	SIGNED.
1 2	Dated: December 03, 2009
3	P Palan:
4	Randoph J. Haines
5	U.S. Bankruptcy Judge
б	IN THE UNITED STATES BANKRUPTCY COURT
7	FOR THE DISTRICT OF ARIZONA
8	In re) Chapter 11
9)) CASE NO. 2:08-bk-07465-RJH
10) MORTGAGES LTD.,) ORDER DENYING ML MANAGER'S MOTION
11) FOR SANCTIONS AGAINST REV OP GROUPDebtor.
12)
13	ML Manger LLC has moved for an award of attorneys' fees and costs against
14	the Rev Op Group, the Sternberg Enterprises Profit Sharing Plan, and their counsel. The
15	motion relies on the Court's inherent authority, Bankruptcy Code § 105, and A.R.S. § 12-
16	341.01.
17	The conduct for which the sanctions are sought, the parties against whom the
18	sanctions are sought, and the nature of the requested sanctions all fit within the scope of
19	Bankruptcy Rule 9011. In seeking such sanctions, however, ML Manager did not comply with
20	the 21 day notice provision of Bankruptcy Rule 9011(c)(1)(A).
21	The Bankruptcy Court may not rely on the Court's inherent powers when Rule
22	9011 is adequate to remedy the alleged misconduct. ¹ Nor is it appropriate to utilize a state law
23	fee-shifting statute when a federal statute or rule is applicable. ²
24	Because the sanction motion does not comply with the procedural requirements
25	of Bankruptcy Rule 9011(c)(1)(A),
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27	¹ Miller v. Cardinale (In re Deville), 361 F.3d 539, 551 (9 th Cir. 2004), discussing and applying
28	<i>Chambers v. NASCO</i> , 501 U.S. 32 (1991); <i>Markus v. Gschwend (In re Markus)</i> , 313 F.3d 1146 (9 th Cir. 2002).
	² Galam v. Carmel (In re Larry's Apartment, LLC), 249 F.3d 832 (9th Cir. 2001).

1	IT IS ORDERED denying the motion. However all parties are advised to
2	refrain from vexatious or retaliatory litigation, or any other litigation that does not contribute to
3	maximizing or expediting the return to creditors, because the Court does retain the power under
4	Bankruptcy Rule 9011(c)(1)(B) to sanction parties or counsel on the Court's own initiative.
5	IT IS FURTHER ORDERED vacating the hearing on this motion that is set for
6	11:00 a.m. on December 7, 2009.
7	DATED AND SIGNED ABOVE
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