

NEWS & INSIGHTS

11TH CIRCUIT “EMPHATICALLY” AFFIRMS BAD FAITH SANCTIONS WIN LIGHTFOOT HELPED SECURE FOR NATIONAL RETAIL CHAIN

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The 11th Circuit has “emphatically” affirmed bad faith sanctions that Lightfoot Franklin & White LLC helped secure on behalf of a national department store chain against an Alabama mall owner. Partner **David R. Pruet** led the chain’s team in the trial court and on appeal.

The sanctions claim arose after the mall owner withheld key information impacting an Alabama federal court’s jurisdiction over the initial case. The department store chain sued the mall owner in Alabama federal district court in 2019 over a commercial lease dispute. The chain had filed suit on diversity jurisdiction grounds, as both the chain and mall owner believed they were residents of different states. However, as early as January 2020, the mall owner discovered that it and the chain were domiciled in Delaware, which destroyed federal court jurisdiction.

Despite this, the mall owner waited 16 months before notifying the Alabama court that it lacked jurisdiction over the dispute — well after Pruet and the chain’s counsel secured partial summary judgment and concluded mediation.

The federal district court judge awarded the chain partial attorney’s fees and costs. On appeal, the U.S. Court of Appeals for the 11th Circuit affirmed the lower court’s sanctions, describing the mall owner’s conduct as a “textbook example of bad faith.”

While the sanctions proceeding was unfolding, Pruet filed a second lawsuit on behalf of the retailer in Alabama state court where the retailer eventually obtained a summary judgment on all claims. Following an appeal by the mall’s owner, the Alabama Supreme Court unanimously affirmed summary judgment for the retailer.

Pruet has over 20 years of front-line trial and courtroom experience across the country. He prosecutes and defends complex commercial suits in a range of industries, including healthcare, oil and gas, manufacturing, real estate and banking.