

# QUINTEROS v. HARBOR DISTRIBUTING, LLC

(2026) No. A174202

Court of Appeal, First District, California

Counsel may be sanctioned under section 128.7 for filing a brief containing fabricated legal authorities, even where the inaccuracies come from generative AI or outsourced drafting to contracted attorneys.

## **FACTS/PROCEDURE**

Plaintiff's counsel, Lipeles Law Group ("LLG"), filed a wage-and-hour class action and PAGA lawsuit in San Francisco against Harbor Distributing and related defendants. Several months earlier, the same law firm had filed a substantially similar wage-and-hour and PAGA action in Los Angeles against the same defendants on behalf of a different plaintiff. Defendants moved to stay the San Francisco action under the doctrine of exclusive concurrent jurisdiction, arguing that it was duplicative of the previously filed Los Angeles action.

LLG opposed the motion to stay. In its opposition brief, LLG relied upon hallucinated cases, fabricated quotations, and gross misstatements of existing California authority. The trial court found that the brief contained at least eight fabricated quotations, two hallucinated cases, and multiple inaccurate citations. The court noted that the brief appeared consistent with unverified use of generative artificial intelligence, despite LLG's denial of any use of generative AI. The court said that the brief was "dishonest" at "literally, almost literally every page."

The trial court granted the motion to stay and simultaneously issued an Order to Show Cause regarding sanctions under Code of Civil Procedure section 128.7. In response, LLG asserted that a contract attorney from outside the firm had drafted the opposition and claimed that LLG's attorneys were unaware of the inaccuracies contained within the filing. According to LLG, the contract attorney had worked with the firm over a year, and his work was "solid and good quality." The contract attorney asserted that he did not use any form of generative AI and only relied on the research tools provided by Lexis. LLG apologized and denied any intent to mislead the court, and the court responded by stating that "This is the worst example of misconduct by a lawyer that I think I've ever seen since I've been on the bench."

Following a hearing, the trial court concluded that the brief contained serious misrepresentations of law and authority and imposed sanctions of \$5,000 payable to defendants and \$1,000 payable to the court. Additionally, the trial court ordered the attorneys to present the sanction order before the presiding judge in the related Los Angeles matter and any San Francisco Superior Court judge before whom they appeared for one year following entry of the order. LLG appealed.

## **HOLDING/DISCUSSION**

LLG argued that the sanctions order should be reversed because (1) the trial court failed to comply with the safe harbor provisions of section 128.7 and (2) the trial court abused its discretion in imposing sanctions because the firm did not knowingly submit fabricated authorities.

The First District Court of Appeal first held that LLG forfeited its argument that the trial court failed to comply with section 128.7's safe-harbor provisions because they never raised that issue in the trial court. A party generally may not assert procedural objections for the first time on appeal where the trial court had no opportunity to address or correct the alleged error.

Turning to the merits, the Court of Appeal concluded that the trial court did not abuse its discretion in imposing sanctions. The opposition brief contained two hallucinated cases, at least eight fabricated quotations, and multiple misrepresentations of cases that actually exist. The court emphasized that reliance on fictitious authorities to persuade the court is a serious offense and undermines the judicial process. Such conduct rendered the filing objectively unreasonable within the meaning of section 128.7.

The Court of Appeals decision was influenced not only by the fabricated authorities contained in the opposition brief, but also by LLG's apparent lack of oversight regarding the litigation itself. During the sanctions hearing, one attorney of record admitted that he did not read the pleadings and was unaware that his own firm had previously filed a substantially similar action in Los Angeles. Another attorney of record did not read the opposition at all, and the attorney who signed off on the opposition did not verify the accuracy of the citations. The contract attorney also could not give a reasonable explanation as to why the Lexis research tool produced a brief that was riddled with fabricated case law. These circumstances supported the court's conclusion that counsel had effectively disregarded their professional responsibilities by relying upon outsourced work product without conducting a reasonable inquiry into the merits of the opposition.

The court rejected LLG's attempt to shift responsibility to the contract attorney who drafted the opposition. Because LLG signed and filed the opposition brief, they remained responsible for the accuracy and truthfulness of its contents. As part of their duty of competence, attorneys are required to personally review and verify all cited authorities before submitting a filing to the court and may not delegate that obligation to generative AI tools, legal research software, or outside attorneys. The court found that LLG "fundamentally abdicated [its] responsibility to the court and to [its] client" by failing to verify the authorities and arguments presented in the filing.

Accordingly, The Court of Appeal affirmed the sanctions order in its entirety.