

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

CARLEX GLASS AMERICA, LLC,)	
)	
Plaintiff,)	
)	
v.)	Case No. 3:24-cv-00695
)	Crenshaw/Holmes
SOMPO AMERICA INSURANCE)	
COMPANY,)	
)	
Defendant.)	
)	

**PLAINTIFF CARLEX GLASS AMERICA LLC’S RULE 59(E) MOTION FOR
PREJUDGMENT INTEREST AND MEMORANDUM OF LAW IN SUPPORT**

Pursuant to Rule 59(e) of the Federal Rules of Civil Procedure and LR § 7.01, Plaintiff Carlex Glass America, LLC (“Plaintiff” or “Carlex”), through counsel, hereby moves this Court to amend the judgment entered on January 30, 2026 (Doc. No. 201) to add an award of prejudgment interest to Carlex. As set forth in detail below, the judgment should be amended to add an award to Carlex of \$3,483,000.00 in prejudgment interest, bringing the total judgment amount to \$17,883,000.00.

A. Procedural Grounds for this Motion.

A postjudgment motion for prejudgment interest constitutes a motion to alter or amend the judgment under Rule 59(e) of the Federal Rules of Civil Procedure. *Osterneck v. Ernst & Whinney*, 489 U.S. 169, 175 (1989). “[P]rejudgment interest traditionally has been considered part of the compensation due plaintiff.” *Id.* In fact, “[p]rejudgment interest is an element of complete compensation.” *Griffin v. Copper Cellar Corporation*, No. 3:21-CV-100-KAC-DCP, 2025 WL 2671533, at *2 (E.D. Tenn. Aug. 26, 2025) (quoting *West Virginia v. United States*, 479 U.S. 305,

310 (1987)). Under Rule 59(e), “[a] motion to alter or amend a judgment must be filed no later than 28 days after entry of the judgment.” Fed. R. Civ. P. 59(e).

B. Prejudgment Interest is Appropriate in this Case.

Prejudgment interest is appropriate in this case because Carlex cannot be fully compensated without it. Carlex was without the use of insurance proceeds which the jury determined it was entitled to, and both the existence and amount of the obligation owed to Carlex were certain prior to this litigation. More broadly, equitable principles dictate an award of prejudgment interest to Carlex.

Under Tennessee Code Annotated § 47-14-123, prejudgment interest may be awarded as an element of damages. The statute provides the following:

Prejudgment interest, i.e., interest as an element of, or in the nature of, damages, as permitted by the statutory and common laws of the state as of April 1, 1979, **may be awarded by courts** or juries in accordance with the principles of equity **at any rate not in excess of a maximum effective rate of ten percent** (10%) per annum; **provided, that with respect to contracts subject to § 47-14-103, the maximum effective rates of prejudgment interest so awarded shall be the same as set by that section for the particular category of transaction involved.** In addition, contracts may expressly provide for the imposition of the same or a different rate of interest to be paid after breach or default within the limits set by § 47-14-103.

Tenn. Code Ann. § 47-14-123 (emphasis added). “[T]he purpose of awarding prejudgment interest ‘is to fully compensate a plaintiff for the loss of the use of funds to which he or she was legally entitled[.]’” *Wilson v. State Farm Fire & Cas. Co.*, 799 F.Supp. 829, 845 (E.D. Tenn. 2011) (quoting *Myint v. Allstate Ins. Co.*, 970 S.W.2d 920, 927 (Tenn. 1998)). “[I]f there has been a delay in securing a judgment, courts will also examine whether the defendant is responsible for the delay.” *Id.* (noting that “a defendant that made repeated requests for continuances and caused the case to languish for almost two and a half years was required to pay prejudgment interest in *Mold-Tech USA, LLC v. Holley Performance Products, Inc.*”).

In *Myint*, a case in which the Tennessee Supreme Court affirmed an award of prejudgment interest to an insured where the insurer refused to pay an insurance claim, the Court reviewed the proper procedure for determining an award of prejudgment interest at length. In doing so, the Court explained that (1) an award of prejudgment interest is based on principles of equity; (2) two additional nondispositive factors include the certainty of the amount of the obligation and the certainty of the obligation itself; and (3) the presence of either of the two additional factors favors an award of prejudgment interest, but the factors are regularly ignored by courts in awarding prejudgment interest when they are not present.

Several principles guide trial courts in exercising their discretion to award or deny prejudgment interest. **Foremost are the principles of equity.** Tenn. Code Ann. § 47-14-123. Simply stated, the court must decide whether the award of prejudgment interest is fair, given the particular circumstances of the case. In reaching an equitable decision, a court must keep in mind that **the purpose of awarding the interest is 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. *Mitchell v. Mitchell*, 876 S.W.2d 830, 832 (Tenn.1994); *Otis*, 850 S.W.2d at 446.

In addition to the principles of equity, two other criteria have emerged from Tennessee common law. The first criterion provides that prejudgment interest is allowed when the amount of the obligation is certain, or can be ascertained by a proper accounting, and the amount is not disputed on reasonable grounds. *Mitchell*, 876 S.W.2d at 832. The second provides that interest is allowed when the existence of the obligation itself is not disputed on reasonable grounds. *Id.* (citing *Textile Workers Union v. Brookside Mills, Inc.*, 205 Tenn. 394, 402, 326 S.W.2d 671, 675 (1959)).

We note that these criteria, if strictly construed, could prohibit the recovery of prejudgment interest in the vast majority of cases. Indeed, only a liquidated claim, for which prejudgment interest is already recoverable as a matter of right under Tenn. Code Ann. § 47-14-109, can truly be considered an obligation of certain and indisputable amount. Further, it is safe to say that, at trial, defendants usually can articulate at least one good reason for disputing the existence of the obligation, for were it otherwise, defendants would rarely survive summary judgment. Finally, the focus on whether the defendant had a reasonable defense ignores the principle that prejudgment interest is not a penalty imposed on the defendant for indefensible conduct.

Not surprisingly, an analysis of relevant case law reveals that these criteria have not been used to deny prejudgment interest in every case where the defendant reasonably disputed the existence or amount of an obligation. More typically, courts either use the certainty of a claim as support for an award of prejudgment interest, or they do not discuss the certainty of the claim at all. *See, e.g., Mitchell*, 876 S.W.2d at 832 (allowing the award of interest where the existence and amount of the obligation under a settlement agreement were not reasonably disputed); *Otis*, 850 S.W.2d at 446 (allowing the award of interest to a plaintiff whose right to recover under a fire insurance contract was reasonably disputed on the grounds of arson and misrepresentation); *Performance Systems, Inc. v. First American Nat. Bank*, 554 S.W.2d 616, 619 (Tenn.1977) (allowing the award of interest, although the existence of the defendant's obligation under the lease was reasonably disputed); *Johnson v. Tennessee Farmers Mut. Ins. Co.*, 556 S.W.2d 750, 752 (Tenn.1977) (allowing the award of interest, although the amount of recovery under the insurance claim was reasonably disputed); *Uhlhorn v. Keltner*, 723 S.W.2d 131, 138 (Tenn.App.1986) (allowing award of interest in a boundary dispute case, where the existence of any obligation to pay rent and the amount of rent due were both reasonably disputed); *Schoen v. J.C. Bradford & Co.*, 667 S.W.2d 97, 101–02 (Tenn.App.1984) (rejecting argument that prejudgment interest should not be imposed when defendant appealed in good faith).

Thus, we find that if the existence or amount of an obligation is certain, this fact will help support an award of prejudgment interest as a matter of equity. After all, the more clear the fact that the plaintiff is entitled to compensatory damages, the more clear the fact that the plaintiff is also entitled to prejudgment interest as part of the compensatory damages. The converse, however, is not necessarily true. The uncertainty of either the existence or amount of an obligation does not *mandate* a denial of prejudgment interest, and a trial court's grant of such interest is not automatically an abuse of discretion, provided the decision was otherwise equitable. **The certainty of the plaintiff's claim is but one of many nondispositive facts to consider when deciding whether prejudgment interest is, as a matter of law, equitable under the circumstances.**

...

The test for determining whether the amount of damages is certain is not whether the parties agree on a fixed amount, for a fixed amount would be a liquidated claim, and the plaintiff would have a right to collect interest under Tenn. Code Ann. § 47–14–109(b). Instead, **the test is whether the amount of damages is ascertainable by computation or by any recognized standard of valuation. This is true even if there is a dispute over monetary value or if the parties' experts compute differing estimates of damage.** *See Unlimited Equip. Lines v. Graphic Arts Centre, Inc.*, 889 S.W.2d 926, 942–43 (Mo.Ct.App.1994); *Community State Bank v. O'Neill*, 553 N.E.2d 174, 177–78 (Ind.Ct.App.1990). Here, the amount of damages was ascertainable by two well-accepted methods of valuation: by

estimation of the cost to repair the fire damage, and by calculation of the difference between the market value of the house prior and subsequent to the fire. **That these values were contested by the parties does not preclude an award of prejudgment interest.**

Myint, 970 S.W.2d at 927-29 (emphasis added).¹

In *Myint*, the Court found that the trial court's decision to award prejudgment interest was equitable for a number of reasons: (1) the jury determined that the plaintiffs were entitled to the insurance proceeds, yet the plaintiffs were without the use of those proceeds for the roughly five year period from the date of loss through the entry of judgment; (2) the defendant insurance company had full use of the funds during that time, meaning the insured plaintiffs "cannot be *fully* compensated without the award of interest" (emphasis original); and (3) the trial court did not allow the interest to begin accruing until the claim was denied. *Id.* at 929. Equally important, the Court found that the amount of damages was certain *despite* the right of recovery being "reasonably disputed" *and* the parties contesting the amounts and means of calculation. *Id.* at 928-29.

Here, like in *Myint*, the jury found that Carlex was entitled to the insurance proceeds, yet Carlex was without the use of those funds for several years while the defendant insurance company had full use of those funds. As a result, Carlex cannot be fully compensated without an award of prejudgment interest. Likewise, the amount of property damage owed to Carlex was certain because it was ascertainable by a recognized method of calculation (third-party estimates, costs for similar recent repairs discounted for depreciation, etc., as shown during trial through testimony and exhibits, including Joint Exhibit 31),² regardless of whether Defendant disputed the amounts

¹ A copy of *Myint* is attached hereto for convenient reference.

² A copy of Joint Exhibit 31 is attached hereto for convenient reference.

or methods.³ In fact, the instant circumstances mandate an award of prejudgment interest even more clearly than those in *Myint*, because here the existence of the obligation was also certain. But even if one assumes, *arguendo*, that neither the amount nor existence of the obligation was certain in this case, *it does not matter*, because the absence of such factors is regularly ignored by courts in determining that equitable principles dictate an award of prejudgment interest. *See Myint* at 928.

C. Calculation of Prejudgment Interest.

Calculating the precise amount of prejudgment interest requires determining the proper interest rate and the time period during which the principal judgment amount accrued interest. Here, the proper rate is 10.75% simple interest per annum, and the period of accrual is November 1, 2023, through January 30, 2026.

Tennessee Code Annotated § 47-14-103 provides the following with respect to the proper rate of interest:

Except as otherwise expressly provided by this chapter or by other statutes, **the maximum effective rates of interest are as follows:**

(1) For all transactions in which other statutes fix a maximum effective rate of interest for particular categories of creditors, lenders, or transactions, the rate so fixed;

(2) **For all written contracts**, including obligations issued by or on behalf of the state of Tennessee, any county, municipality, or district in the state, or any agency, authority, branch, bureau, commission, corporation, department, or instrumentality thereof, signed by the party to be charged, and not subject to subdivision (1), **the applicable formula rate**; and

³ This standard, that the amount of an obligation is considered certain where it is ascertainable by a recognized method of calculation, resembles the standard that a plaintiff may use any reasonable method to prove its damages for breach of contract. *See BancorpSouth Bank, Inc. v. Hatchel*, 223 S.W.3d 223, 230 (Tenn. Ct. App. 2006) (“Damages for breach of contract are permissible even when the plaintiff is unable to prove the exact amount of those damages. The law does not require exactness of computation in suits that involves questions of damages growing out of contract or tort. ... All that an award for damages requires is proof of damages within a reasonable degree of certainty.”) (internal citations omitted).

(3) For all other transactions, ten percent (10%) per annum.

Tenn. Code Ann. § 47-14-103 (emphasis added).

Given that the insurance policy giving rise to the judgment was a written contract, the applicable formula rate is therefore the appropriate rate for prejudgment interest in this case. Currently, the applicable formula rate, as established and published by the Tennessee Department of Financial Institutions, is 10.75%. Tennessee Department of Financial Institutions, *Historical Listing of Formula Rates*, WWW.TN.GOV, <https://www.tn.gov/content/tn/tdfi/tdfi-how-do-i/info/formula-rate/formula-rate-history.html> (last visited on 2/11/26 at 12:53 pm CT).

Under circumstances like those at hand, the most appropriate accrual date for the beginning of a prejudgment interest calculation is the date the insurer denied the claim. *See Myint*, 970 S.W.2d at 929 (noting with approval that the trial court used the date of denial of the claim, rather than the date of loss, as the date on which prejudgment interest began to accrue, and indicating that the trial court's methodology in doing so mirrored the court's appropriate procedure in *Wilder v. Tennessee Farmers Mutual Ins. Co.*, 912 S.W.2d 722, 727 (Tenn. Ct. App. 1995)). Much like in this case, the time between the date of loss and entry of judgment was years longer than the time period between denial of the claim and entry of judgment, but the proper period of time was denial through entry of judgment. *Id.* Accordingly, prejudgment interest in this case began to accrue on November 1, 2023, the date on which Defendant denied Carlex's claim. *See* Joint Exhibit 19. Of course, prejudgment interest accrues until the date of entry of judgment – January 30, 2026, in this case. (Doc. No. 201). Said differently, prejudgment interest accrued for two years and three months, or 27 months.

The proper rate of 10.75% simple interest per annum, applied to the principal judgment amount of \$14,400,000.00 over 27 months, results in total prejudgment interest of \$3,483,000.00.⁴ Adding the prejudgment interest to the principal judgment amount, the total judgment amount becomes \$17,883,000.00.⁵

Conclusion

For the above reasons, Carlex requests this Court enter an order amending the judgment entered on January 30, 2026 to add an award of prejudgment interest to Carlex in the amount of \$3,483,000.00, bringing the total judgment amount to \$17,883,000.00.

Respectfully submitted,

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⁴ Total interest = \$14,400,000.00 principal * 0.1075 [for the 10.75% simple interest rate] * 27 months [time of accrual] ÷ 12 months [because the rate is annual, not monthly] = \$3,483,000.00.

⁵ Total judgment amount = \$14,400,000.00 principal + \$3,483,000.00 total interest = \$17,883,000.00.

And

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CERTIFICATE OF SERVICE

I hereby certify that on February 11, 2026, a true and exact copy of the foregoing has been served via electronic mail and/or the Court's CM/ECF system on the following:

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