

NOT FOR PUBLICATION

FILED

UNITED STATES COURT OF APPEALS

AUG 24 2026

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

GOLDEN EAGLE INSURANCE
CORPORATION; PEERLESS
INSURANCE COMPANY,

Plaintiffs - Appellants,

v.

RICHARD CAMMACK, DBA Contra
Costa Ballet; JANE WK DOE,

Defendants - Appellees.

No. 25-1395

D.C. No.

3:24-cv-01670-AMO

MEMORANDUM*

Appeal from the United States District Court
for the Northern District of California
Araceli Martinez-Olguin, District Judge, Presiding

Argued and Submitted May 20, 2026
San Francisco, California

Before: COLLINS, JOHNSTONE, and DE ALBA, Circuit Judges.

Plaintiffs Golden Eagle Insurance Corporation and Peerless Insurance Company appeal the district court's order staying this case. Plaintiffs sought a declaration that they have no duty to defend or indemnify Defendant Richard Cammack, doing business as Contra Costa Ballet (CCB), in ongoing state court

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

litigation based on an abuse or molestation exclusion in their respective insurance policies. The state court proceedings arose from allegations that a ballet instructor at CCB sexually abused Jane WK Doe, a nominal defendant in this case, while she was a minor.

We review for abuse of discretion a district court's stay order, *Dependable Highway Express, Inc. v. Navigators Ins. Co.*, 498 F.3d 1059, 1066 (9th Cir. 2007), though this standard "is somewhat less deferential than the flexible abuse of discretion standard applicable in other contexts," *Yong v. INS*, 208 F.3d 1116, 1119 (9th Cir. 2000).

1. We have jurisdiction to review the district court's stay order because it places Plaintiffs "effectively out of court." *Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 9 (1983) (citation omitted); *see also In re PG&E Corp. Sec. Litig.*, 100 F.4th 1076, 1084 (9th Cir. 2024). A stay places a plaintiff effectively out of court when it is "lengthy *and* indefinite." *PG&E Corp.*, 100 F.4th at 1084; *see also Blue Cross & Blue Shield of Ala. v. Unity Outpatient Surgery Ctr., Inc.*, 490 F.3d 718, 723–24 (9th Cir. 2007). The stay here is lengthy because it has been in place for about 18 months, and "it is nearly certain that [it] will last longer than the 18 months that 'we deemed sufficient for review in *Blue Cross.*'" *Doe 1-10 v. Fitzgerald*, 102 F.4th 1089, 1096 (9th Cir. 2024) (citation omitted). The stay is also indefinite because its end date, the resolution of the state

court case, is “an external event that is not time limited.” *PG&E Corp.*, 100 F.4th at 1084; *see also Dependable Highway*, 498 F.3d at 1066–67.

2. A district court has “inherent authority to stay federal proceedings pursuant to its docket management powers.” *Ernest Bock, LLC v. Steelman*, 76 F.4th 827, 842 (9th Cir. 2023); *see Landis v. North Am. Co.*, 299 U.S. 248, 254–55 (1936). In deciding whether to stay proceedings pending resolution of another action, the district court must weigh “the competing interests which will be affected by the granting or refusal to grant a stay,” including, (1) the possible damage to the nonmovant from the grant of a stay, (2) the hardship or inequity to the movant in being required to go forward, and (3) the orderly course of justice. *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962) (citing *Landis*, 299 U.S. at 254–55).

The district court found that the second and third *Landis* factors weighed in favor of a stay because “application of the abuse or molestation exclusion on which Plaintiffs rely depends on factual issues” being litigated in the state court action. Those factual issues, according to the district court, include whether Doe was in CCB’s “care, custody or control” and whether Cammack was “negligent in his employment, investigation, supervision, [or] retention” of Doe’s alleged abuser “or failure to report” the abuser. But the district court did not identify any basis for concluding that, in this case, any such “[f]acts extrinsic to the [underlying]

complaint . . . reveal[ed] a possibility that the claim may be covered by the policy.” *Montrose Chem. Corp. v. Superior Ct.*, 861 P.2d 1153, 1157 (Cal. 1993) (citation omitted). Indeed, the gravamen of the motion that the district court refused to consider—namely, Plaintiffs’ motion for judgment on the pleadings—was that no such extrinsic facts mattered and that Plaintiffs’ duty-to-defend claim could be resolved simply by “comparing the allegations of the complaint with the terms of the policy.” *Id.* In granting the stay, the district court thus improperly assumed the answer to the very legal issue it had been asked to decide in Plaintiffs’ motion for judgment on the pleadings. In doing so, the district court abused its discretion. On remand, the district court should proceed to decide that motion. If that motion is granted, then the case is over, but if that motion is denied, then the district court could re-evaluate whether further proceedings at that point should be stayed.

For these reasons, we conclude that the district court’s indefinite stay was an abuse of discretion. *See Dependable Highway*, 498 F.3d at 1067.

REVERSED and REMANDED for further proceedings.