

United States District Court
Southern District of Texas

ENTERED

February 19, 2019

David J. Bradley, Clerk

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

STADIUM MOTORCARS, LLC *et al.*,

Plaintiffs,

VS.

FEDERAL INSURANCE COMPANY,

Defendant.

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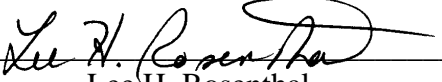
CIVIL ACTION NO. H-18-1920

ORDER

On February 8, 2019, the court heard argument on the parties’ cross-motions for summary judgment and allowed them to supplement their briefs. (Docket Entry No. 27). The court now orders the parties to include in their supplemental briefs an additional issue. The Policy provides that “Related Claims means all Claims for Wrongful Acts based upon, arising from, or in consequence of the same or related facts,” and states that “Related Claims shall be deemed a single Claim made in the Policy Year in which the earliest of such Related Claims was first made.” (Docket Entry No. 18-1 at 10–11). Federal Insurance concedes that the lawsuit and arbitration are “Related Claims” that are “deemed a single Claim that was first made when” the suit was filed against Stadium and Central. (*See* Docket Entry No. 25 at 8–9). But Federal Insurance argues that it properly denied coverage for the arbitration award because Stadium and Central failed to timely report the proceeding before the Policy expired in January 2018. (*See* Docket Entry No. 18 at 15). Stadium and Central respond that because they timely reported the lawsuit, Federal Insurance also received timely notice of the post-lawsuit-dismissal arbitration proceeding. (*See* Docket Entry No. 26 at 2).

The parties must address the relationship between the Policy's Related Claims and Reporting sections and whether timely reporting the state-court lawsuit satisfied the notice requirement for the later arbitration, considering that it was not commenced until after the lawsuit was dismissed. (Docket Entry No. 18-1 at 11, 29). Stadium and Central's submission, limited to 5 pages, is due by **February 25, 2019**. Federal Insurance must submit a response, limited to 5 pages, by **March 4, 2019**. Federal Insurance may separately respond to Stadium and Central's February 13, 2019, brief, in no more than 5 pages.

SIGNED on February 19, 2019, at Houston, Texas.



Lee H. Rosenthal
Chief United States District Judge