

United States Court of Appeals
for the Fifth Circuit

United States Court of Appeals
Fifth Circuit

FILED

August 19, 2026

Lyle W. Cayce
Clerk

No. 25-30396

LANDMARK AMERICAN INSURANCE COMPANY,

Plaintiff/Counter-Defendant—Appellant,

versus

INSURANCE UNLIMITED OF LOUISIANA, L.L.C.,

Defendant/Counter-Claimant—Appellee,

VALERIE MUSE,

Defendant—Appellee.

Appeal from the United States District Court
for the Western District of Louisiana
USDC No. 2:20-CV-1263

Before ELROD, *Chief Judge*, and HO and RAMIREZ, *Circuit Judges*.

PER CURIAM:*

In 2020, Landmark American Insurance Company (“Landmark”) sued Insurance Unlimited of Louisiana (“IU”), IU employee Valerie Muse, and several IU customers in federal court. Landmark sought a declaratory

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

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judgment that, under a professional liability insurance policy it issued to IU, it was not responsible for customer claims arising out of Muse's misconduct. IU asserted counterclaims seeking coverage under the policy. In 2021, an IU customer not involved in the federal case sued IU, Muse, and Landmark in state court. IU asserted crossclaims against Landmark that mirrored its federal counterclaims.

IU moved to stay the federal case under *Colorado River*¹ abstention doctrine, which may apply "when there are parallel proceedings pending in federal and state courts." *Brown v. Pac. Life Ins. Co.*, 462 F.3d 384, 395 n.7 (5th Cir. 2006). The district court granted the motion and stayed the federal case "pending the outcome of the parallel state proceeding." Landmark appeals the stay order.

During the pendency of this appeal, a trial on the coverage issues proceeded in the state court, which entered judgment on the merits. Landmark appealed the state judgment, but that appeal has since been dismissed. Because there is a final judgment in the state proceeding, its "outcome" has been revealed, meaning the district court's stay has expired by its own terms.² Accordingly, this appeal is moot.³ *See Motient Corp. v.*

¹ *Colo. River Water Conservation Dist. v. United States*, 424 U.S. 800 (1976).

² After oral argument was held, IU submitted letter briefs to this court arguing for the first time that, in light of the state court final judgment, this case should be dismissed based on res judicata. Res judicata was not raised before the district court, and we decline to address that issue for the first time on appeal.

³ Our sister circuits have reached the same conclusion under similar circumstances. *See, e.g., Spitzmiller v. Hawkins*, 129 F.3d 122, *1 (8th Cir. 1997) (unpublished table decision) ("The district court ordered the federal action stayed pending disposition of the state actions, and Spitzmiller appeals. Because the district court's order was based on abstention and Spitzmiller has now dismissed the state proceedings, the district court's order has expired by its own terms and we conclude the appeal is moot."); *Fox v. Maulding*, 112 F.3d 453, 456 (10th Cir. 1997) (noting that, after the plaintiffs appealed the district court's stay under *Colorado River*, the Tenth Circuit "dismissed the appeal as moot"

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Dondero, 529 F.3d 532, 537 (5th Cir. 2008) (“[A]n appeal must be dismissed [as moot] when ‘an event occurs while a case is pending on appeal that makes it impossible for the court to grant any effectual relief whatever to a prevailing party[.]’” (quoting *Church of Scientology v. United States*, 506 U.S. 9, 12 (1992))).

* * *

This appeal is DISMISSED as moot.

because “the state proceedings ended during the pendency of that appeal”); *Wilcox v. Hi-Desert Mem’l Healthcare Dist.*, 593 F. App’x 736, 737 (9th Cir. 2015) (unpublished) (“Plaintiff’s argument that the district court erred when it stayed this action pending the resolution of state proceedings is moot, because the state proceedings have concluded.”).