

HUGGINS V. LUEDER, LARKIN & HUNTER, LLC: ELEVENTH
CIRCUIT CLEARS UP THE PERCEIVED CONFLICT OF
PRECEDENT REGARDING THE POSTJUDGMENT FILING
OF MOTIONS FOR SANCTIONS

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In *Huggins v. Lueder, Larkin & Hunter, LLC*, the United States Court of Appeals for the Eleventh Circuit addressed whether a Rule 11 motion for sanctions may be filed after the issuance of a final judgment.¹ On appeal, the Eleventh Circuit vacated the district court’s denial of a law firm’s postjudgment motion for sanctions against opposing counsel.² The court resolved seemingly conflicting precedent by holding that postjudgment sanctions motions are permissible so long as the final judgment does not prematurely end the twenty-one-day safe harbor period.³

The law firm of Lueder, Larkin & Hunter (“LLH”) represented the Pine Grove Homeowners Association (“HOA”) in a series of lawsuits seeking to collect unpaid fees from certain homeowners.⁴ These homeowners included Wilbur Huggins, Latonya Marbury, and Melisha Parson (“the homeowners”).⁵ Huggins ultimately settled with the HOA, and the HOA voluntarily dismissed the suits with the other two homeowners.⁶ However, the homeowners then initiated a suit against LLH, arguing that the firm had violated the Fair Debt Collection Practices Act (“FDCPA”) during the previous fee litigation.⁷ LLH removed the cases to federal court, and the cases were consolidated and heard before a magistrate judge.⁸

After reading the homeowner’s FDCPA complaint, LLH concluded that the claims were “unsubstantiated and frivolous,”

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¹ 39 F.4th 1342 (11th Cir. 2022). Federal Rule of Civil Procedure 11(c) governs sanctions for attorneys who violate Rule 11(b).

² *Huggins*, 39 F.4th at 1349.

³ *Id.* at 1348–49.

⁴ *Id.* at 1344.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*; Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692–1692p.

⁸ *Huggins*, 39 F.4th at 1344.

constituting sanctionable conduct by the homeowners' attorneys.⁹ LLH subsequently served opposing counsel with a draft of a sanctions motion in accordance with Rule 11 of the Federal Rules of Civil Procedure.¹⁰ The homeowners withdrew some of their claims against LLH, but not all.¹¹ LLH did not file the motion even after the twenty-one-day safe harbor period had lapsed.¹²

Five months later, the magistrate judge recommended granting a motion for summary judgment in favor of LLH due to the homeowners' failure to show that the firm's debt collection practices had violated the FDCPA.¹³ The district court adopted the magistrate's report and granted summary judgment in favor of LLH.¹⁴ Five days later, LLH moved for sanctions against the homeowners' counsel.¹⁵ The district court denied LLH's motion, stating that, although earlier Eleventh Circuit precedent permitted the postjudgment filing of sanctions motions, more recent decisions had "altered" the rule to prohibit them.¹⁶ LLH appealed this denial of sanctions, and the homeowners appealed the grant of summary judgment.¹⁷

The primary purpose of Rule 11 is to "deter[] attorneys and litigants from clogging federal courts with frivolous filings."¹⁸ When a party identifies potentially sanctionable conduct, Rule 11 permits him or her to file a motion for sanctions against the opposing party's counsel.¹⁹ The movant must serve a draft of the sanctions motion on the opposing party and then wait twenty-one days for the safe harbor period to lapse before filing the motion in court.²⁰ After this safe harbor period has passed, the motion cannot be filed if: (1) the nonmovant withdraws his or her frivolous claims; (2) the nonmovant amends the challenged document; or (3) the court rules on the challenged document before the safe harbor period lapses.²¹ However, if the nonmovant does

⁹ *Id.* at 1344–45.

¹⁰ *Id.* at 1345.

¹¹ *See id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Huggins*, 39 F.4th at 1345.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* The homeowners also appealed the district court's grant of summary judgment in favor of LLH. *Id.* The Eleventh Circuit affirmed this decision, holding that it was well-reasoned based on the parties' briefs and the district court's record. *Id.* at 1349.

¹⁸ *Huggins*, 39 F.4th at 1344.

¹⁹ *Id.* at 1345 (citing Fed. R. Civ. P. 11(c)(2)).

²⁰ *Id.* at 1346.

²¹ *Id.* (citing Fed. R. Civ. P. 11(c)(2)).

nothing to address his or her sanctionable conduct, the movant is free to file the motion.²² The text of Rule 11 does not explicitly permit nor prohibit postjudgment filing of sanctions motions.²³ Therefore, since the text of the rule is ambiguous on post-judgment filing, the Eleventh Circuit was tasked with discerning the outer bounds of the rule.

The Eleventh Circuit seemingly answered the question of whether a party may file postjudgment motions for sanctions in *Baker v. Alderman*.²⁴ There, the court held that “Rule 11 motions are collateral to an action and are not barred if filed after . . . entry of judgment.”²⁵ However, the homeowners claimed that recent Eleventh Circuit decisions have altered the *Baker* rule to prohibit postjudgment motions for sanctions.²⁶

The homeowners’ argument for the impermissibility of postjudgment sanctions motions hinges on a single quote from *In re Walker*.²⁷ There, the court “agree[d] with the Second, Fourth, and Sixth Circuits,” stating “that the service *and filing* of a motion for sanctions ‘must occur prior to final judgment or judicial rejection of the offending’ motion.”²⁸ However, the *Huggins* court found that the factual scenario of *Walker* distinguishes itself from *Baker*, indicating that the two precedents do not necessarily conflict.²⁹

In *Walker*, a party drafted and served a sanctions motion on the opposition’s counsel in response to a purportedly frivolous claim.³⁰ Four days into the safe harbor period, the bankruptcy court dismissed the frivolous claim but still permitted the filing of the sanctions motion after the safe harbor period had lapsed.³¹ The district court vacated the sanctions grant, which was ultimately upheld by the Eleventh Circuit because “the safe harbor period had been cut off by the court’s ruling” on the frivolous claim.³² Therefore, the core holding of *Walker* is that “the *full* safe harbor period must be satisfied before a sanctions motion

²² *Id.*

²³ *Id.*; see Fed. R. Civ. P. 11(c)(2)).

²⁴ *Baker v. Alderman*, 158 F.3d 516, 523 (11th Cir. 1998); *Huggins*, 39 F.4th at 1346.

²⁵ *Baker*, 158 F.3d at 523.

²⁶ *Huggins*, 39 F.4th at 1346.

²⁷ 523 F.3d 1304, 1309 (11th Cir. 2008); *Huggins*, 39 F.4th at 1346–47.

²⁸ *In re Walker*, 532 F.3d at 1309 (emphasis added) (quoting *Riddler v. City of Springfield*, 109 F.3d 288, 297 (6th Cir. 1997)).

²⁹ *Huggins*, 39 F.4th at 1347.

³⁰ *In re Walker*, 532 F.3d 1307.

³¹ *Id.* at 1308.

³² *Id.*

is filed.”³³ In other words, *Walker* is distinguishable from *Baker* because a final judgment was issued before the safe harbor period had fully lapsed.³⁴ As long as the entire safe harbor period has lapsed, a motion for sanctions may be filed at any time, including after the issuance of a final judgment.³⁵

Upon review, the Eleventh Circuit held that the court’s precedent concerning postjudgment motions for sanctions does not conflict.³⁶ The court clarified the rule for postjudgment sanctions by reconciling the older and newer precedent: as long as a party satisfies the safe harbor requirement by serving a Rule 11 sanctions motion on the opposing party at least twenty-one days before final judgment, the party may file the motion even after a final judgment has been issued.³⁷

After analyzing the facts at hand in light of the clarified rule, the Eleventh Circuit found that LLH properly exercised its ability to file a postjudgment sanctions motion.³⁸ The firm served the homeowners’ counsel with a draft motion for sanctions, and a final judgment was not issued until months later.³⁹ Because LLH served the Rule 11 sanctions motion more than twenty-one days before final judgment, LLH satisfied the safe harbor requirement of Rule 11.⁴⁰ Therefore, since the safe harbor period fully lapsed before final judgment was issued, LLH should have had free leave to file a postjudgment motion for sanctions.⁴¹ As a result, the district court’s denial of LLH’s motion for sanctions was improper and thus vacated, with the case being remanded for proceedings consistent with the Eleventh Circuit’s opinion.⁴²

Ultimately, the Eleventh Circuit’s decision in *Huggins* settles the perceived conflict of precedent concerning postjudgment sanctions motions. The decision in *Huggins* clarifies the existing procedure for sanctions and furthers the policy goals of Rule 11 by definitively establishing the threat of postjudgment sanctions filings in the Eleventh Circuit.⁴³

³³ *Huggins*, 39 F.4th at 1348 (emphasis added).

³⁴ *See id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.* at 1349.

³⁹ *Id.* at 1345.

⁴⁰ *Huggins*, 39 F.4th at 1349.

⁴¹ *Id.*

⁴² *Id.*

⁴³ *See id.* at 1347–49.