NOT FOR PUBLICATION

FILED

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MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

In re: YU HUA LONG INVESTMENTS, LLC,

Debtor,

TENG HUANG,

Appellant,

v.

MOUNTAINFIELD PROPERTIES LLC; et al.,

Appellees.

No. 22-55476

D.C. No. 2:21-cv-07750-RGK

MEMORANDUM*

Appeal from the United States District Court
for the Central District of California
R. Gary Klausner, District Judge, Presiding

Argued and Submitted December 6, 2022
Pasadena, California

Before: KELLY,** M. SMITH, and COLLINS, Circuit Judges.

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* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

** The Honorable Paul J. Kelly, Jr., United States Circuit Judge for the U.S. Court of Appeals for the Tenth Circuit, sitting by designation.

Teng Huang appeals the district court's order affirming the bankruptcy court's order disallowing his claim for unjust enrichment on the basis of the incidental benefit principle. The parties' familiarity with the record is assumed. We have jurisdiction pursuant to 28 U.S.C. §§ 158(d)(1) and 1291. We reverse and remand the case to the district court for further proceedings consistent with this memorandum disposition.

We hold that the bankruptcy court erred in its application of the incidental benefit principle to disallow Teng Huang's unjust enrichment claim in this case. To prevail on an unjust enrichment claim, a party must show "receipt of a benefit and unjust retention of the benefit at the expense of another." *Lyles v. Sangadeo-Patel*, 171 Cal. Rptr. 3d 34, 40 (Ct. App. 2014) (internal quotation marks and citation omitted). Under the incidental benefit principle, the retention of a benefit is not unjust where the party conferring the benefit acts solely out of self-interest or duty, and the party receiving the benefit does so only incidentally. *See Hartford Cas. Ins. Co. v. J.R. Mktg., LLC*, 353 P.3d 319, 327 (Cal. 2015) ("When a person acts simply as she would have done in any event, out of duty or self-interest, she cannot equitably claim compensation from anyone who merely happens to benefit as a result."). This principle is inapplicable here because the loan at issue in this case was secured to provide operating funds for Magnus Sunhill Group, LLC (Magnus) and to pay off existing debts, forestalling the foreclosure of its real estate assets. Even if Teng Huang acted in his own interest, the benefit conferred upon Magnus was not merely *incidental*. Rather, it was intentional. We therefore reverse.

We decline to consider Appellees' suggested alternate grounds for affirmance, such as whether Teng Huang has satisfied the *prima facie* requirements for unjust enrichment; whether the unjust enrichment claim was time-barred; and whether Teng Huang—as opposed to Shaanxi Yuhualong Investment Group Co., Ltd.—conferred a benefit sufficient to assert an unjust enrichment claim. *See United States v. Johnson Controls, Inc.*, 457 F.3d 1009, 1022–23 (9th Cir. 2006) (declining to affirm on alternate ground due to its fact-intensive nature and remanding for possible further factual development and evaluation below), *abrogated on other grounds by United States ex rel. Hartpence v. Kinetic Concepts, Inc.*, 792 F.3d 1121 (9th Cir. 2015) (en banc). We leave it to the sound discretion of the district court to either consider those issues in the first instance or to remand the case to the bankruptcy court.

REVERSED AND REMANDED.