MORENO et al.,

Defendant.

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

MORENO et al.,

Plaintiff,

V.

AUTOZONE, INC,

No. C 05-4432 CRB

ORDER DENYING MOTION FOR SANCTIONS AND REFERRING MATTER TO STANDING COMMITTEE ON PROFESSIONAL CONDUCT

Now pending before this Court is Defendant's motion for sanctions against plaintiffs' former counsel, Bailey Pinney, P.C. Because this issue would not benefit from a hearing, the hearing currently scheduled for January 8, 2010, is hereby VACATED.

This Court concludes that Defendant has not carried the high burden necessary to justify ordering Bailey Pinney to pay its attorneys' fees. Title 28 of the United States Code section 1927 authorizes a court to order payment of fees where an attorney "unreasonably and vexatiously" multiplies the proceedings. After reviewing the evidence submitted by Autozone, this Court cannot conclude that former counsel's actions "unreasonably and vexatiously" multiplied the proceedings. Therefore Defendant's motion for sanctions is DENIED.

However, this Court remains troubled by the conduct that led to the disqualification of Bailey Pinney as counsel in this matter. The decision not to impose fees in no way reflects

this Court's judgment that this conduct was acceptable. On the contrary, this Court has determined that the matter should be considered further by this Court's Standing Committee on Professional Conduct. Therefore, as authorized by Local Rule 11-6(a)(4), the matter is hereby referred to the Standing Committee.

IT IS SO ORDERED.

Dated: December 29, 2009

CHARLES R. BREYER UNITED STATES DISTRICT JUDGE