

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

JLM SARTOR, INC.

CIVIL ACTION NO. 15-cv-2464

VERSUS

JUDGE HICKS

CGN ENERGY LOUISIANA I, LLC.

MAGISTRATE JUDGE HORNSBY

MEMORANDUM ORDER

JLM Sartor, Inc. filed this civil action in state court against CGN Energy Louisiana I, LLC to collect amounts allegedly due in connection with oil and gas operations. CGN removed the case based on diversity jurisdiction. About six months later, counsel for CGN filed a motion to withdraw as counsel. The court granted the request and allowed CGN time to enroll new counsel. That time was extended, based in part on information from Mr. Carl Nichols, a principal with CGN, that there was a potential for a settlement. Doc. 35. The court later granted a second extension, again based on alleged settlement communications, but stated that it would be the final extension. Doc. 36.

New counsel then enrolled for CGN, but they moved to withdraw about three months later. The court granted the request and directed CGN to enroll new counsel within 30 days. The order warned that an LLC cannot represent itself, and it must be represented by an attorney who is admitted to practice in this court.¹ The order warned that failure to enroll

¹ The Fifth Circuit has long followed the rule that corporations, partnerships or other “fictional legal persons” cannot appear for themselves personally but must be represented by licensed counsel. Southwest Express Co. v. Interstate Commerce

new counsel by the deadline would result in the striking of CGN's answer and entry of a default against it. Doc. 46.

With the deadline approaching, the court received a call from Mr. Carl Nichols on behalf of CGN. He requested an extension of the deadline to enroll new counsel and reported that there were continuing efforts to settle the case. The deadline for CGN to enroll new counsel was extended until November 17, 2017, and the court warned, "This is the final extension." The order repeated the warning that if CGN did not move to enroll new counsel by the deadline, the court would strike CGN's answer and direct the Clerk of Court to enter a default against it. Doc. 47.

As the deadline approached, court staff received an email and some phone calls from Mr. Nichols. He said that he hoped the case could be settled, but the only indication of settlement talks is a letter from some months earlier that made an initial offer. Mr. Nichols also complained about equipment that is allegedly missing from a well site, but that issue would not slow the procurement of an attorney. He said that his location outside Louisiana slowed his efforts to find counsel for the LLC, but he has now had more than two months since his second attorneys withdrew.

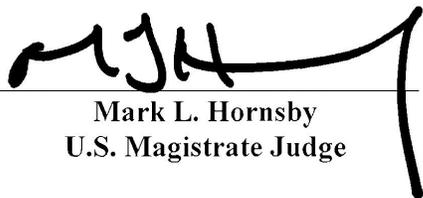
CGN has now had a reasonable time to enroll counsel, but it has not done so. It cannot proceed pro se or represented by a principal such as Mr. Nichols. The court warned

Commission, 670 F.2d 53, 55 (5th Cir. 1982). See also Memon v. Allied Domecq Qsr, 385 F.3d 871, 873 (5th Cir. 2004); U.S. v. Trowbridge, 251 F.3d 157 (5th Cir. 2001); and KMA, Inc. v. General Motors Acceptance Corp., 652 F.2d 398, 399 (5th Cir. 1981).

of the consequences, and they will now be imposed. CGN did not file an answer titled as such, but it did respond to the original petition with a counterclaim and third-party demand. Doc. 16. The court strikes that counterclaim and third-party demand and directs the Clerk of Court to enter a default against CGN with respect to plaintiff Sartor's claims against it asserted in Sartor's original petition and amended complaint.

Sartor is directed to file, no later than **January 31, 2018**, a motion for default judgment that is supported by a memorandum that explains the basis for judgment in its favor, supporting affidavits or other evidence as may be necessary, and a proposed judgment that would grant the relief Sartor requests.

THUS DONE AND SIGNED in Shreveport, Louisiana, this 28th day of November, 2017.



Mark L. Hornsby
U.S. Magistrate Judge