United States Court of Appeals for the Fifth Circuit

United States Court of Appeals
Fifth Circuit
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June 2, 2026
Lyle W. Cayce
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No. 25-20408

Scott Sullivan; Frank Dellacroce; St. Charles Surgical Hospital, L.L.C.; St. Charles Holdings, L.L.C.; Center for Breast Restorative Surgery, L.L.C.; Sigma Delta Billing, L.L.C.,

Plaintiffs—Appellees,

versus

Stewart A. Feldman; Feldman Law Firm, L.L.P.; Capstone Associated Services (Wyoming), Limited Partnership; Capstone Associated Services, Limited,

Defendants—Appellants,

Feldman Law Firm, L.L.P.; Capstone Associated Services (Wyoming), Limited Partnership; Capstone Associated Services, Limited; Capstone Insurance Management, Limited,

Plaintiffs—Appellants,

versus

Scott Sullivan; Frank Dellacroce; St. Charles Surgical Hospital, L.L.C.; St. Charles Holdings, L.L.C.; Center for Breast Restorative Surgery, L.L.C.; Sigma Delta Billing, L.L.C.,

Defendants—Appellees,

FELDMAN LAW FIRM, L.L.P.; CAPSTONE ASSOCIATED SERVICES (WYOMING), LIMITED PARTNERSHIP; CAPSTONE ASSOCIATED SERVICES, LIMITED; CAPSTONE INSURANCE MANAGEMENT, LIMITED,

Plaintiffs—Appellants,

versus

SCOTT SULLIVAN; CENTER FOR BREAST RESTORATIVE SURGERY, L.L.C.; SIGMA DELTA BILLING, L.L.C.; FRANK DELLACROCE; ST. CHARLES SURGICAL HOSPITAL, L.L.C.; ST. CHARLES HOLDINGS, L.L.C.,

Defendants—Appellees.

Appeal from the United States District Court
for the Southern District of Texas
USDC Nos. 4:20-CV-2236, 4:21-CV-658,
4:21-CV-682

Before KING, HIGGINSON, and DUNCAN, *Circuit Judges*.

PER CURIAM:[*]

On appeal is the district court's amended judgment confirming four awards resulting from four arbitrations between the same parties and the subsequent denial of the Defendants-Appellants' Rule 59(e) motion. The Defendants-Appellants previously appealed this judgment in *Sullivan v.*

[*] This opinion is not designated for publication. *See* 5TH CIR. R. 47.5.

Feldman ("*Sullivan I*"). 132 F.4th 315 (5th Cir. 2025). The sole issue before us is whether the district court complied with the mandate in *Sullivan I*. Because the district court's judgment followed both the letter and spirit of our court's decision, we AFFIRM the amended judgment and the district court's denial of the Rule 59(e) motion.

I.

This appeal is the result of a series of arbitrations more fully described in *Sullivan I*. *Id.* at 321–26. Doctors Scott Sullivan and Frank DellaCroce (the "Doctors") are surgeons at the Center for Restorative Breast Surgery in New Orleans, Louisiana. *Id.* at 321. The Doctors own several business entities related to medicine, insurance, and medical billing. *Id.* at 322. In October 2015, they entered an agreement with Stewart Feldman and the Feldman Law Firm, LLP, (the "Feldman Parties"), to participate in a third-party insurance and reinsurance risk pooling arrangement. *Id.* Capstone Associated Services, LP, Capstone Associated Services, Ltd., and Capstone Insurance Management, Ltd., (the "Capstone Parties") provided management services for the insurance pool. *Id.*

The Doctors assert that Feldman did not disclose that he used the insurance pool to underwrite malpractice and breach of fiduciary duty claims against himself and Capstone. *Id.* Beginning in 2020, the parties commenced nine separate arbitrations in what was later referred to as the "the *Bleak House* of arbitration." *Id.* at 323. Given the breadth of the different proceedings, in March 2021, the district court enjoined the Feldman and Capstone Parties from initiating any more arbitrations involving the same parties and underlying contract. *Id.*

In August 2021, four of the arbitrators presided over a single evidentiary hearing where the same evidence and witnesses were presented. *Id.* at 324–25. The four arbitrators issued conflicting evidentiary rulings

during the hearing and ultimately reached different conclusions and different final awards, but all in favor of the Doctors. *Id.* Arbitrator Caroline Baker issued a total award of $1,598,332.96; arbitrator Mark Glasser issued a total award of $1,471,949.21; arbitrator Robert Kutcher issued a total award of $4,559,550.70; and arbitrator Charles Jones issued a total award of $88,684,519.20. *Id.* at 324.

Before the district court, the parties filed several cross-motions to vacate and confirm the respective awards. *Id.* at 324. The district court confirmed all four awards and then entered a partial final judgment embodying all four awards. It also ordered the Feldman and Capstone Parties to pay the Doctors the entirety of the Jones award, which amounted at that date to $94,542,659.80 with daily accruing post-judgment interest of nearly $13,000. ***See id.*** The Feldman and Capstone Parties appealed.

In *Sullivan I*, our court largely affirmed the district court's judgment confirming the arbitration awards. *Id.* at 332, 337. However, it determined that there were two errors in the district court's judgment, requiring reversal and vacatur and remand. First, the panel reversed in part the confirmation of the Jones award as to defendant Jeff Carlson, who became President of Capstone Associated Services, Ltd., after the parties had signed their engagement letter because he was not a proper party to the dispute. *Id.* at 334–37. And second, it vacated and remanded the district court's March 2021 order enjoining further arbitrations between the parties so that the inconsistencies among the awards could be arbitrated. *Id.* at 332–34.

On remand, the district court entered an amended partial final judgment that removed Carlson from the case, lifted the injunction on additional arbitration, and stayed the case pending the outcome of the new arbitration to resolve the inconsistences among the awards. The amended judgment again confirmed all four awards and concluded that the Feldman

and Capstone Parties—absent Carlson—were liable and subject to the entirety of the Jones award. The Feldman and Capstone Parties then filed a motion for reconsideration under Federal Rule of Civil Procedure 59(e), which the district court denied. The parties are currently arbitrating the *res judicata* effects of the different arbitration awards before arbitrator Bill Boyce.

Nonetheless, the Feldman and Capstone Parties presently appeal the partial final judgment a second time, as well as the district court's denial of their Rule 59(e) motion on the judgment. They assert that the district court improperly entered judgment for the Jones award before the Boyce arbitration had concluded, in violation of the earlier panel's mandate.

II.

The Feldman and Capstone Parties argue that the district court violated the *Sullivan I* panel's mandate by rendering an amended judgment before allowing the post-remand arbitration to resolve the conflicting awards' *res judicata* effects on one another. They assert that our court's earlier mandate necessarily implies that this arbitration must precede the court entering its amended judgment.

"It is well established that 'an inferior court has no power or authority to deviate from the mandate issued by an appellate court.'" *League of United Latin Am. Citizens, Dist. 19 v. City of Boerne*, 675 F.3d 433, 438 (5th Cir. 2012) (quoting *Briggs v. Penn. R.R. Co.*, 334 U.S. 304, 306 (1948)). A district court must therefore "follow both the letter and spirit of the mandate by taking into account the appeals court's opinion and circumstances it embraces." *Id.* (quoting *United States v. Carales-Villalta*, 617 F.3d 342, 344 (5th Cir. 2010)). We review a district court's compliance with our mandate *de novo*. *In re Deepwater Horizon*, 928 F.3d 394, 398 (5th Cir. 2019) (citing *Ball v. LeBlanc*, 881 F.3d 346, 350–51 (5th Cir. 2018)).

The first step of our review is "figuring out what our mandate said." *Id.* This "inquiry includes consulting 'the opinion delivered by this court at the time of rendering its decree.'" *Id.* (alteration adopted) (quoting *In re Sanford Fork & Tool Co.*, 160 U.S. 247, 256 (1895)). "After all, 'a mandate is controlling only as to matters within its compass.'" *Id.* (alteration adopted) (quoting *Sprague v. Ticonic Nat'l Bank*, 307 U.S. 161, 168 (1939)).

Our decision did not determine whether the arbitration should precede the rendering of judgment. The decision does not discuss whether the arbitration must predate the judgment confirming the awards, nor did it otherwise indicate a procedural criticism of the district court's issuance of judgment. Indeed, the decision articulated that the district court had entered judgment "based on the Jones award" with "daily accruing post-judgment interest of nearly $13,000," and then affirmed the award's confirmation except for its application to defendant Jeff Carlson. *Sullivan I*, 132 F.4th at 325, 334–37. Further, the decision's articulation of its reasons to vacate and remand the stay motion order contains no discussion of the confirmation of the Jones award nor any reason that the award might be problematic pending the final arbitration. *See id.* at 333–34. As a practical matter, the district court's order entered with the amended partial final judgment also respects the *Sullivan I* decision's acknowledgement that the parties may choose to proceed with arbitration to resolve the awards' *res judicata* effects, *see id.* at 334, by staying the case pending resolution of that final arbitration proceeding. Because *Sullivan I* did not indicate or imply that arbitration must precede the issuance of the judgment, the district court did not violate our court's earlier mandate.

We AFFIRM the district court's amended partial final judgment and its denial of the Rule 59(e) motion.[1]

[1] The Doctors' motion to supplement the record on appeal is DENIED as MOOT.