

In re Banco Latino International, Debtor.
Case No. 94-10202-BKC-AJC
309 B.R. 390 (Bankr. S.D.Fla. 2004)

The Court allowed Creditors' late-filed proof of claim (which holding was ultimately reversed by the Circuit Court) and the Debtor appealed. Creditor brought motion for sanctions asserting Debtor's appeal "multiplied the proceedings unreasonably and vexatiously." The Court found that sanctions were inappropriate. The Debtor's appeal did not meet the requirements for sanctions under F.R.B.P. 9011, as there was no showing that the appeal had no reasonable basis in fact or in law, or that it was filed for an improper purpose. Sanctions were also unavailable under 28 U.S.C. § 1927, as the appeal did not "unreasonably and vexatiously" multiply the proceedings. The Court found that Debtor's appeal of an adverse ruling was appropriate in the absence of controlling precedent in the Eleventh Circuit on the issue of whether the late-filed proof of claim should be allowed.