RECOMMENDED FOR PUBLICATION
Pursuant to Sixth Circuit I.O.P. 32.1(b)

File Name: 26a0301p.06

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

HYC LOGISTICS, INC.,

Plaintiff-Appellee,

v.

OJCOMMERCE, LLC, dba OJ Commerce, LLC (25-6154); JACOB WEISS (25-5748),

Defendants-Appellants.

Nos. 25-5748/6154

Appeal from the United States District Court for the Western District of Tennessee at Memphis.
No. 2:23-cv-02050—Thomas L. Parker, District Judge.

Argued: October 22, 2026

Decided and Filed: November 13, 2026

Before: SILER, MOORE, and SUTTON, Circuit Judges.

COUNSEL

ARGUED: Matt Summers, BERGER MONTAGUE PC, San Francisco, California, for Appellants. S. Joshua Kahane, GLANKLER BROWN, PLLC, Memphis, Tennessee, for Appellee. **ON BRIEF:** Shlomo Hecht, SHLOMO Y. HECHT, P.A., Miramar, Florida, for Appellants. S. Joshua Kahane, Aubrey B. Greer, Yosef E. Horowitz, GLANKLER BROWN, PLLC, Memphis, Tennessee, for Appellee.

OPINION

SUTTON, Circuit Judge. Deliveries do not always reach their destinations. Mailing mix-ups may be one reason. But this case involves another, a logistics company exercising its lien over the property when the shipper refused to pay for prior shipments. A jury found that

OJCommerce (OJC) materially breached its contract with HYC Logistics and that HYC Logistics properly exercised its lien on OJC's nine shipping containers in return. It also found that HYC Logistics violated the Tennessee Consumer Protection Act (TCPA) by deceiving port authorities and, as to a separate claim, misrepresented billing amounts to OJC. On post-trial motions, the district court left in place each ruling, save for the verdict under the TCPA. It also granted attorney's fees to HYC Logistics and denied a motion for fees by OJC. These and other rulings led to this appeal. Seeing no error, we affirm.

I.

Based in Tennessee, HYC Logistics provides global transportation and related services. Based in Florida, OJC imports a variety of consumer goods. When OJC needed help moving consumer goods from the Port of Los Angeles to its California warehouse, it called on HYC Logistics in August 2022.

While the contract that covered these services addressed costs of collection, including related attorney's fees, liens, and the choice of law for resolving any dispute (Tennessee law), it did not spell out the terms of payment. Instead, the payment terms were discussed via email. As HYC Logistics saw it, OJC agreed to incur certain charges, such as for chassis rentals (the wheels for a container), bobtail rentals (a truck traveling without its trailer), and yard storage. As OJC saw it, HYC Logistics would bill these fees at cost but also seek to avoid such fees in the first instance.

The relationship started on uneven footing and got worse from there. HYC Logistics would send invoices for services provided. And OJC would refuse to pay, claiming that the charges were inflated. In early November 2022, OJC paid $85,732 of the balance, leaving $307,320 unpaid. Later that month, HYC Logistics, in an effort to handle an OJC delivery order, hired a transportation company (562 Express) to transport nine shipping containers from the Port of Los Angeles to OJC's warehouse. As part of this service, HYC Logistics tracked the containers and prepared for their delivery in the weeks before the shipment's arrival from China. After this preparation work had occurred, OJC sent HYC Logistics a series of emails on December 13, attempting to cancel the retrieval and to revoke HYC Logistics' retrieval

authority. 562 Express, acting on HYC Logistics' behalf, proceeded to pick up the nine containers on December 13 or 14. On December 15, HYC Logistics sent OJC written notice that it intended to exercise its lien rights and keep the containers until OJC paid the $307,320 balance.

HYC Logistics sued OJC and its owner, Jacob Weiss, for breach of contract with respect to the unpaid invoices and for fraudulent misrepresentations with respect to their unmet promises to pay. HYC Logistics sought a declaratory judgment confirming its right to enforce the lien and to sell the contents of the nine containers. OJC sued HYC Logistics and 562 Express for violating the TCPA by allegedly misrepresenting to port authorities that they could retrieve the nine containers. It also sued HYC Logistics for breach of contract and fraudulent inducement due to overbilling.

After nearly two years of motions practice and discovery, a jury resolved the claims still standing. The jury found in favor of HYC Logistics in two key respects: that OJC committed the first material breach of the contract and owed $587,641 in damages, and that HYC Logistics properly exercised its rights under the lien. The jury found in favor of OJC in two key respects: that HYC Logistics violated the TCPA and caused $701,508 in damages, and that HYC Logistics made intentional or reckless misrepresentations and caused $238,279 in damages.

Post-verdict motions followed. OJC moved for judgment as a matter of law to undo the jury's verdicts on the breach of contract and lien claims. *See* Fed. R. Civ. P. 50(b). The court denied the motion. HYC Logistics moved to set aside the TCPA verdict on legal and evidentiary grounds. The district court granted the motion and vacated the jury's TCPA verdict but left the misrepresentation verdict in place.

Weiss, OJC's owner, moved for Civil Rule 11 sanctions based on HYC Logistics' purportedly improper allegation that "[OJC] and/or Weiss are named as defendants in more than twenty-two (22) pieces of state and/or federal litigation concerning their non-payment of fees for services rendered by third-party companies." R.1 at 2. The district court denied the motion. HYC Logistics and OJC both moved for attorney's fees. The district court granted HYC Logistics' motion in part and denied OJC's motion.

In this consolidated appeal, OJC challenges the court's post-verdict rulings and orders regarding attorney's fees, while Weiss challenges the denial of his motion for Rule 11 sanctions.

II.

Breach of contract claim. OJC challenges features of the jury's breach of contract verdict, in which the jury awarded $587,641 to HYC Logistics after finding that OJC had committed the first uncured, unwaived material breach of the contract. We review afresh the district court's decision to grant or deny a motion for judgment as a matter of law. *Hanover Am. Ins. Co. v. Tattooed Millionaire Ent., LLC*, 974 F.3d 767, 779 (6th Cir. 2020). In doing so, we "must take the strongest legitimate view of the evidence in favor of the [nonmovant], indulging in all reasonable inferences in his favor, and disregarding any evidence to the contrary." *Shanklin v. Norfolk S. Ry. Co.*, 369 F.3d 978, 993 (6th Cir. 2004) (quotation omitted). Contractual interpretation is a question of law, while the determination of a breach is a question of fact for the jury. *Pharma Conf. Educ., Inc. v. State*, 703 S.W.3d 305, 311 (Tenn. 2024); *Regions Bank v. Thomas*, 422 S.W.3d 550, 560 (Tenn. Ct. App. 2013).

Tennessee substantive law determines whether the jury instructions misstated the law in this diversity case, while federal law controls whether any errors warrant reversal. *P.I. & I. Motor Express, Inc. v. RLI Ins. Co.*, 40 F.4th 398, 414 (6th Cir. 2022). In reviewing properly preserved objections to the jury instructions, we ask whether the jury instructions, viewed together, were "confusing, misleading and prejudicial." *Kitchen v. Chippewa Valley Schs.*, 825 F.2d 1004, 1011 (6th Cir. 1987). Plain error review governs unpreserved challenges, Fed. R. Civ. P. 51(d)(2), prompting us to ask whether the instructions "were so clearly wrong as to produce a grave miscarriage of justice," *Craddock v. FedEx Corp. Servs., Inc.*, 102 F.4th 832, 842 (6th Cir. 2024) (quotation omitted).

We see no good reason to undo the jury's verdict in favor of HYC Logistics' breach of contract claim. HYC Logistics coordinated the delivery of 241 containers for OJC. Seeking compensation for its services, HYC Logistics sent OJC hundreds of invoices. While Weiss contested some of the charges on OJC's behalf, he did not dispute large portions of the

outstanding $307,320 balance. The jury reached the reasonable conclusion that OJC was the first to materially breach the contract by failing to pay its bills.

OJC counters that HYC Logistics' billing overstatements should vitiate its breach-of-contract recovery. A party who first breaches a contract in a material and uncured manner may lose the ability to recover damages for the other party's breach. *Old Hickory Coaches, LLC v. Star Coach Rentals, Inc.*, 652 S.W.3d 802, 819 (Tenn. Ct. App. 2021). After receiving a jury instruction premised on this legal tenet, to which OJC did not object, the jury found that OJC had committed the first uncured, unwaived material breach. The jury had ample support to make this finding, as HYC Logistics produced evidence that OJC had waited months before paying any invoice and, even after it made a single payment, left $307,320 unpaid. While Weiss testified that he viewed portions of the invoices as improperly inflated, the jury justifiably acted within its prerogative in sorting out which party committed the first material breach. *See Forrest Constr. Co. v. Laughlin*, 337 S.W.3d 211, 225–26 (Tenn. Ct. App. 2009) (addressing materiality considerations).

In a variation on this theme, OJC insists that HYC Logistics' unclean hands bar its recovery. But, as the Tennessee Supreme Court recently explained, this "doctrine applies only to parties who seek an equitable remedy from a court." *In re Mattie L.*, 618 S.W.3d 335, 344–45 (Tenn. 2021). HYC Logistics seeks only legal relief in its breach of contract claim.

OJC contends that the district court erred in rejecting some of the language from its proposed mitigation instruction for the jury. But the district court's chosen instruction fairly captured the law. *See Hisrich v. Volvo Cars of N. Am., Inc.*, 226 F.3d 445, 449 (6th Cir. 2000). It informed the jury about each party's duty "to use reasonable care to avoid loss and to minimize damages" and specified that "[a] party may not recover for losses that could have been prevented by reasonable efforts." R.299 at 26. The only change from OJC's proposed instruction was to omit language suggesting how this theory may specifically apply in OJC's favor. With or without this language, the instruction correctly told the jury how to handle each party's mitigation duties. A district court does not err simply by declining to adopt a party's proposed word-by-word application of the relevant legal standard within the jury instructions. *See Eaton Corp. v. Angstrom Auto. Grp., LLC*, 167 F.4th 823, 830 (6th Cir. 2026).

OJC claims that HYC Logistics failed to mitigate its damages by not selling the contents of the nine containers. But the jury heard evidence that OJC had threatened HYC Logistics with criminal prosecution if it sold the contents, which offers a sound reason for not proceeding to sell them. Confirming the validity of these concerns, HYC Logistics filed this lawsuit in part to confirm its legal right to sell the contents. Given the accurate jury instructions and these factual realities, the jury was well equipped to ascertain damages after accounting for any reasonable efforts by the parties to minimize their damages.

OJC separately argues that HYC Logistics failed to properly exercise its rights under the lien. But we see no error. The jury heard that OJC hired HYC Logistics to coordinate transportation for nine containers. By that time, OJC had racked up $307,320 in unpaid invoices that were long overdue, giving HYC Logistics a lien over any containers in its "actual or constructive possession, custody or control or en[]route." R.1-2 at 4. In the weeks leading up to the nine containers landing at port, HYC Logistics tracked their movement and prepared for their arrival. On this record, the jury (and the district court) had ample reasons to disagree with OJC's theory that its last-minute attempt to call off HYC Logistics' retrieval of the containers suddenly negated the existing lien. The jury (and the district court) likewise could reasonably conclude that HYC Logistics provided sufficient notice of the lien and amount due, which triggered the 30-day clock for OJC to pay or provide the required security before HYC Logistics could sell the containers' contents. Because a reasonable jury could find that HYC Logistics permissibly exercised its lien rights under the contract, the district court did not err in leaving the jury's verdicts untouched.

Seeking to avert this conclusion, OJC challenges the "en route" instruction. The company initially objected to the district court's plan to define "en route" as "on the way" rather than as "on the move." R.340 at 43–45. After hearing from the court and opposing counsel, however, OJC's counsel withdrew the objection, saying "I think it's fine as it is" and "I think we keep." R.340 at 47. That did not preserve the objection. *See United States v. Cabbage*, 91 F.4th 1228, 1230–31 (6th Cir. 2024). Even if we credited OJC's perspective that counsel meant to refer to keeping some other lien-related matter in the instructions, we see no error, plain or otherwise. The district court reasonably defined "en route" as "on the way; in the course of

transportation or travel"—the same definition as found in Black's Law Dictionary. R.299 at 22; *En route*, Black's Law Dictionary 670 (12th ed. 2024).

OJC also faults this part of the verdict form for combining all of the lien questions into a single finding. But OJC did not preserve this argument below. *See Woodbridge v. Dahlberg*, 954 F.2d 1231, 1236–37 (6th Cir. 1992) (distinguishing between proposing instructions and objecting to the final instructions). In any event, it is unpersuasive. Because the jury instructions act as a "user manual for the verdict form," we consider the instructions and verdict form together. *Debity v. Monroe Cnty. Bd. of Educ.*, 134 F.4th 389, 400 (6th Cir. 2025) (quotation omitted). The instructions defined the contractual terminology, including explanations for possession, custody, control, and when freight is "en route." R. 299 at 21. OJC never proposed specific instructions as to "notice" or "exact amount." We see no error in the instructions, verdict form, or verdicts in favor of HYC Logistics.

Tennessee Consumer Protection Act claim. OJC claims that the district court erred by granting HYC Logistics' motion for judgment as a matter of law on OJC's claim under the TCPA. To recover under the TCPA, a plaintiff must show that "the defendant engaged in an unfair or deceptive act or practice declared unlawful by the TCPA" and that the defendant's conduct caused a loss. *Tucker v. Sierra Builders*, 180 S.W.3d 109, 115 (Tenn. Ct. App. 2005) (citing Tenn. Code Ann. § 47-18-109(a)(1)). At stake is the first element—the existence (or not) of a deceptive act. An unfair or deceptive practice includes "[c]ausing likelihood of confusion or misunderstanding as to affiliation, connection or association with, or certification by, another." Tenn. Code Ann. § 47-18-104(b)(3). Deception can come in many forms, including statements, actions, or silence that materially mislead consumers. *Ganzevoort v. Russell*, 949 S.W.2d 293, 299 (Tenn. 1997).

OJC's theory boils down to the claim that "HYC [Logistics] violated the [TCPA] by deceiving the port authorities that they were authorized agents and had permission from [OJC] to pick up the containers." R.299 at 42. The district court correctly found that OJC failed to provide any probative evidence that HYC Logistics deceived the port authorities. In reality, OJC offered no evidence that HYC Logistics engaged in any deceptive actions at the port. On this

record, the trial court properly determined that the evidence did not permit a jury to reasonably find a TCPA violation on HYC Logistics' part.

In challenging this conclusion, OJC maintains that HYC Logistics made a "conscious decision" to conceal its relevant actions. Appellant's Br. 15. It is true that Uri Silver, the president of HYC Logistics, made a "conscious decision" not to respond to OJC's emails that told HYC Logistics to no longer pick up the nine containers from the port. R.338 at 248. But this conscious silence related to OJC, not to any interaction (or lack of interaction) with port authorities.

Also unpersuasive is OJC's claim that even the district court appreciated that HYC Logistics was "hiding the ball." Appellant's Br. 15. During this sidebar exchange, the trial judge merely summarized *OJC's* position that HYC Logistics was not being forthright about certain costs concerning the containers. That is not evidence, and it certainly was not evidence before the jury.

OJC points to Weiss's testimony that, "[i]n order for [HYC Logistics] to go into the terminal to pick up a container, [it had] to be an agent of [OJC], who's the cargo owner." R.340 at 125. But after hearing the evidence, the jury found that HYC Logistics possessed and properly exercised the lien as to the nine containers. Even if the jury credited Weiss's generic testimony about general practices at the port, the reality that HYC Logistics retrieved the containers does not warrant the conclusion that HYC Logistics or its agents deceived anyone at the port. It had a lien right in the containers and permissibly exercised that right.

OJC submits that the jury could have permissibly inferred a TCPA violation from the broader context of HYC Logistics' actions, its financial incentive to seize the containers, and the absence of evidence about what happened at the port. But OJC bore the burden of submitting sufficient evidence, and it points to nothing in the record that undermines the district court's conclusion that it failed to do just that.

Inconsistent verdicts. OJC separately argues that Civil Rule 49(b) prevented the district court from entering judgment on inconsistent verdicts: jury findings that OJC "committed the first uncured, unwaived material breach of the contract" *and* that HYC Logistics "committed

intentional and/or reckless misrepresentation." R.302 at 1, 4. But OJC never made this argument below. A party must object to the return of purportedly inconsistent verdicts before a court discharges the jury. *Radvansky v. City of Olmsted Falls*, 496 F.3d 609, 618 (6th Cir. 2007). That "allow[s] the original jury to eliminate any inconsistencies without the need to present the evidence to a new jury." *Id*. (quotation omitted). This process ensures that the district court and jury have an opportunity to resolve any potential problem before the court discharges the jury. *Innovation Ventures, LLC v. N2G Distrib., Inc.*, 763 F.3d 524, 538 (6th Cir. 2014).

After the verdict, the district court asked the parties if there was anything else to do before it discharged the jury. In response, the parties agreed to discharge the jury. OJC not only failed to raise this Rule 49(b) challenge before the court discharged the jury, but it also failed to raise the point before the district court at any stage after the verdict. All of this amounts to a double forfeiture of the argument. *See Jones v. Kent County*, 115 F.4th 504, 512 (6th Cir. 2024); *Kreipke v. Wayne State Univ.*, 807 F.3d 768, 781 (6th Cir. 2015).

OJC's Rule 59 motion as to damages. OJC maintains that, at a minimum, a new trial (or additur) is required on damages because the jury might have allocated damages differently had it known that the TCPA claim would not stand. Judicial review of damages awards is generally an "extremely narrow" pursuit. *Anchor v. O'Toole*, 94 F.3d 1014, 1021 (6th Cir. 1996). In assessing whether the evidence supports a damages award, we thus "accept the jury's verdict if it was reasonably reached." *Id*. We likewise review for abuse of discretion a district court's denial of a Rule 59 motion for a new trial or to amend the judgment. *See Chandler v. Specialty Tires of Am., Inc.*, 283 F.3d 818, 824 (6th Cir. 2002); *Pittington v. Great Smoky Mountain Lumberjack Feud, LLC*, 880 F.3d 791, 798–99 (6th Cir. 2018).

The jury instructions and verdict form—agreed to by the parties—properly addressed the elements of each claim. *See Armisted v. State Farm Mut. Auto. Ins. Co.*, 675 F.3d 989, 997 (6th Cir. 2012). They told the jury that any damages must correlate to losses "legally caused by the misrepresentation upon which you base your finding." R.299 at 37. In addition, they provided that the jury "must consider each claim separately and determine whether [OJC] should recover under one of the claims, both of the claims or neither of the claims." R.299 at 44. Nothing about the verdict indicates or even suggests that the jury ignored these instructions. It awarded

$701,508 in damages on the TCPA claim, an amount fairly tied to the claim *if* the underlying evidence supported a violation. As to the separate claim of HYC Logistics' misrepresentations through overbilling, the jury awarded OJC $238,279 in damages, an amount supported by the evidence.

OJC counters that the $701,508 in damages for the TCPA claim mirrors the alleged cost of consumer goods in the containers, while the $238,279 in damages for the misrepresentation claim mirrors the expected profits. Pointing to these numbers, OJC claims that the jury might have awarded more damages for the misrepresentation claim had it known that the TCPA claim would not stand. Maybe; maybe not. How can we say or know? Because the court properly instructed the jury on these claims, and because the evidence otherwise supports what the jury did, we have no non-speculative way to accept this argument. *See Weeks v. Angelone*, 528 U.S. 225, 234 (2000). Put another way, we cannot read between the lines of a verdict and ask the jury to start again when the jury legitimately placed $238,279 on the only relevant line.

III.

That brings us to OJC's challenges to the district court's attorney's fees and prejudgment interest rulings.

Attorney's fees. OJC claims that the district court erred in awarding HYC Logistics $450,000 in attorney's fees from the $513,846 remaining after other reductions. We review such decisions for abuse of discretion and, if the award turns on an interpretation of state law in a diversity case, we look at that interpretation with fresh eyes. *Hometown Folks, LLC v. S & B Wilson, Inc.*, 643 F.3d 520, 533 (6th Cir. 2011). Tennessee follows the American Rule, meaning that a court may award attorney's fees only if permitted by a contract, a statute, or a recognized equitable ground. *Id*.

This award turned on the contract. The parties agreed that, "[i]n any dispute involving monies owed to Company [HYC Logistics and its agents], [it] shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 5% per annum." R.1-2 at 4. This litigation arose from HYC Logistics' multi-year attempt to collect payments from OJC. We see

no abuse of discretion in this award given OJC's persistent refusal to pay HYC Logistics for its services.

OJC counters that this was not a collections case. But the language and claims in HYC Logistics' complaint confirm that that is precisely what it was. The logistics company sought to collect payment from OJC for services rendered and, relatedly, to invoke its lien rights to satisfy the debt. The same is true of OJC's counterclaims, all designed to stand in the way of HYC Logistics' collection efforts. *See Charles v. McCrary*, No. E2023-00608-COA-R3-CV, 2024 WL 3518597, at *6 (Tenn. Ct. App. July 24, 2024) (awarding fees for defending a collection counterclaim under a prevailing-party provision); *Parker v. Brunswick Forest Homeowners Ass'n*, No. W2018-01760-COA-R3CV, 2019 WL 2482351, at *11–12 (Tenn. Ct. App. June 13, 2019). That this litigation over collections became more and more protracted cannot sever its roots in collection for unpaid invoices. Else, parties would be incentivized to do precisely what fee-shifting contracts are designed to avoid: engage in sharp-elbowed litigation with no horizon in sight.

OJC contends that the fee award arising from the conduct of HYC Logistics' agents should not stand because the agents never signed the contract. What matters, however, is that OJC signed the contract and agreed to this fee-shifting provision. By doing so, OJC agreed that the "Company"—defined as HYC Logistics as well as its "agents and/or representatives"—"shall be entitled to . . . reasonable attorney's fees." R.1-2 at 2–5. Because 562 Express, as well as the employees of 562 Express and HYC Logistics, all acted as HYC Logistics' agents during the relevant times, the fee-shifting provision covers delayed payment related to their work.

True, the contract elsewhere refers to "third parties" as agents, truckmen, and carriers "to which the goods are entrusted for transportation." R.1-2 at 2. But that reality does not disturb our conclusion. In the provision that matters for this purpose, the one about attorney's fees, the parties referred to HYC Logistics and its "agents and/or representatives," to "all costs of collection," and to "any dispute involving monies owed to Company." R.1-2 at 4.

Pointing to HYC Logistics' misrepresentations in its invoices, OJC independently maintains that the district court erred when it denied OJC's request for attorney's fees. The key

problem is that OJC offers no plausible exception to the American Rule. It does not identify any provision in the contract or a statute or any other cognizable basis for fees on this ground. Its citations to Tennessee cases involving a breach of fiduciary duty or lack of capacity are at least one step removed from today's case. For example, the single published Tennessee appellate court decision of the bunch, *Ellis v. Duggan*, involved undue influence within a confidential power of attorney relationship. 644 S.W.3d 85, 128 (Tenn. Ct. App. 2021). That is not remotely akin to this relationship between two sophisticated and well-represented businesses. That the Tennessee Supreme Court has carefully circumscribed its exceptions to the American Rule underscores the absence of on-point authority here. *See, e.g.*, *State v. Brown & Williamson Tobacco Corp.*, 18 S.W.3d 186, 194 (Tenn. 2000) (declining to extend attorney's fees for implied contract, quantum meruit, and other theories); *Pullman Standard, Inc. v. Abex Corp.*, 693 S.W.2d 336, 340 (Tenn. 1985) (recognizing recovery of fees incurred in third-party litigation caused by the defendant's tort). No error occurred.

Prejudgment interest. OJC claims that the district court misstepped when it denied prejudgment interest on OJC's damages. We review for abuse of discretion. *Ky. Com. Mobile Radio Serv. Emergency Telecomms. Bd. v. TracFone Wireless, Inc.*, 712 F.3d 905, 912 (6th Cir. 2013).

No abuse of discretion occurred. The district court walked through the equitable considerations under Tennessee law: "(1) promptness in the commencement of a claim, (2) unreasonable delay of the proceedings by either party, (3) abusive litigation practices by either party, (4) the certainty of the existence of an underlying obligation, ([5]) the certainty of the amount in dispute, and ([6]) prior compensation for the lost time value of the plaintiff's money." *Poole v. Union Planters Bank, N.A.*, 337 S.W.3d 771, 791 (Tenn. Ct. App. 2010). It reasonably concluded that the first factor and the sixth factor weighed against relief while the others were "neutral." R.366 at 14.

OJC objects that it filed its counterclaim soon after it waived service and that its nonpayment of overbilled charges was reasonable. None of these assertions, however, unseats the denial of prejudgment interest. Such awards are meant to "fully compensate a plaintiff for the loss of the use of funds to which he or she was legally entitled, not to penalize a defendant

for wrongdoing." *Id*. (quotation omitted). OJC's misrepresentation claim encompassed OJC's *refusal* to pay inflated invoices. No abuse of discretion occurred.

IV.

That brings us to Weiss's appeal. He argues that the district court erred in denying his motion for sanctions under Civil Rule 11(b)(3), which requires attorneys to take care that their pleadings have factual moorings. *See* Fed. R. Civ. P. 11(b)(3). The parties debate at the outset whether Weiss properly triggered Rule 11's safe-harbor period, *see* Fed. R. Civ. P. 11(c)(2), and whether he forfeited his rights by waiting several years to file the motion. While we appreciate the oddity of a Rule 11 motion arriving nearly two and a half years after the allegedly sanctionable conduct occurred, we will assume without deciding that the motion was procedurally sound and proceed to address the merits of this challenge to the denial of Weiss's sanctions request.

Under Civil Rule 11(b)(3), a court may sanction attorneys for factual assertions that are objectively unreasonable, *see Ridder v. City of Springfield*, 109 F.3d 288, 293 (6th Cir. 1997), or that they know to be "false or wholly unsupported," *King v. Whitmer*, 71 F.4th 511, 521 (6th Cir. 2023). Because the district court is best situated to "apply the fact-dependent legal standard mandated by Rule 11," we review only for an abuse of discretion. *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 402, 405 (1990); *see Rentz v. Dynasty Apparel Indus.*, 556 F.3d 389, 395 (6th Cir. 2009).

Weiss's sanctions request turns on a sentence in HYC Logistics' complaint alleging that "in the past few years alone, [OJC] and/or Weiss are named as defendants in more than twenty-two" cases "concerning their non-payment of fees for services." R.1 at 2. Weiss contends that HYC Logistics and its attorneys committed sanctionable misconduct by including Weiss's name when only his company was a party to these past lawsuits and by characterizing the past cases as similar.

The district court acted well within its discretion in disagreeing. Weiss is "owner, President, CEO, and registered agent for [OJC]," R.352, and is responsible for authorizing each payment for which the company is accountable. After presiding over the full scope of this

litigation, the court determined that, because "the distinction between" the man and the company was "minor," it was reasonable to pair the two when describing OJC's litigation history. R.352. We see no good reason to disturb that conclusion.

As for the alleged mischaracterizations, they do not satisfy Rule 11. True, a few of the past cases contained other sorts of allegations (including trademark and patent claims), but it is undisputed that at least 19 other lawsuits, past and present, name OJC as a defendant for failure to pay service providers. Reasonable allegations that are mostly substantiated are not the stuff of Rule 11 sanctions. *See* Fed. R. Civ. P. 11(b)(3); *see also Navarro–Ayala v. Hernandez–Colon*, 3 F.3d 464, 467 (1st Cir. 1993) (Breyer, C.J.) ("Rule 11 neither penalizes overstatement nor authorizes an overly literal reading of each factual statement."). In addition, HYC Logistics stopped conflating Weiss and his company long before Weiss filed for sanctions, *see* R.235 at 2–3; R.255 at 4–6 (clarifying that OJC, not Weiss, was named as a defendant in all 22 cases), and the court never relied on references to the other cases, R.352 (citing R.260, which affirmed an order granting OJC's motion in limine in part and excluded from the trial any reference to the other cases). Rule 11 exists to deter, Fed. R. Civ. P. 11(c)(4), and the court justifiably found no unreasonable conduct to deter.

Weiss's attempts to upend this conclusion fall short. He contends that the district court impermissibly introduced a willfulness requirement to Rule 11 by concluding that the challenged sentence in the complaint was not "willfully false." R.352. Not so. If anyone introduced such a requirement, it was Weiss, who in his Rule 11 motion accused HYC Logistics of "willfully ma[king] several false contentions." R.350 at 1. The court used the word "willfully" only to respond to this motion, referring by name to Weiss's accusation and refuting it. R.352. The court, in any case, offered sufficient reasons for finding that the complaint did not reach Rule 11's imperative of objective unreasonableness, making any error harmless.

Nor does the reassertion of the mischaracterization claim take Weiss where he wants to go. Weiss argues that the "past cases" allegation was sanctionably false because the 22 cases did not allege fraud or misrepresentation and had spanned nearly a decade, with many being dismissed before the present dispute began. But in making this argument, Weiss constructs a strawman. HYC Logistics alleged only that the past cases named OJC as a defendant and

concerned the non-payment of fees, and Weiss does not dispute that this is true as to the vast majority of cases. While the complaint imprecisely limits the timeframe to "the past few years," R.1 at 2, Weiss does not (and could not) claim that the difference between a few years and nine years is cause for Rule 11 sanctions.

Weiss takes issue with the district court's finding of a minimal distinction between him and OJC. While he does not dispute his station in the company, he points out that the corporate veil traditionally separates the corporation from its shareholders and argues that the district court should have conducted a veil-piercing analysis before denying sanctions. That demands more than Rule 11 requires. We cannot fault the district court, in the course of rejecting a Rule 11 motion, for determining that the line "[OJC] and/or Weiss" was objectively reasonable. R.1 at 2.

Weiss's remaining arguments fail to catch a departing boat. He worries that HYC Logistics' removal of references to him was styled as an objection to a motion seeking to exclude the allegations, not as an attempt to correct the record. And he concludes that, because the "correction" came long after the safe-harbor period had expired, it failed to cure the Rule 11 violation. He has it backwards. The court's point was not that the subsequent filings cured a Rule 11 violation as a matter of law, but that they provided further evidence of no violation to begin with. *See* Fed. R. Civ. P. 11 advisory committee's note to 1993 amendment (advising courts deciding whether to impose sanctions to consider the effect an alleged violation had on the litigation process and whether it was "part of a pattern of activity" or instead an "isolated event"). We need not delve into Weiss's dubious contention that he suffered prejudice from the disputed sentence despite the care the district court took not to rely on it. This, too, reaches for a showing of objective unreasonableness that Rule 11 requires but that Weiss does not establish.

For its part, in the conclusion of its brief, HYC Logistics asks us to impose appellate sanctions against Weiss under Appellate Rule 38. But it did not file the separate motion that the rule requires. *See Thomas M. Cooley L. Sch. v. Kurzon Strauss, LLP*, 759 F.3d 522, 535 (6th Cir. 2014). We therefore decline to entertain this request.

For these reasons, we affirm.