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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

IN RE: COMPLAINT AND PETITION
OF WILLIAMS SPORTS RENTALS,
INC., AS OWNER OF A CERTAIN
2004 YAMAHA WAVERUNNER FX 140
FOR EXONERATION FROM OR
LIMITATION OF LIABILITY

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

**ORDER GRANTING WILLIS' MOTION TO
LIFT THE ANTI-SUIT INJUNCTION
AND STAY FURTHER PROCEEDINGS IN
ADMIRALTY**

MARIAN LATASHA WILLIS, on
behalf of the Estate of
RAESHON WILLIAMS,

Respondent/Counter Claimant

v.

WILLIAMS SPORTS RENTALS, INC.

Petitioner/Counter Defendant

WILLIAMS SPORTS RENTALS, INC.

Petitioner, Counter
Defendant, and Third-party
Plaintiff,

v.

THOMAS SMITH, KAI PETRICH,
BERKELY EXECUTIVES, INC., ZIP,
INC., and DOES 1-10

Third-party Defendants.

Following a jet ski accident that claimed the life of
Raeshon Willis, Williams Sports Rentals, Inc. ("WSR") filed an

1 admiralty action under the Limitation of Liability Act
2 ("Limitation Act"), 46 U.S.C. § 30501 et seq., and Rule F of the
3 Federal Rules of Civil Procedure, Supplemental Rules for
4 Admiralty or Maritime Claims. ECF No. 1. As required, the Court
5 enjoined all other proceedings "arising out of, consequent upon,
6 or in connection with" the accident. Order Approving Stipulation
7 of Value, ECF No. 11; see also 46 U.S.C. § 30511(c).

8 Willis then requested the Court dissolve its injunction so
9 she could join WSR in a suit pending in Alameda County Superior
10 Court—a request this Court twice denied. ECF Nos. 56, 77.
11 Ultimately, the Court dismissed Willis' counterclaims against
12 WSR. Dec. 15, 2017 Order, ECF No. 61. Finding nothing left to
13 adjudicate, the Court granted WSR's motion for exoneration. ECF
14 Nos. 76, 77; see also Tr. of 7/30/19 Proceedings, ECF No. 83.
15 See Nov. 26, 2020 USCA Memo. At 3, ECF No. 88; see also Dec. 18,
16 2020 USCA Mandate, ECF No. 89.

17 WSR's victory was short-lived. Granting Willis' writ of
18 mandamus, the Ninth Circuit revived Willis' negligent entrustment
19 claim and remanded the case with instructions. Nov. 26, 2020
20 USCA Memo. at 3-4. The Court of Appeals directed this Court to
21 dissolve the anti-suit injunction and advised that the Court "may
22 wish to reconsider whether to stay the proceedings until Willis'
23 liability claim against WSR is adjudicated in state court." Id.
24 at 3 (citing Newton v. Shipman, 718 F.2d 959, 961 (9th Cir.
25 1983)). On remand, Willis filed a motion to lift the anti-suit
26 injunction and stay further proceedings, likewise urging the
27 Court to stay this action pending resolution of the state court
28

1 proceedings.¹ ECF No. 90. WSR opposed Willis' motion. ECF No.
2 101. Willis then filed a reply. ECF No. 107.

3 For the reasons discussed below, the Court grants Willis'
4 motion.

5 I. BACKGROUND

6 The parties are familiar with the facts of this case. The
7 Court need not recite them here, except as is useful in reaching
8 the disposition.

9 II. OPINION

10 A. Judicial Notice

11 WSR requests judicial notice of: (1) Willis' admission that
12 her claims against WSR do not arise under California law, and
13 (2) Sentinel Insurance Company's motion to intervene in this
14 proceeding. Request for Judicial Notice by WSR, ECF No. 108.
15 Federal Rule of Evidence 201 permits a court to "judicially
16 notice a fact that is not subject to reasonable dispute because
17 it (1) is generally known within the trial court's territorial
18 jurisdiction; or (2) can be accurately and readily determined
19 from sources whose accuracy cannot reasonably be questioned."
20 FRE 201(b). To this end, a court may take judicial notice of
21 "court filings and other matters of public record." Reyn's
22 Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 n.6 (9th
23 Cir. 2006).

24 Willis' admission and Sentinel's motion to intervene, ECF
25 No. 104, are both proper subjects of judicial notice. The Court
26

27 ¹ This motion was determined to be suitable for decision without
28 oral argument. E.D. Cal. L.R. 230(g). The hearing was
scheduled for June 16, 2020.

1 therefore GRANTS WSR's request.

2 B. Subject-matter Jurisdiction

3 WSR's opposition brief raises questions about whether
4 admiralty jurisdiction exists in this case. Opp'n at 8. To
5 clarify: it does.

6 A party invoking admiralty tort jurisdiction must prove
7 that: (1) the alleged tort occurred upon navigable waters; (2)
8 the alleged tort had the potential to disrupt maritime commerce;
9 and (3) the general character of the activity giving rise to the
10 tort had a substantial relationship to traditional maritime
11 activity. Grubart v. Great Lakes Dredge & Dock Co., 513 U.S.
12 527, 534, 538-40 (1995). As Willis argues, "the situs of a tort
13 for the purpose of determining admiralty jurisdiction is the
14 place where the injury occurs." Reply at 3 (quoting Taghadomi
15 v. U.S., 401 F.3d 1080, 1084 (9th Cir. 2004)). Although WSR
16 rented its jet skis on the shore, Willis' death occurred on the
17 waters of Lake Tahoe. Sec. Am. Compl. ("SAC"), ECF No. 46. The
18 alleged tort therefore occurred upon navigable waters. Davis v.
19 U.S., 185 F.2d 938, 943 (9th Cir. 1950) ("[T]he waters of Lake
20 Tahoe are navigable waters of the United States.")

21 Moreover, the alleged tort had the potential to disrupt
22 maritime commerce. This inquiry focuses not "on what happened
23 in this particular case but on whether the general features of
24 the incident have a potentially disruptive effect." In re
25 Mission Bay, 70 F.3d at 1129 (emphasis in original) (citing
26 Jerome B. Grubart, Inc., 513 U.S. 527, 533 (1995); Sisson v.
27 Ruby, 497 U.S. 358, 363 (1990); Foremost Ins. Co. v. Richardson,
28 457 U.S. 668, 675 (1982)). Similar to this case, In re Mission

1 Bay involved two women who suffered serious injuries after
2 falling off the back of a jet-propelled personal watercraft.
3 570 F.3d at 1125. In assessing the tort's potential disruption
4 on maritime commerce, the Ninth Circuit found the incident was
5 "best described as harm by a vessel in navigable waters to a
6 passenger." Id. at 1129. The Ninth Circuit held "an incident
7 of this class could have a potentially disruptive impact" on
8 maritime commerce. Id. "Among other things, a vessel from
9 which a passenger goes over board . . . would likely stop to
10 search and rescue, call for assistance from others . . . and
11 ensnarl maritime traffic in the lanes affected." Id. Given the
12 similarity of Willis's accident to the one in In re Mission Bay,
13 the Court finds this case satisfies the "potential to disrupt
14 maritime commerce" requirement.

15 Finally, the Court finds the general character of the
16 activity giving rise to the tort bears a substantial
17 relationship to traditional maritime activity. As WSR
18 implicitly acknowledges, this factor requires the Court to first
19 identify "the activity giving rise to the tort." See Opp'n at 8
20 n.1; Reply at 3-4. WSR contends that, as a negligent
21 entrustment action, the activity giving rise to this tort was
22 WSR's "shoreside rental of watersports equipment." Opp'n at 8
23 n.1. Citing In re Complaint & Petition of Blue Water Boating
24 Inc. ("In re Blue Water Boating"), 786 Fed. Appx 703 (9th Cir.
25 Dec. 4, 2019), WSR argues shoreside rentals lack the requisite
26 "maritime flavor" to trigger a court's admiralty jurisdiction.
27 Id. This argument oversimplifies the Ninth Circuit's recent
28 unpublished decision.

1 In re Blue Water Boating involved a Santa Barbara company's
2 rental of a standup paddle board. The company filed a
3 limitation action after a renter fell off a paddle board and
4 drowned. 786 Fed. Appx. at 703-04. The district court
5 dismissed the suit for lack of jurisdiction. See Complaint of
6 Blue Water Boating, Inc. v. Mubanda, No. CV 18-1231-JFW (ASx),
7 2018 WL 6075356, at *4 (C.D. Cal. Mar. 27, 2018). The Ninth
8 Circuit affirmed the district court, finding that standup-
9 paddle-board rentals lacked a "close[] relat[ion] to activity
10 traditionally subject to admiralty law." Id. at 705 (quoting
11 Gruver v. Lesman Fisheries, Inc., 489 F.3d 978, 983 (9th Cir.
12 2007)) (modifications in original).

13 The district court decision provides an even more detailed
14 discussion of the issue. See Complaint of Blue Water Boating,
15 Inc., 2018 WL 6075356, at *4. This discussion focused, not on
16 the relationship between rental companies and traditional
17 maritime activity, but on the relationship between standup
18 paddle boards and traditional maritime activity. See id.
19 Comparing paddle board use to activities like swimming and
20 surfing, the court found that "the relationship between the
21 innocent operation of [stand-up paddle boards] and traditional
22 maritime activity [was] virtually non-existent." Id.; see also
23 Exec. Jet Aviation, Inc. v. City of Cleveland, Ohio, 409 U.S.
24 249, (1972) (swimming-based torts lack a substantial
25 relationship to traditional maritime activity); Spencer v.
26 Lunada Bay Boys, No. CV 16-02129 SJO (RAOx), 2016 WL 6818757, at
27 * (C.D. Cal. July 22, 2016) (torts committed by individuals on
28 surfboards lack a substantial relationship to traditional

1 maritime activity). In doing so, the district court expressly
2 rejected the argument that the paddle used while paddle boarding
3 made it more like a vessel, i.e., "a kayak or a rowboat," than a
4 surfboard. Id.

5 Like the Central District of California, this Court finds
6 that the pressing consideration in this analysis is what WSR was
7 renting, not that WSR was renting it. WSR rents jet skis—
8 personal watercrafts. The relationship between traditional
9 maritime activity and WSR's rental of personal watercrafts for
10 use on navigable waters is undeniable. See Yamaha Motor Corp.,
11 U.S.A. v. Calhoun, 516 U.S. 199, 201-02 (1996) (exercising
12 admiralty jurisdiction over suit involving a jet ski accident);
13 In re Mission Bay, ("Being a vessel, this jet ski has a maritime
14 connection."); Rigsbee v. City and County of Honolulu, No. 17-
15 cv-00532 HG-KSC, 2018 WL 5017610, at *3 (D. Haw. Oct. 16, 2018)
16 ("Accidents involving jet skis are substantially related to
17 maritime activities").

18 The Court finds this suit falls within its admiralty
19 jurisdiction.

20 C. Anti-suit Injunction

21 The Ninth Circuit instructed this Court to dissolve its
22 previously issued anti-suit injunction. See Dec. 18, 2019 USCA
23 Mandate. WSR nonetheless continues to litigate the propriety of
24 allowing Willis' state court suit to go forward, urging the
25 Court to place limitations on those proceedings. See Opp'n at
26 8-9. The question of whether Willis' state court proceedings
27 will prejudice WSR's limitation rights has become an unending
28 carousel. See Tr. of 8/29/17 Proceedings at 39: 6-40:16, ECF

1 No. 44; Apr. 25, 2018 USCA Memo. at 3, ECF No. 69; Tr. of
2 7/30/19 Proceedings at 24:6-9; Nov. 26, 2019 USCA Memo. at 2-3.
3 The Court declines WSR's invitation to take another ride.

4 The Ninth Circuit's instruction to dissolve the anti-suit
5 injunction was unequivocal. See Dec. 18, 2019 USCA Mandate.
6 This Court takes the Ninth Circuit's mandate to mean what it
7 says; no more, no less. Moreover, the Court does not find that
8 any intervening changes in circumstance have, as WSR argues,
9 mooted the Ninth Circuit's instructions. Contra Opp'n at 3-4.
10 The Court therefore dissolves its previously issued anti-suit
11 injunction.

12 D. Stay

13 In Limitation Actions, district courts may exercise their
14 discretion in deciding "whether the limitation question must
15 await trial of the liability issue." Newton v. Shipman, 718
16 F.2d 959, 963 (9th Cir. 1983). Ultimately, "[t]he district
17 court should select the most efficient manner of proceeding."
18 Id. Willis argues the Langnes rule of abstention prescribes the
19 most efficient course of action in single-claimant cases such as
20 this one. Mot. at 3-4 (citing Langnes v. Green, 282 U.S. 531,
21 541-42 (1931)). Under this rule:

22 [T]he district court permits proceedings in state
23 court to go forward on the question of liability and
24 retains jurisdiction over any question that might
25 arise as to the shipowner's right to limit his
26 liability. If the shipowner either (1) wins in the
27 state court or (2) loses, but only in an amount less
28 than the value of his ship and its cargo, then the
need for further proceedings in federal court is
obviated. If the shipowner is found liable for more
than the value of his ship and its cargo in the state
action, further proceedings in the federal limitation
action may be necessary, but only where the claimant
contests the limitation.

1 See Mot. at 4 (quoting In re Complaint of McCarthy Bros., 83 F.3d
2 828 (7th Cir. 1996)).

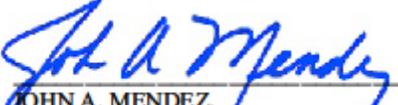
3 WSR disagrees that adhering to the Langnes rule would yield
4 maximum efficiency here—namely, because the matter would get to
5 trial more quickly if left in federal court. This argument rests
6 on the assumption that, absent a stay, this Court would hold a
7 pretrial conference hearing in this case on September 11, 2020
8 “with a bench trial shortly to follow.” Opp’n at 10. That
9 assumption is no longer valid. The Sacramento federal courthouse
10 is currently closed to the public until further notice. See
11 General Order 618 (May 13, 2020). When trials resume, criminal
12 cases will take priority. Given these unprecedented times, the
13 Court finds little value in speculating as to when this matter
14 would go to trial absent a stay. But suffice it to say, WSR’s
15 argument does not persuade the Court to depart from the practice
16 set forth in Langnes, 282 U.S. at 541-42. The Court therefore
17 stays further proceedings in admiralty pending the completion of
18 Willis’ suit in state court.

19 III. ORDER

20 For the reasons set forth above, the Court GRANTS Willis’s
21 motion to lift the anti-suit injunction and stay further
22 proceedings in admiralty.

23 IT IS SO ORDERED.

24 Dated: July 27, 2020

25 
26 JOHN A. MENDEZ,
27 UNITED STATES DISTRICT JUDGE
28