** Having considered the nature and reprehensibility of their conduct, the facts and circumstances surrounding the conduct, and other relevant factors, the Court concludes that an award of punitive damages in the amount of **\$195,000.00** is appropriate. That award bears a one-to-one (1:1) ratio to the compensatory damages of \$195,000.00. A single-digit multiplier—and particularly a 1:1 ratio—is well within the range that satisfies both Utah law and federal due process, especially where, as here, the conduct was intentional, involved repeated acts rather than an isolated incident, involved the breach of a fiduciary trust and the misappropriation of funds held for another, and was

accompanied by affirmative concealment. The Defendants, having defaulted, have offered no evidence of financial condition or of any mitigating circumstance that would counsel a lesser award. The punitive damages award is imposed jointly and severally against all Defendants for their conspiratorial conduct and, as to WinWin and Tang, additionally for their willful and malicious breach of fiduciary duty, conversion of trust funds, and fraudulent concealment.

13. **Post-Judgment Interest.** YCI is entitled to post-judgment interest on the entire amount of this Judgment, including the awards of compensatory damages, prejudgment interest, punitive damages, attorney fees, and costs, from the date of entry until paid in full, at the statutory rate of 5.51%.¹

ORDER AND JUDGMENT

Based on the foregoing Findings of Fact and Conclusions of Law, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. Plaintiff's Motion for Default Judgment is **GRANTED**.

14. Default Judgment is entered in favor of Plaintiff YUAN CHIH INTERNATIONAL CO., LTD and against Defendants WINWIN LAW, PLLC; SIMON L. TANG; CHINA NEW ENERGY GROUP CO.; and GARY BARTHOLOMEW, jointly and severally, on all Causes of Action.

15. Plaintiff is awarded judgment against the Defendants, jointly and severally, in the following amounts:

<u>Type of Damages</u>	<u>Amount</u>
Compensatory Damages:	\$195,000.00
Prejudgment Interest at 10% per annum	\$33,575.34

¹ <https://www.utcourts.gov/en/court-records-publications/resources/interest-rates/interestrates.html>

through August 25, 2026:	
Punitive Damages:	\$195,000.00
Attorney Fees in This Action:	\$5,616.00
Costs of Suit:	\$391.04
<u>TOTAL JUDGMENT:</u>	\$429,582.38

16. The Judgment constitutes a single, non-duplicative recovery for which all Defendants are jointly and severally liable. Payment of any portion of the award by any Defendant shall reduce pro tanto the compensatory liability of the remaining Defendants. Nothing in this Judgment shall entitle Plaintiff to recover compensatory damages in excess of the Judgment from the Defendants collectively.

17. Post-judgment interest shall accrue on the total judgment amount, including compensatory damages, prejudgment interest, punitive damages, attorney fees, and costs, at the applicable statutory rate from the date of entry of this Judgment until paid in full.

18. Plaintiff may pursue any and all lawful means of executing upon and enforcing this Judgment, including post-judgment discovery pursuant to Rule 64 and Rule 69A of the Utah Rules of Civil Procedure, and Plaintiff may apply to the Court for an award of additional attorney fees and costs reasonably incurred in the collection and enforcement of this Judgment.

19. The claims previously asserted against Defendants WALL STREET NASDAQ LISTING INC. and GEORGE YANG having been voluntarily dismissed without prejudice, this Judgment resolves all remaining claims against all remaining parties and constitutes a final, appealable judgment.

In accordance with the Utah State District Courts Efiling Standard No. 4, and URCP Rule 10(e), this Certificate does not bear the handwritten signature of the Clerk of the Court,

but instead displays an electronic signature at the upper right-hand corner of the first page of this Order.