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U.S. COURT OF APPEALS

NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

GRIGSBY & ASSOCIATES, INC.,

Plaintiff - Appellant,

v.

STATE FARM FIRE AND CASUALTY
COMPANY,

Defendant - Appellee.

No. 25-7219

D.C. No.

3:25-cv-00892-AGT

Northern District of California,
San Francisco

MEMORANDUM*

Appeal from the United States District Court
for the Northern District of California
Alex G. Tse, Magistrate Judge, Presiding

Submitted September 3, 2026**
San Francisco, California

Before: S.R. THOMAS, GOULD, and BYBEE, Circuit Judges.

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

** The panel unanimously concludes this case is suitable for decision without oral argument. *See* Fed. R. App. P. 34(a)(2).

Plaintiff-Appellant Grigsby & Associates, Inc. (G&A) sued Defendant-Appellee State Farm Fire and Casualty Company alleging that State Farm breached the parties' workers' compensation insurance contract. G&A appeals the district court's order granting State Farm's motion to stay the action pending resolution of Calvin Grigsby's proceedings before the California Workers' Compensation Appeals Board (WCAB).¹ The parties are familiar with the facts and history of this case, so we need not recount them here. Because the district court's stay order is lengthy and indefinite, it places the litigants "effectively out of court" and is appealable as a final decision. *Blue Cross & Blue Shield of Ala. v. Unity Outpatient Surgery Ctr., Inc.*, 490 F.3d 718, 723-24 (9th Cir. 2007). We therefore have jurisdiction under 28 U.S.C. § 1291. We affirm.

The district court has discretion to decide whether "it is efficient for its own docket and the fairest course for the parties to enter a stay of an action before it, pending resolution of independent proceedings which bear upon the case." *Leyva v. Certified Grocers of Cal., Ltd.*, 593 F.2d 857, 863 (9th Cir. 1979). When deciding whether to grant a stay, courts must weigh three non-exclusive factors: "(1) 'the possible damage which may result from the granting of a stay'; (2) 'the

¹ To the extent G&A challenges the district court's denial of its second motion to remand, that claim was addressed in Case No. 25-2392 and therefore not properly before us.

hardship or inequity which a party may suffer in being required to go forward’; and (3) ‘the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law.’” *Ernest Bock, LLC v. Steelman*, 76 F.4th 827, 842 (9th Cir. 2023) (quoting *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110 (9th Cir. 2005)).

Here, the district court did not abuse its discretion in staying the action. The relief which G&A seeks in the district court is money damages, so a stay would only result in the delayed recovery of those damages if G&A prevails on its claims. Such a delay does not constitute irreparable harm and does not weigh meaningfully in G&A’s favor. *See In re PG&E Corp. Sec. Litig.*, 100 F.4th 1076, 1083 (9th Cir. 2024) (a district court more likely abuses its discretion when the stay results in irreparable injury); *see, e.g., CMAX, Inc. v. Hall*, 300 F.2d 265, 268-69 (9th Cir. 1962). As for hardships, without a stay, State Farm may need to defend itself against G&A’s request for punitive damages by waiving attorney-client privilege over communications related to its defense before the WCAB. *See Fox v. Aced*, 317 P.2d 608, 610 (Cal. 1957) (punitive damages not recoverable against a party who acts in good faith on the advice of counsel). We agree with the district court that this would be inequitable to State Farm. And resolution of the similar issues pending before the WCAB will clarify G&A’s theory of damages in federal court.

A stay thus promotes efficient adjudication of the claims presented in this action.

See In re PG&E Corp., 100 F.4th at 1086-87 (collecting cases).

Finally, the district court correctly concluded that *Colorado River* does not apply because this case does not involve the contemporaneous exercise of concurrent jurisdictions. *See United States v. State Water Res. Control Bd.*, 988 F.3d 1194, 1202 (9th Cir. 2021) (citing *Colo. River Water Conservation Dist. v. United States*, 424 U.S. 800, 817-18 (1976)).

AFFIRMED.