

LBR 9011.3
SANCTIONS

(a) Sanctions Under Applicable Rules and Statutes.

(1) *On Court's Own Initiative.* The court, on its own initiative, may issue an order to show cause why sanctions should not be imposed against a party and/or an attorney for violation of these rules, Fed. R. Bankr. P. 9011, or other applicable statutes. The court will state the reasons for issuing the show cause order. Unless the court orders otherwise, all parties must respond within 14 days after the filing of the order to show cause. The responses may include affidavits and documentary evidence as well as legal arguments. (2)

On a Party's Motion. A party may raise the issue of sanctions by a timely-filed motion. The responding party may respond in the same manner specified above.

(3) *Procedure.* After the response time expires and without further proceedings, the court may rule on the violation and the nature and extent of any sanction imposed. Discovery and evidentiary hearings on sanctions will be permitted only by court order. The court will articulate the factual and legal bases for its ruling on sanctions.

(b) Imposition of Sanctions. If the court finds a violation of these rules, Fed. R. Bankr. P. 9011, other applicable statutes or a court order, the court may impose sanctions pursuant to Fed. R. Civ. P. 11, Fed. R. Bankr. P. 9011, or other federal rules or statutes. In addition, the court may issue other orders as are just under the circumstances, including the following:

- (1) an order designating certain matters or facts as established for purposes of the action;
- (2) an order refusing to allow a party to support or oppose designated claims or defenses, or prohibiting the party from offering specified witnesses or introducing designated matters in evidence;
- (3) an order striking pleadings, in whole or in part, staying proceedings until compliance with the rule, dismissing the action, in whole or in part, or entering a judgment by default against a party; or
- (4) an order imposing costs, including attorney's fees against a party, or a party's attorney, who has failed to comply with a local rule, court order or statute.

(c) Sanctions Within the Discretion of the Court. The court has discretion to impose sanctions for violation of these rules or a court order. In considering sanctions, the court may consider whether a party's failure was substantially justified or whether other circumstances make sanctions inappropriate.

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