

United States Court of Appeals
For the Seventh Circuit
Chicago, Illinois 60604

Submitted March 26, 2021*
Decided March 26, 2021

Before

FRANK H. EASTERBROOK, *Circuit Judge*

DAVID F. HAMILTON, *Circuit Judge*

MICHAEL B. BRENNAN, *Circuit Judge*

No. 19-2655

COUNTRYSIDE BANK,
Plaintiff-Appellee,

v.

ZAFAR SHEIKH,
Defendant-Appellant.

Appeal from the United States District
Court for the Northern District of Indiana,
Hammond Division.

No. 2:18-cv-132

Theresa L. Springmann,
Judge.

ORDER

After Countryside Bank named Zafar Sheikh among other defendants in a mortgage-foreclosure suit, Sheikh removed the case from state to federal court. Sheikh argued that the case involved a federal question. The district court disagreed, remanded the case to state court, and awarded fees to Countryside for its expenses in litigating

* We have agreed to decide the case without oral argument because the briefs and record adequately present the facts and legal arguments, and oral argument would not significantly aid the court. FED. R. APP. P. 34(a)(2)(C).

removal. Sheikh now contests the fee award, but because the district court did not abuse its discretion in imposing those fees, we affirm.

This appeal involves four orders. The first arose after Countryside sued Sheikh in Indiana state court for breaching a mortgage agreement and defrauding a financial institution in violation of Indiana Code §§ 35-43-5-4 and 35-43-5-8(a). Sheikh removed the case to federal court, and Countryside moved for a remand. In its first order, the district court remanded the case and allowed Countryside to seek fees under 28 U.S.C. § 1447(c) for its litigation expenses.

The second order, specifying the fees, came after Countryside submitted its billing records. Sheikh, in turn, moved to reconsider remand. The district court denied Sheikh's motion, reasoning that, because it had already mailed a certified copy of the remand order to the state court, it had lost the power to review the decision to remand. 28 U.S.C. § 1447(c)–(d); *see Shapiro v. Logistec USA, Inc.*, 412 F.3d 307, 311–12 (2d Cir. 2005) (collecting cases); *see also J.O. v. Alton Cmty. Unit Sch. Dist. 11*, 909 F.2d 267, 273 (7th Cir. 1990). It also ordered Sheikh to pay \$5,280 to Countryside (about 75% for litigating removal and 25% for addressing Sheikh's motion to reconsider).

The third order came after another motion to reconsider. Within 30 days of the entry of the second order, Sheikh moved "to question the inflated costs" or to extend the time to appeal. The district court construed this as a request to allow another motion to reconsider, which it granted, and Sheikh then moved for reconsideration. Countryside opposed the motion and asked for an award of the additional fees that it had incurred since its first submission of fees. The district court then issued its third order in which it denied Sheikh's motion for reconsideration and granted Countryside's request for an additional \$2,750 in legal fees (bringing the total to \$8,030).

The fourth order came after Sheikh filed several more motions. First, Sheikh moved to amend the third order. He did not contest the fee award itself; he asked only that he be allowed to pay in monthly installments. While that motion was pending, Sheikh filed a notice purporting to appeal the first and third orders. Then, after another bank acquired Countryside, he moved to dismiss Countryside. Countryside opposed that motion and sought an award of the fees accrued since its second submission. In its fourth order, the court denied the motion to dismiss, allowed Sheikh to pay in monthly installments, and granted Countryside its fees (an additional \$6,407.50 bringing the total to \$14,437.50). Sheikh did not appeal this order.

Before considering the merits, we clarify the scope of this appeal. We previously asked the parties to brief whether our review should be limited to only the third order. After considering the briefs, we deemed Sheikh's motion "to question the inflated costs" after the second order a timely notice of appeal of that order and the first order, so we will review those orders. We can also review the third order. Though Sheikh prematurely appealed that order while his motion to amend it was pending, that appeal became operative once the district court disposed of the pending motion. *See* FED. R. APP. P. 4(a)(4)(B)(i); *Katerinos v. U.S. Dep't of Treasury*, 368 F.3d 733, 737–38 (7th Cir. 2004). But we may not review the fourth order because Sheikh never filed a fresh notice of appeal after the district court issued it. A litigant who files a notice of appeal that is premature because of a pending motion, as Sheikh did, must either file a new notice once the pending motion is decided or amend the original, premature notice once the district court disposes of that pending motion. FED. R. APP. P. 4(a)(4)(B)(ii); *see Fogel v. Gordon & Glickson, P.C.*, 393 F.3d 727, 731 (7th Cir. 2004). Sheikh did neither. Countryside has not invoked this defect in our jurisdiction, but its acquiescence does not confer jurisdiction. *See Bowles v. Russell*, 551 U.S. 205, 213 (2007).

With our review limited to the first three orders, Sheikh argues that he reasonably believed that this case raised a federal question, so the district court abused its discretion in awarding fees. A district court may in its discretion award fees if removal lacked reasonable grounds. 28 U.S.C. § 1447(c); *Martin v. Franklin Capital Corp.*, 546 U.S. 132, 136 (2005); *Jackson Cnty. Bank v. DuSablon*, 915 F.3d 422, 424 (7th Cir. 2019). That was the situation here. Jurisdiction must be clear from the face of the well-pleaded complaint. *Panther Brands, LLC v. Indy Racing League, LLC*, 827 F.3d 586, 589 (7th Cir. 2016). And Countryside's complaint states only claims of mortgage-contract breach, a state-law claim, *see Olson v. Bemis Co.*, 800 F.3d 296, 300 (7th Cir. 2015), and fraud against a financial institution in violation of Indiana Code §§ 35-43-5-4 and 35-43-5-8(a).

Sheikh offers two responses, but neither one persuades us. First, he argues that the claim under Indiana Code § 35-43-5-8(a) raises a federal question because it prohibits defrauding "a federally chartered or federally insured financial institution." He is incorrect. A state-law claim that refers to federal authority does not present a federal question unless adjudicating the claim requires the resolution of a substantial, disputed question of federal law. *See Franchise Tax Bd. of Cal. v. Constr. Laborers Vacation Tr. for S. Cal.*, 463 U.S. 1, 13 (1983). But Sheikh has never identified such a question for this claim.

Sheikh next contends that Countryside should have pleaded that the defendants violated federal banking and anti-racketeering laws and that Countryside itself violated federal laws. This argument has two flaws. First, even if we assume that the defendants allegedly violated federal laws, Countryside was not required to plead those violations in addition to its state-law claims. See *Merrell Dow Pharm. Inc. v. Thompson*, 478 U.S. 804, 813 (1986). As the master of its complaint, Countryside could omit claims and rely on only state-law claims. *Id.* Second, Sheikh's assertions that Countryside violated federal laws are not reasonable grounds for removal jurisdiction. For one thing, he does not identify these laws, so we have no idea if private federal claims under them even exist, as must be the case for removal jurisdiction. See generally *Int'l Union of Operating Eng'rs, Local 150 v. Ward*, 563 F.3d 276, 281–82 (7th Cir. 2009); *Crandal v. Ball, Ball and Brosamer, Inc.*, 99 F.3d 907, 909 (9th Cir. 1996) (collecting cases). And to the extent that he relies on these unspecified laws as defenses to the state-law claims, federal defenses do not create federal jurisdiction. *Rivet v. Regions Bank of La.*, 522 U.S. 470, 475 (1998).

Sheikh next challenges the calculation of the fees. He contends that the hourly rate charged by Countryside's attorney was unreasonable and that the number of hours was inflated. His arguments are unpersuasive. The district court used the hourly rate that Countryside negotiated before the court ruled that Countryside could recover its fees, so the rate is presumptively reasonable. See *Medcom Holding Co. v. Baxter Travenol Labs., Inc.*, 200 F.3d 518, 521 (7th Cir. 1999). And Sheikh has offered nothing to rebut that presumption. Further, Countryside's billing records belie Sheikh's argument that Countryside inflated its hours. The billing entries corresponding to the first fee award show that Countryside billed only for responding to Sheikh's motions, and its hours are proportional to that objective. The goal of fee-shifting is "to do rough justice, not to achieve auditing perfection," *Fox v. Vice*, 563 U.S. 826, 838 (2011), so we need not entertain Sheikh's challenges of the first fee award down to the minute. We are satisfied that the records reasonably support the first fee request, so we give "substantial deference" to the district court's determinations. See *id.* Sheikh's brief does not mention or develop an argument regarding the second fee award, so he waives any argument that the fee was improper. See *United States v. Dabney*, 498 F.3d 455, 460 (7th Cir. 2007). Finally, as discussed above, we lack jurisdiction to hear Sheikh's arguments regarding the final fee amount in the fourth order.

We have considered Sheikh's other arguments, and none has merit.

AFFIRMED