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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

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TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA, a  
Connecticut corporation,

Plaintiff,

NO. CIV. 09-174 WBS GGH

v.

ORDER TO SHOW CAUSE

BENNETT DEVELOPMENT, INC., a  
California corporation; DENNIS  
G. BENNETT, an individual and as  
Trustee of THE BENNET FAMILY  
TRUST; CATHRYN C. BENNETT, an  
individual; FAHRENS CREEK ONE,  
LLC, a California limited  
liability company; FAHRENS CREEK  
TWO, LLC, a California limited  
liability company; and TULARE  
WINDMILL VENTURE, LLC, a  
California limited liability  
company,

Defendants.

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The court has an obligation to recuse itself from any  
case in which the judge might have a "financial interest,"  
however small. 28 U.S.C. § 455(b)(4). To assist the court in  
carrying out this obligation, and because corporate parties are

1 in the best position to identify their parent and subsidiary  
2 corporations, Federal Rule of Civil Procedure 7.1 and this court  
3 require all non-governmental corporate entities to submit  
4 corporate disclosure statements. Without this information, the  
5 court risks retaining a case in which it unknowingly has a  
6 financial interest. Not only would the undersigned judge face  
7 public criticism in such a circumstance, but the public's  
8 confidence in an impartial judiciary would be eroded. Failure to  
9 assist the court in protecting these and other interests advanced  
10 by § 455(b)(4)--particularly in light of a direct request from  
11 the court--amounts to sanctionable conduct. See Fed. R. Civ. P.  
12 16(f); Wong v. Regents of Univ. of Cal., 410 F.3d 1052, 1060 (9th  
13 Cir. 2005) (explaining that "[p]arties must understand that they  
14 will pay a price for failure to comply strictly with scheduling  
15 and other orders, and that failure to do so may properly support  
16 severe sanctions"); see also F.J. Hanshaw Enters., Inc. v.  
17 Emerald River Dev., Inc., 244 F.3d 1128, 1136 (9th Cir. 2001)  
18 (providing that federal courts' inherent powers "to manage their  
19 cases and courtrooms effectively and to ensure obedience to their  
20 orders" includes the authority to impose sanctions).

21 In its Order Setting Status (Pretrial Scheduling)  
22 Conference issued in this case on January 21, 2009, the court  
23 unequivocally instructed any non-governmental corporate party to  
24 include its corporate disclosures in the parties' Joint Status  
25 Report:

26 In order to assist the court in meeting its recusal  
27 responsibilities, any non-governmental corporate party to  
28 this action shall submit a statement identifying all its  
parent and subsidiary corporations and listing any  
publicly held company that owns 10% or more [of] the

1 party's stock. Such statement shall be included in the  
2 parties' Joint Status Report. If any non-governmental  
3 corporate party has no parent or subsidiary corporations  
4 or no public[ly] held companies owning 10% or more of its  
5 stock, it shall so state in the Joint Stat[us] Report.  
6 **Failure to comply with the foregoing requirements of this  
paragraph will result in the Joint Status Report being  
stricken and such other sanctions as may be appropriate.**  
Thereafter, if there is any change in the information,  
the party shall file and serve a supplemental statement  
within a reasonable time after such change occurs.

7 (Jan. 21, 2009 Order ¶ 6.)

8 Bennett Development Inc., a California corporation,  
9 appears as a defendant in this litigation but has not included a  
10 corporate disclosure statement, as required by this court's  
11 order, in the Joint Status Report filed in preparation for the  
12 Status (Pretrial Scheduling) Conference initially scheduled for  
13 August 24, 2009. (Docket No. 19.)

14 IT IS THEREFORE ORDERED that, within ten days of the  
15 date of this Order, defendant Bennett Development Inc. shall  
16 either send to the Clerk of this Court a check in the amount of  
17 \$150 as sanctions for violation of this court's Order of January  
18 21, 2009, or shall file a brief to show cause why it should not  
19 be sanctioned in such amount for failure to comply with such  
20 Order;

21 IT IS FURTHER ORDERED that within ten days of the date  
22 of this Order, defendant Bennett Development Inc. shall file its  
23 corporate disclosure statement as previously ordered by this  
24 court; and

25 IT IS FURTHER ORDERED that the Status (Pretrial

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1 Scheduling) Conference scheduled for August 24, 2009, is  
2 continued to September 21, 2009 at 2:00 p.m.

3 DATED: August 19, 2009

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6 WILLIAM B. SHUBB  
7 UNITED STATES DISTRICT JUDGE  
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