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**ARROWOOD INDEMNITY COMPANY, a Delaware corporation formerly known as ROYAL INDEMNITY COMPANY, as successor to GLOBE INDEMNITY COMPANY, Plaintiff, vs. BEL AIR MART, a California corporation; R. GERN NAGLER, as Trustee of the John W. Burns Testamentary Trust; ROBERT GERN NAGLER, an individual, Defendants. BEL AIR MART, a California corporation, Counterclaim Plaintiff, vs. ARROWOOD INDEMNITY COMPANY, a Delaware corporation formerly known as ROYAL INDEMNITY COMPANY, as successor to GLOBE INDEMNITY COMPANY,**

**CASE NO. 2:11-CV-00976-JAM-DAD**

**UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION**

**2011 U.S. Dist. LEXIS 100756**

**September 7, 2011, Decided  
September 7, 2011, Filed**

**SUBSEQUENT HISTORY:** Motion granted by, Stay denied by Arrowood Indem. Co. v. Bel Air Mart, 2013 U.S. Dist. LEXIS 78535 (E.D. Cal., June 3, 2013)  
Summary judgment granted by, Summary judgment denied by, in part, Summary judgment denied by, Without prejudice, in part, Sanctions allowed by Arrowood Indem. Co. v. Bel Air Mart, 2014 U.S. Dist. LEXIS 27627 (E.D. Cal., Mar. 3, 2014)

**COUNSEL:** [\*1] For Arrowood Indemnity Company, a Delaware corporation, as successor to Globe Indemnity Company formerly known as Royal Indemnity Company, Plaintiff: Alexander Eugene Potente, Sedgwick, LLP, San Francisco, CA.

For Bel Air Mart, Defendant: Dominic Stephen Nesbitt, LEAD ATTORNEY, Gary Wayne Osborne, Osborne & Nesbitt Llp, San Diego, CA.

For R. Gern Nagler, As Trustee of the John W. Burns Testamentary Trust, Robert Gern Nagler, an individual, Defendants: Carl Paul Blaine, LEAD ATTORNEY,

Wagner Kirkman Blaine Klomprens & Youmans LLP, Mather, CA.

For Bel Air Mart, Counter Claimant: Dominic Stephen Nesbitt, LEAD ATTORNEY, Gary Wayne Osborne, Osborne & Nesbitt Llp, San Diego, CA.

For Arrowood Indemnity Company, a Delaware corporation, as successor to Globe Indemnity Company, Counter Defendant: Alexander Eugene Potente, Sedgwick, LLP, San Francisco, CA.

**JUDGES:** HONORABLE JOHN A. MENDEZ, UNITED STATES DISTRICT COURT JUDGE.

**OPINION BY:** JOHN A. MENDEZ

**OPINION**

[EDITOR'S NOTE: THE ORIGINAL SOURCE CONTAINED ILLEGIBLE WORDS AND/OR MISSING TEXT. THE LEXIS SERVICE WILL PLACE

THE CORRECTED VERSION ON-LINE UPON RECEIPT.]

**ORDER GRANTING BEL AIR MART'S MOTION TO STAY DISCOVERY, PRE-TRIAL DATES, AND ACTION IN THE PRESENT ACTION**

Bel Air Mart's [\*2] ("Bel Air") Motion for Stay of Discovery, Pre-Trial Dates and Trial in the Present Action came on regularly for hearing on the 9:30 a.m. calendar on September 7, 2011, in Courtroom 6 of the above-entitled Court, located at 501 I Street, Sacramento, CA 95814, the Honorable John A. Mendez, presiding. Gary W. Osborne of Osborne & Nesbitt, LLP appeared for Bel Air and Bruce Celebrezze of Sedgwick LLP appeared on behalf of Arrowood Indemnity Company ("Arrowood").

Having considered the arguments of counsel, both written and oral, and good cause appearing, the Court hereby **grants** Bel Air's Motion and orders and all [ILLEGIBLE WORD], pre-trial dates and trial of this action are hereby stayed until conclusion of the underlying lawsuit entitled *Bel Air Mart, et al. v. Arnold Cleaners Inc., et al.*, pending before the United States

District Court for the Eastern District of California, and assigned Case No. 2:10-CV-02392 MCE-EFB., or until further notice of this Court.

This ruling is based on the fact that Plaintiff and Counterclaim Defendant Arrowood Indemnity Company ("Arrowood") seeks herein to adjudicate coverage questions which turn on facts to be litigated in the underlying environmental litigation. [\*3] Under such circumstances, a stay is required to avoid prejudice to Arrowood's insured, Bel Air, that would result if Arrowood were allowed to prosecute the present declaratory judgment action while the underlying action remains pending.

**IT IS SO ORDERED.**

DATED: 9-7-2011

/s/ John A. Mendez

THE HONORABLE JOHN A. MENDEZ

UNITED STATES DISTRICT COURT JUDGE