

UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

Donaldson v. Clark

56 U.S.L.W. 2029 (11th Cir. 1987) · No. No. 85-8270 · Decided June 24, 1987

SUMMARY

The Eleventh Circuit, sitting en banc, addressed the district court’s conversion of motions to dismiss into motions for summary judgment without providing the required ten-day notice and reversed the resulting summary judgment. The court also reversed Rule 11 sanctions imposed against plaintiff’s counsel because counsel had not received the full opportunity to respond. The opinion discusses the objective reasonableness standard, permissible monetary sanctions, and the notice and hearing procedures required by due process under amended Rule 11.

CASE DETAILS

COURT	United States Court of Appeals for the Eleventh Circuit
WRITING FOR THE COURT	Godbold, Circuit Judge; Roney, Chief Judge; Godbold; Tjoflat; Hill; Fay; Vance; Kravitch; Johnson; Hatchett; Anderson; Clark; Edmondson
JURISDICTION	Federal
DECIDED	June 24, 1987
DOCKET	No. 85-8270
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Plaintiff appealed from a district court order converting defendants' Rule 12(b)(6) motions into motions for summary judgment, granting summary judgment for defendants, and imposing Rule 11 sanctions on plaintiff's counsel. An Eleventh Circuit panel reversed, and the en banc court vacated the panel opinion and reconsidered the case.
STANDARD OF REVIEW	Whether factual or dilatory or bad-faith grounds exist for Rule 11 sanctions is reviewed for abuse of discretion; whether a pleading or motion is legally sufficient is reviewed de novo. Conversion of a Rule 12(b)(6) motion into a Rule 56 motion without the required notice constitutes reversible error absent the narrow exception for harmless error recognized in unique circumstances.
PRECEDENTIAL VALUE	Published en banc Eleventh Circuit opinion; precedential.

PARTIES

Jurldine A. Donaldson v. Paul V. Clark, Harris, Wilcox, Wilder,
Shelley

TOPICS

sanctions

summary judgment

motions to dismiss

due process

appellate procedure

PRACTICE AREAS

civil procedure

appellate procedure

civil rights

legal ethics and sanctions

constitutional law

QUESTIONS PRESENTED

1. Whether the district court's order was a final, appealable judgment.
2. Whether the district court erred by converting Rule 12(b)(6) motions into Rule 56 motions without giving the nonmoving party ten days' notice.
3. Whether the district court's Rule 11 sanctions had to be reversed because the summary judgment was reversed and because counsel had not received adequate procedural protections.
4. What standards govern the imposition and appellate review of sanctions under amended Rule 11.
5. Whether monetary sanctions may be imposed under Rule 11 and what notice and hearing protections due process requires.

HOLDINGS

1. The district court's decision was appealable as a final judgment on the merits.
2. When a district judge considers matters outside the pleadings and converts a Rule 12(b)(6) motion into a motion for summary judgment, all parties must receive ten days' notice of the conversion and an opportunity to present relevant factual and legal materials.
3. Reversal of the summary judgment required reversal of the Rule 11 sanctions, and the district court should not reconsider sanctions until counsel has received the full opportunity to submit material opposing the converted summary-judgment motions.
4. Amended Rule 11 applies an objective standard of reasonableness under the circumstances, requiring reasonable prefiling inquiry into both the facts and the law; subjective bad faith is not required.
5. Factual and dilatory or bad-faith grounds for sanctions are reviewed for abuse of discretion, while the legal sufficiency of a pleading or motion is reviewed de novo.
6. Rule 11 authorizes monetary sanctions, including fines and awards of reasonable expenses and attorney fees, when appropriate and when imposed consistently with due process.
7. Before imposing Rule 11 sanctions, the attorney or party must receive fair notice that sanctions are contemplated and of the alleged basis for them, together with a reasonable opportunity to respond and explain; the required procedures vary with the circumstances and severity of the sanction.

8. Due process does not generally require the procedures of Federal Rule of Criminal Procedure 42(b) before a court imposes a monetary Rule 11 sanction, although more extensive safeguards may be required when a sanction is unusually severe or effectively criminal in character.

KEY QUOTATIONS

“Failure to give such notice “will result in reversal and a remand.”” (1555)

“We hold that monetary sanctions serve the purposes of Rule 11 and may be imposed as sanctions for Rule 11 violations in appropriate cases so long as they are imposed in accordance with due process.” (1557-58)

“Due process requires that the attorney (or party where applicable) has fair notice of the possible imposition of Rule 11 sanctions and of the reasons for their imposition.” (1560)

“The accused must be given an opportunity to respond, orally or in writing as may be appropriate, to the invocation of Rule 11 and to justify his or her actions.” (1561)

FACTUAL BACKGROUND

Jurldine Donaldson filed a federal civil-rights action alleging that persons acting under color of state law conspired to expedite her divorce, terminate her marriage, and interfere with her relationship with her husband. Defendants moved to dismiss and sought attorney fees. During the hearing, the district court considered matters outside the pleadings, converted the motions to summary judgment, and gave the parties only one week to supplement the record. The court later granted summary judgment and sanctioned plaintiff's counsel under Rule 11 for failing to demonstrate factual support for the complaint.

PROCEDURAL HISTORY

The Middle District of Georgia converted defendants' motions to dismiss into motions for summary judgment after considering matters outside the pleadings, without providing the required ten-day notice. It then granted summary judgment for defendants and imposed a \$500 fine plus defendants' attorney fees and expenses against plaintiff's counsel under Rule 11. The Eleventh Circuit en banc reversed the summary judgment and sanctions and remanded for further proceedings.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the district court's summary judgment and Rule 11 sanctions and remand for further proceedings. The district court should first provide counsel the full ten-day opportunity to submit material opposing the converted summary-judgment motions, and should defer any renewed Rule 11 determination until after that opportunity. Any renewed sanctions proceeding must comply with the notice and opportunity-to-respond requirements described in the opinion.

CASES CITED

- Donaldson v. Clark, 105 F.R.D. 526 (M.D. Ga. 1985)
- Donaldson v. Clark, 786 F.2d 1570 (11th Cir. 1986)
- Herron v. Beck, 693 F.2d 125 (11th Cir. 1982)
- Underwood v. Hunter, 604 F.2d 367 (5th Cir. 1979)
- Property Management & Investments, Inc. v. Lewis, 752 F.2d 599 (11th Cir. 1985)
- Moore v. State of Florida, 703 F.2d 516 (11th Cir. 1983)
- Denis v. Liberty Mutual Insurance Co., 791 F.2d 846 (11th Cir. 1986)
- Hashemi v. Campaigner Publications, Inc., 784 F.2d 1581 (11th Cir. 1986)
- Pin v. Texaco, Inc., 793 F.2d 1448 (5th Cir. 1986)
- Eavenson, Auchmuty & Greenwald v. Holtzman, 775 F.2d 535 (3d Cir. 1985)
- Westmoreland v. CBS, Inc., 770 F.2d 1168 (D.C. Cir. 1985)
- Davis v. Veslan Enterprises, 765 F.2d 494 (5th Cir. 1985)
- In re Disciplinary Action CURL, 803 F.2d 1004 (9th Cir. 1986)
- Cotner v. Hopkins, 795 F.2d 900 (10th Cir. 1986)
- Glick v. Gutbrod, 782 F.2d 754 (7th Cir. 1986)
- Hilgefard v. Peoples Bank, 776 F.2d 176 (7th Cir. 1985)
- Boddie v. Connecticut, 401 U.S. 371 (1971)
- Goss v. Lopez, 419 U.S. 565 (1975)
- Cafeteria & Restaurant Workers Union v. McElroy, 367 U.S. 886 (1961)
- Mathews v. Eldridge, 424 U.S. 319 (1976)
- Mullane v. Central Hanover Trust Co., 339 U.S. 306 (1950)
- Kleiner v. First National Bank of Atlanta, 751 F.2d 1193 (11th Cir. 1985)
- Miranda v. Southern Pacific Transportation Co., 710 F.2d 516 (9th Cir. 1983)
- Matter of Yagman, Brown and Fleischer v. Baden, 796 F.2d 1165 (9th Cir. 1986)
- Dykes v. Hosemann, 743 F.2d 1488 (11th Cir. 1984)
- Oliveri v. Thompson, 803 F.2d 1265 (2d Cir. 1986)
- Brown v. National Board of Medical Examiners, 800 F.2d 168 (7th Cir. 1986)
- Roberts v. Ace Hardware, Inc., 779 F.2d 52 (6th Cir. 1985)
- Hensley v. Eckerhart, 461 U.S. 424 (1983)
- Gideon v. Wainwright, Gideon v. Wainwright, 372 U.S. 335 (1963)
- Link v. Wabash Railroad Co., 370 U.S. 626 (1962)