

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

WILLIAMS SPORTS RENTALS, INC.,

Plaintiff,

v.

MARIAN LATASHA WILLIS,

Defendant.

USCA NO. 19-72233

No. 2:17-cv-00653-JAM-EFB

**U.S. DISTRICT COURT'S RESPONSE
TO NINTH CIRCUIT'S INVITATION
TO COMMENT ON CLAIMANT MARIAN
WILLIS'S PETITION FOR A WRIT OF
MANDAMUS**

In August 2016, Raeshon Williams drowned in South Lake Tahoe after falling off the back of a jet ski. Seven months later, Williams Sports Rentals ("WSR")—the jet ski owner—filed a complaint for exoneration from or limitation of liability in federal court. Compl. for Exoneration ("Compl."), ECF No. 1. Pursuant to the Limitation of Liability Act, this court enjoined all other proceedings "arising out of, consequent upon, or in connection with" the August 13, 2016 incident. Order Approving Stipulation of Value, ECF No. 11.

1 Williams's mother, Marian Willis, filed (1) an answer to the
2 complaint, ECF No. 16; (2) a motion to lift the Court's anti-suit
3 injunction, ECF No. 25; and (3) a counterclaim, ECF No. 17. The
4 Court denied Willis's motion to lift the anti-suit injunction
5 from the bench. See Minutes ("Anti-suit Injunction Order"), ECF
6 No. 41. Willis appealed that ruling, ECF No. 43, and filed a
7 motion to stay the district court proceedings pending her appeal—
8 the Court also denied this motion. Order Denying Motion to Stay
9 ("Stay Order"), ECF No. 56.

10 Subsequently, the Court dismissed Willis's counterclaims
11 with prejudice. Order Granting WSR's MTD ("Dismissal Order"),
12 ECF No. 61. Willis appealed. ECF No. 62. Between her two
13 appeals, Willis sought appellate review of three of this Court's
14 decisions: (1) the Anti-suit Injunction Order; (2) the Stay
15 Order; and (3) the Dismissal Order.

16 On April 25, 2018, the Ninth Circuit rendered its decision
17 with respect to Willis's first appeal. USCA Order as to [ECF No.
18 43], ECF No. 67. The Court held:

19 A review of the record demonstrates that, on January
20 3, 2018, the district court entered final judgment
21 dismissing this action. The appeal of the judgment is
22 pending in No. 18-15006. Consequently, this
preliminary injunction appeal is dismissed as moot.
See Sec. and Exch. Comm'n v. Mount Vernon Mem'l Park,
664 F.2d 1358, 1361-62 (9th Cir. 1982). DISMISSED.

23 Id. at 2-3. The Ninth Circuit then issued the formal mandate on
24 that decision. ECF No. 78 ("The judgment of this Court, entered
25 April 25, 2018, takes effect this date.").

26 One year later, the Ninth Circuit issued its order
27 purportedly addressing Willis's appeal of the Dismissal Order.
28 USCA Memorandum as to [ECF No. 62], ECF No. 69. Willis had

1 argued this Court erred in (1) denying her motion to lift the
2 anti-suit injunction; (2) denying her motion for stay pending her
3 interlocutory appeal of that denial; and (3) dismissing her
4 wrongful death claim with prejudice. Id. at 2. The Court of
5 Appeals—despite previously dismissing Willis’s appeal of the
6 Anti-suit Injunction Order—found that this Court erred in failing
7 to conduct a prejudice inquiry when analyzing Willis’s motion to
8 dissolve the anti-suit injunction. Id. at 2-3. It also found
9 Willis’s appeal of the Stay Order was moot. Id. at 2. The Ninth
10 Circuit did not, however, address the propriety of this Court’s
11 dismissal of Willis’s claims. See generally id.

12 The parties returned to this Court in disagreement about the
13 exact scope of the Ninth Circuit’s ruling. WSR filed a motion
14 for exoneration from liability (“Mot.”). ECF No. 71. It argued
15 the Court of Appeals vacated and remanded the Anti-suit
16 injunction Order, not the Dismissal Order that had disposed of
17 Willis’s claims. Mot. at 2. WSR argued that, absent any pending
18 claims before the Court, (1) the Ninth Circuit’s remand on the
19 anti-suit injunction issue was moot, and (2) it was entitled to
20 exoneration of liability. Id.

21 Willis, however, interpreted the Ninth Circuit’s order as a
22 vacatur of both the Anti-suit Injunction Order and the Dismissal
23 Order. Opp’n to Mot. for Exoneration (“Opp’n”), ECF No. 74. She
24 argued that vacating the Dismissal Order placed her claims again
25 before the Court. And as such, Willis maintained the Court
26 needed to revisit her motion to dissolve the anti-suit injunction
27 and conduct the proper prejudice inquiry as the Ninth Circuit
28 required. Opp’n at 3-5, 10-12.

1 The Court held a hearing on WSR's motion. There, it posed
2 the same questions to Willis that it now asks the Ninth Circuit:

- 3 1. Did the Ninth Circuit's decision vacate both the
4 Dismissal Order and the Anti-suit Injunction Order?
- 5 2. Assuming the Ninth Circuit vacated both the Dismissal
6 Order and the Anti-suit Injunction Order, could this
7 Court conduct the limitation action concurrently with
8 the state court proceedings after dissolving the anti-
9 suit injunction?
- 10 3. Assuming the Ninth Circuit only vacated the Anti-suit
11 Injunction Order, how does Willis's failure to state a
12 claim in federal court not render the anti-suit
13 injunction issue moot?

14 See Transcript of Proceedings held on 7/30/19 ("Tr.") at 12:10-
15 23, 13:20-14:18. Unpersuaded by Willis's response, the Court
16 concluded the Ninth Circuit only vacated its Anti-suit Injunction
17 Order. Absent any pending claims in the suit, the Court found
18 the Ninth Circuit's remand to conduct a prejudice analysis was
19 moot and granted WSR's motion for exoneration.

20 21 I. DISCUSSION

22 The Court welcomes any guidance the Ninth Circuit can
23 provide on its previous vacatur and remand. As do the parties.
24 See Tr. at 5:12-14, ECF No. 83 ("I will confess that it took me a
25 while to reach an understanding of the Ninth Circuit's decision
26 as well."). Only this much is clear from the memorandum: the
27 Ninth Circuit viewed this case as falling within the single-
28 claimant exception. See USCA Memorandum at 2. As the Ninth

1 Circuit explained, when this exception applies, a district court
2 must dissolve a LOLA injunction on state court proceedings unless
3 the vessel owner can show that dissolving the injunction would
4 prejudice his limitation right. See Lewis v. Lewis & Clark
5 Marine, 531 U.S. 438, 449 (2001); Newton v. Shipman, 718 F.2d
6 959, 961 (9th Cir. 1983) (per curiam). This Court admittedly
7 erred when it denied Willis's motion to dissolve the LOLA
8 injunction without conducting an on-the-record prejudice
9 analysis. See generally Transcript of Proceedings held on
10 8/29/17, ECF No. 44.

11 Notwithstanding that error, it is unclear how the Anti-suit
12 Injunction Order remains a live issue following a valid dismissal
13 of Willis's claims. Even if this Court reads the Ninth Circuit's
14 decision as vacating the both the Anti-suit Injunction Order and
15 the Dismissal Order, it remains concerned about adjudicating a
16 moot issue. In this Court's opinion, re-litigating Willis's
17 motion to dissolve the LOLA injunction would give rise to three
18 possible scenarios. First, the Court could conduct a prejudice
19 inquiry and find that dissolving the anti-suit injunction would
20 prejudice WSR's limitation right. In which case, the injunction
21 would remain. See Ex parte Green, 286 U.S. 437, 439-440 (1932).
22 WSR would undoubtedly file the same motion to dismiss it filed in
23 November 2017. This Court would issue the same order it issued
24 in December 2017. And all parties would be in the same position
25 they were before the appeal, less thousands of dollars in legal
26 fees.

27 Second, the Court could find that dissolving the anti-suit
28 injunction would not prejudice WSR's limitation right.

1 Admittedly, Willis would then be entitled to proceed with her
2 claims against WSR in state court. Newton v. Shipman, 718 F.2d
3 959, 961-62 (9th Cir. 1983). But this Court could still proceed
4 with the limitation action in federal court. See id. at 963. As
5 in the first scenario, WSR would file a motion to dismiss and,
6 for the reasons discussed in its prior Dismissal Order, this
7 Court would have to grant it. WSR would take this order down to
8 Alameda County Superior Court and remove itself from the state
9 proceedings. See Stoll v. Gottlieb, 305 U.S. 165, 171-73 (1938).
10 Again, none of the parties are made better off by this process.

11 Finally, the Court could find WSR would not be prejudiced by
12 the state court proceedings, dissolve the anti-suit injunction,
13 and stay the federal proceedings until the state litigation is
14 complete. See Newton, 718 F.2d at 963. This is Willis's
15 preferred course of action, though it makes little sense to the
16 Court. Using this approach, WSR's two-year-old limitation action
17 would lie in wait for several more years while the parties
18 litigated in state court. Assuming Willis prevails, this Court
19 would then resume the federal proceedings. Given Willis
20 stipulated to "waiv[ing] any res judicata or collateral estoppel
21 effect that an intervening jury trial might [] have on [the
22 limitation issues]," the parties would have to argue the
23 limitation action from scratch. See Stipulation on Remand, ECF
24 No. 73. WSR would file a motion to dismiss, and the Court would
25 grant it. The Court does not see the utility in engaging in such
26 a purely academic exercise.

27 At the July hearing and in its petition to the Ninth
28 Circuit, Willis argued this Court's critical misstep was in

1 thinking that it would retain jurisdiction to adjudicate the
2 negligence prong of the limitation action if it dissolved the
3 anti-suit injunction. Tr. at 16:11-17, 17:7-18:3; Appellant's
4 Petition for Writ of Habeas Corpus ("Petition") at 2-3, No. 19-
5 72233. Indeed, Willis's counsel stated, in no uncertain terms,
6 the question of WSR's liability "is not before this Court, should
7 have never been before this Court, and will not be before this
8 Court if I come back here." Tr. 17:13-15. Willis largely relies
9 on Lewis v. Lewis & Clark Marine, Inc., 531 U.S. 438 (2001), Lake
10 Tankers v. Henn, 354 U.S. 147 (1957), and In re Tidewater, 249
11 F.3d 342 (5th Cir. 2001) for this position. Tr. at 15:10-20;
12 Petition at 2-3. But as this Court has already explained, it
13 does not read these cases the way Willis does. While these cases
14 include mandatory language about dissolving a LOLA injunction
15 absent a showing of prejudice when the single-claimant exception
16 applies, they do not indicate that a district court divests
17 itself of jurisdiction over the negligence phase of a limitation
18 action upon dissolving the injunction. See Lewis, 531 U.S. at
19 445 ("Thus, the saving to suitors clause preserves remedies and
20 the concurrent jurisdiction of state courts over some admiralty
21 and maritime claims." (emphasis added)); Lake Tankers, 354 U.S.
22 at 153 (explaining that the single claimant exception would at
23 times subject a vessel owner to a "multiplicity of suits"). Nor
24 do these cases appear to "narrowly circumscribe" a district
25 court's ability to proceed with a LOLA action concurrently with
26 state court proceedings. To the contrary, Newton, 718 F.3d at
27 963—another case upon which Willis relies—squarely counsels
28 against tying a district court's hands this way. There, the

1 Ninth Circuit explained:

2 In remanding this case for further action by the
3 district court, we offer some general guidance on how
4 the case might proceed. First it may be noted that
5 admiralty practice incorporates the Federal Rules of
6 Civil Procedure which were drafted 'to secure the
7 just, speedy and inexpensive determination of every
8 actin.' Fed. R. Civ. P. 1; Fed. R. Civ. P. Supp.R.A.
9 advisory committee note. Useless formalities should
10 not inhibit the efficient administration of the
11 court The district court should select the
12 most efficient manner of proceeding.

13 Id.


14 Each of the three scenarios discussed above ultimately lead
15 to the dismissal of Willis's claim. That is because eventually—
16 be it now or in a few years—this Court must adjudicate WSR's
17 limitation action. As the Ninth Circuit knows, limitation
18 actions proceed in two phases. First, the injured party must
19 show "what acts of negligence or conditions of unseaworthiness
20 caused the accident." In re Hechinger, 802 F.2d 202, 207 (9th
21 Cir. 1989). If the claimant fails to make a showing of
22 negligence or unseaworthiness, the vessel owner is wholly
23 exonerated—"if no liability exists there is nothing to limit."
24 Id. (quoting Northern Fishing Trading Co., Inc. v. Grabowski,
25 1973 A.M.C. 1283, 1290 (9th Cir. 1973)). Accordingly, although
26 the single-claimant exception allows Willis to try her wrongful
27 death and survival action claims before a jury in state court,
28 she must eventually still prove WSR's negligence by a
preponderance of the evidence in federal court. Given that this
Court has previously found on two occasions that Willis failed to
set forth a negligence claim because she did not allege WSR owed
her son a duty of care, Willis cannot successfully defend against
WSR's limitation action. See ECF Nos. 41, 61. Accordingly, this

1 Court's finding that the anti-suit injunction issue is moot
2 should be affirmed by the Ninth Circuit.

3
4 II. CONCLUSION

5 This Court granted WSR's motion for exoneration based on its
6 finding that the anti-suit injunction issue was moot. The Court
7 stands by its ruling, but invites clarification from the Ninth
8 Circuit on its May 21, 2019 Memorandum, June 10, 2010 Mandate, or
9 any of its prior case law.

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11 Dated: October 1, 2019

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13 JOHN A. MENDEZ,
14 UNITED STATES DISTRICT JUDGE
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