

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

**Aegis Therapies, Inc. v. Dycora Transitional Health – Clovis LLC, et
al.**

No. 1:21-cv-00605-KES-EPG, United States District Court for the Eastern District of California (September 16,
2025)

SUMMARY

The United States District Court for the Eastern District of California addresses Sheppard, Mullin, Richter & Hampton LLP’s motion to withdraw as counsel for several Sweetwater third-party claimants. The court resets the hearing, requires a supplemental affidavit providing the claimants’ current or last known addresses and other contact information, and requires proof of service. The court also directs representatives of the claimants to appear and notes that the entities must retain counsel if withdrawal is granted.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Erica P. Grosjean
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	September 16, 2025
DOCKET	1:21-cv-00605-KES-EPG
DISPOSITION	other
PROCEDURAL POSTURE	The court considered a motion by Sheppard, Mullin, Richter & Hampton LLP to withdraw as counsel for five third-party claimants. Rather than deciding the withdrawal motion immediately, the court reset the hearing and ordered supplemental filings and service.
PRECEDENTIAL VALUE	unknown

TOPICS

- civil procedure
- commercial litigation
- third party practice

PRACTICE AREAS

- civil procedure
- commercial litigation

QUESTIONS PRESENTED

1. Whether the motion to withdraw as counsel should be handled by the assigned magistrate judge as a non-dispositive motion under E.D. Cal. Local Rule 302(a).
2. Whether counsel's motion to withdraw complied with E.D. Cal. Local Rule 182(d), including the requirement to provide the clients' current or last known addresses and efforts made to notify them.
3. What additional notice and service measures were required before the court could decide the withdrawal motion.
4. Whether the corporate and unincorporated-entity third-party claimants would be required to retain new counsel if withdrawal were granted.

HOLDINGS

1. A motion to withdraw as counsel is a non-dispositive motion subject to handling by the magistrate judge under E.D. Cal. Local Rule 302(a).
2. Before the court may grant leave to withdraw, counsel must comply with E.D. Cal. Local Rule 182(d), including providing an affidavit stating the client's current or last known address and the efforts made to notify the client of the withdrawal motion.
3. If withdrawal is permitted, each corporate or unincorporated-entity third-party claimant must retain new counsel to litigate matters in the case.

KEY QUOTATIONS

“Unless otherwise provided herein, an attorney who has appeared may not withdraw leaving the client in propria persona without leave of court upon noticed motion and notice to the client and all other parties who have appeared.” (at 1)

“corporations and other unincorporated associations must appear in court through an attorney.” (at 2)

FACTUAL BACKGROUND

Sheppard, Mullin, Richter & Hampton LLP represented Sweetwater Care Resource, LLC, The Vineyards at Fowler, LLC, Rancho Seco Care Center, LLC, Brookside Care Center, LLC, and Noble Care Center, LLC, collectively referred to as the Sweetwater Third Party Claimants. Counsel sought withdrawal because the claimants had failed to maintain communication through their in-house counsel. Counsel's supporting declaration described correspondence and emails notifying the claimants of the intended withdrawal, but did not provide their current or last known addresses.

PROCEDURAL HISTORY

The motion to withdraw was set for hearing before the assigned district judge. The court determined under Eastern District of California Local Rule 302(a) that the non-dispositive motion should be handled by the magistrate judge, reset the hearing, and required counsel to supplement its affidavit with the claimants' current or last known addresses and to serve the order and supplemental filings on the claimants.

DISPOSITION

other

CASES CITED

- In re Am. W. Airlines, 40 F.3d 1058, 1059 (9th Cir. 1994)

OPINION

1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 EASTERN DISTRICT OF CALIFORNIA
9 10 AEGIS THERAPIES, INC., Case No. 1:21-cv-00605-KES-EPG 11 Plaintiff, ORDER
REGARDING MOTION TO WITHDRAW AS ATTORNEY 12 v. (ECF No. 97) 13 DYCORA
TRANSITIONAL HEALTH – CLOVIS LLC, et al., 14 Defendants. 15 16 This matter is before
the Court on the motion of the law firm of Sheppard, Mullin, Richter 17 & Hampton LLP
(Sheppard Mullin) “to withdraw as counsel for Sweetwater Care Resource, 18 LLC; The
Vineyards at Fowler, LLC; Rancho Seco Care Center, LLC; Brookside Care Center, 19 LLC, and
Noble Care Center, LLC, each a third party claimant,” collectively called the 20 Sweetwater Third
Party Claimants.

(ECF No. 97, p. 2). As grounds, counsel for Sheppard Mullin 21 contends that the Sweetwater
Third Party Claimants have failed to maintain communication with 22 counsel through the in-
house counsel employed by the Sweetwater Third Party Claimants.

As 23 explained below, the Court will reset the hearing and require supplemental filings. 24 As an
initial matter, counsel set the motion to withdraw for a hearing on November 17, 25 2025, before
the assigned District Judge.

However, under Local Rule 302(a), non-dispositive 26 motions are handled by the undersigned.
Accordingly, the hearing will be reset on a date 27 compatible with the undersigned’s calendar. 28
1 Local Rule 182(d) governs withdraw of counsel in these circumstances: 2 Unless otherwise
provided herein, an attorney who has appeared may not withdraw leaving the client in propria
persona without leave of court upon noticed 3 motion and notice to the client and all other parties
who have appeared.

The attorney shall provide an affidavit stating the current or last known address 4 or addresses of
the client and the efforts made to notify the client of the motion to withdraw. Withdrawal as
attorney is governed by the Rules of 5 Professional Conduct of the State Bar of California, and the
attorney shall conform 6 to the requirements of those Rules.

The authority and duty of the attorney of record shall continue until relieved by order of the Court
issued hereunder. Leave to 7 withdraw may be granted subject to such appropriate conditions as

the Court deems fit. 8 E.D. Cal. LR 182(d) (emphasis added). 9 The motion here is supported by the declaration of Attorney Anna S. McLean.

However, 10 the affidavit does not state the current or last known address(es) of any of the Sweetwater Third 11 Party Claimants. (ECF No. 97-1, pp. 2-3). Accordingly, the Court will require counsel to file a 12 supplemental affidavit providing this information (and any other pertinent contact information) so 13 that, if counsel is permitted to withdraw, the Court has an address for each of the Sweetwater 14 Third Party Claimants to place on the docket.

15 As far as the efforts made to notify the Sweetwater Third Party Claimants of the motion to 16 withdraw, the affidavit states “Sheppard Mullin has duly advised Sweetwater Third Party 17 Claimants, by correspondence dated May 23, 2025 of its intention to withdraw and the reasons 18 therefor. Additional emails were sent on July 23 and September 9 addressed to its General 19 Counsel, of the reasons necessitating Sheppard Mullin’s withdrawal in the matter and requesting 20 that new counsel be retained.” (ECF No. 97-1, p. 3).

Additionally, the Court notes that counsel 21 has filed a certificate of service stating that the motion and accompanying documents was served 22 on General Counsel for the Sweetwater Third Party Claimants. (ECF No. 97-2).

The Court will require counsel to serve a copy of this order and counsel’s supplemental filings on the Sweetwater 23 Third Party Claimants and to file proof of service on the docket. 24 Lastly, the Court notes that “[c]orporations and other unincorporated associations must 25 appear in court through an attorney.” In re Am. W. Airlines, 40 F.3d 1058, 1059 (9th Cir.

1994). 26 Accordingly, if their current counsel is permitted to withdraw, each Sweetwater Third Party 27 Claimant will need to retain new counsel to litigate any matters in this case. 28 1 Accordingly, IT IS ORDERED as follows: 2 1.

The November 17, 2025 hearing before the assigned District Judge is reset to November 3 20, 2025, at 10 a.m. before the undersigned. 4 2. An appropriate representative, such as General Counsel, for each the Sweetwater Third 5 Party Claimants, is directed to appear at this hearing. Failure to appear may result in the 6 granting of the motion without the opportunity to be further heard.

7 3. Counsel for all parties, including an appropriate representative for each of the Sweetwater 8 Third Party Claimants, are permitted to participate telephonically, and each person 9 participating is directed to use the following dial-in number and passcode: To connect to the telephonic conference, the parties shall (1) dial 1-669-254-5252, (2) enter 161 733 0675 for the meeting ID followed by #, (3) enter # when asked for the participant ID, (4) enter 740484 for the meeting passcode followed #, and (5) enter *6 to unmute.

2 4. By no later than September 23, 2025, counsel shall file a supplemental affidavit providing 13
the current or last known address(es), and any additional contact information, for each of the
Sweetwater Third Party Claimants. 15 5. By no later than September 23, 2025, counsel shall file
proof of service of counsel's 16 supplemental affidavit and this order as to each of the Sweetwater
Third Party Claimants.

17 Additionally, if counsel files any other documents, each document must likewise be 18 served
on each Sweetwater Third Party Claimant with an accompanying proof of service. 19 20 IT IS SO
ORDERED. 21 | Dated: _ September 16, 2025 [sf ey — 0 UNITED STATES MAGISTRATE
JUDGE 23 24 25 26 27 28