UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

SELECTIVE INSURANCE COMPANY OF AMERICA, Plaintiff, v. ENVIRONMENTAL, SAFETY & HEALTH, INC., WILLIAM GARIBAY, GO FISH, LLC, and FIRST TENNESSEE BANK Defendants.	)	No. 3:14-CV-531-TAV-CCS

MEMORANDUM AND ORDER

This case is before the undersigned pursuant to 28 U.S.C. § 636, the Rules of this Court, and the referral of the Chief District Judge.

On July 29, 2015, the undersigned entered an Order directing that Defendants Environmental, Safety & Health, Inc., William Garibay, and Go Fish, LLC (collectively "ESH Defendants") appear before the Court on September 1, 2015, to show cause as to "as to why the Court should not recommend that the Chief District Judge hold these parties in contempt or issue other appropriate sanctions, as requested in the Motion to Show Cause and for Contempt [Doc. 44]." [Doc. 55 at 2]. At that time, the ESH Defendants were proceeding pro se.

On July 30, 2015, Attorney James H. Price filed a notice of appearance on behalf of the ESH Defendants. [Doc. 56]. A month later on August 31, 2015, Mr. James Price contacted the chambers of the undersigned to request that the Court conduct a telephonic hearing to discuss delaying the show cause hearing set for the following day. Consistent with Mr. James Price's

request, a telephone conference was conducted the afternoon of August 31, 2015. Mr. James Price appeared on behalf of the ESH Defendants, and Attorneys Jeffrey Price and Jarrod Stone appeared on behalf of the Plaintiff.

Mr. James Price stated that the ESH Defendants have retained the services of restructuring accountants to review their finances and identify any potential means for the ESH Defendants to pay moneys owed to the Plaintiff. Mr. James Price represented that the accountants will complete their work in thirty days, and at that time, the ESH Defendants will be prepared to show cause regarding sanctions and to identify avenues for affording the Plaintiffs appropriate relief. Mr. James Price represented that the ESH Defendants have already provided the accountants with the information they need to perform their evaluation.

Mr. Jeffrey Price represented that the Plaintiff was ambivalent toward the instant request. The Plaintiff was agreeable to a brief extension, if the extension would actually increase the likelihood of the Plaintiff being paid the moneys owed to it. However, the Plaintiff was weary of the ESH Defendants requesting another extension after the instant request and of the ESH Defendants generally delaying disposition of the request for sanctions.

Having heard from the parties, the Court finds that it is appropriate to continue the show cause hearing currently set for September 1, 2015. The show cause hearing is **CONTINUED** to **October 13, 2015, at 1:30 p.m.** The contents of the Court's previous Order to Appear and Show Cause [Doc. 55] remain in **FULL EFFECT** with regard to the hearing on October 13, 2015.

The Court would note that the Court has continued the hearing approximately forty-five days, rather than the thirty days requested by the ESH Defendants. The additional time afforded by the Court is meant to provide time for the parties to review the accountants' report and is also meant to avoid the ESH Defendants returning to the Court to request a further extension.

Consistent with the Court's comments during the conference, the Court reiterates that it expects the ESH Defendants to use the period between September 1 and October 15, 2015, to obtain useful financial data and to consider ways in which it can fulfill its obligations pursuant to the Chief District Judge's Order [Doc. 33]. The show cause hearing will not be reset again absent a showing of *extraordinary good cause*. Specifically, the Court would note that this matter was previously delayed by the withdrawal of ESH's counsel, [Docs. 45, 48, 52], but it is unlikely that any future request for withdrawal of the ESH Defendants' counsel, if such request were to be made, would be considered extraordinary good cause for further delay.

IT IS SO ORDERED.

ENTER:

s/ C. Clifford Shirley, Jr.
United States Magistrate Judge