UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF LOUISIANA, LAKE CHARLES DIVISION

Odilon Gonzales et al. v. Louisiana Scrap Metals Recycling Lake Charles LLC

Gonzales v. Louisiana Scrap Metals Recycling Lake Charles LLC · No. 2:22-CV-01037 · Decided March 25, 2026

SUMMARY

The United States District Court for the Western District of Louisiana denied Everest National Insurance Company's motion for summary judgment in a wrongful-death action arising from a flash fire aboard a vessel being scrapped. The court held that Everest had not shown the absence of a factual dispute regarding whether the M/V SMITH TIDE remained a vessel for purposes of the Jones Act and Longshore and Harbor Workers' Compensation Act, which affected application of the policy's Marine Liability Exclusion.

CASE DETAILS

COURT	United States District Court for the Western District of Louisiana, Lake Charles Division
WRITING FOR THE COURT	James D. Cain, Jr.
JURISDICTION	United States District Court for the Western District of Louisiana, Lake Charles Division
DECIDED	March 25, 2026
DOCKET	2:22-CV-01037
DISPOSITION	other
PROCEDURAL POSTURE	Defendant Everest National Insurance Company moved for summary judgment on the issue of insurance coverage under its excess policy. Plaintiffs opposed the motion.
STANDARD OF REVIEW	Summary judgment is appropriate under Federal Rule of Civil Procedure 56(a) when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court must view the evidence and reasonable inferences in the light most favorable to the nonmoving party and may not weigh evidence or make credibility determinations.

PRECEDENTIAL VALUE	unpublished district court memorandum ruling

TOPICS

summary judgment · insurance coverage · admiralty · jones act · longshore and harbor workers compensation

PRACTICE AREAS

insurance coverage · admiralty · civil procedure · wrongful death

QUESTIONS PRESENTED

1. Whether Everest was entitled to summary judgment on the ground that the policy's Marine Liability Exclusion barred coverage for claims invoking the Jones Act and the Longshore and Harbor Workers' Compensation Act.
2. Whether the record established as a matter of law that the M/V SMITH TIDE was not a vessel, or alternatively remained a vessel, for purposes of the Jones Act and the Longshore and Harbor Workers' Compensation Act.

HOLDINGS

1. Summary judgment was inappropriate because Everest failed to present evidence eliminating a genuine dispute of material fact concerning whether the M/V SMITH TIDE remained a vessel subject to the Jones Act or the Longshore and Harbor Workers' Compensation Act.
2. The court could not determine on the existing record whether the M/V SMITH TIDE qualified as a vessel at the time of the accident, and plaintiffs could argue in the alternative that maritime law did or did not apply.

KEY QUOTATIONS

> *"The court is also required to view all evidence in the light most favorable to the non-moving party and draw all reasonable inferences in that party's favor."*

> *"But floating is not enough to qualify a craft as a vessel."*

FACTUAL BACKGROUND

Adrian Gonzalez Avila, an employee of CP Contractors LLC, was torch-cutting aboard the M/V SMITH TIDE at a recycling facility owned by Louisiana Scrap Metals Recycling Lake Charles LLC when a flash fire occurred on April 30, 2021. He died from his injuries three days later. Plaintiffs alleged claims under the Jones Act, general maritime law, and the Longshore and Harbor Workers' Compensation Act. Everest issued an excess policy containing a Marine Liability Exclusion and argued that the exclusion barred coverage, but the record did not establish whether the M/V SMITH TIDE was still practically capable of maritime transportation when the accident occurred.

PROCEDURAL HISTORY

Plaintiffs filed a wrongful-death action arising from a fatal fire aboard the M/V SMITH TIDE at a Louisiana recycling facility. They later added several insurers as defendants and dismissed certain claims following a partial settlement. Everest moved for summary judgment, arguing that the policy's Marine Liability Exclusion barred coverage because plaintiffs invoked the Jones Act and the Longshore and Harbor Workers' Compensation Act. The court denied the motion because Everest failed to establish the absence of a genuine factual dispute regarding whether the vessel remained practically capable of transportation over water.

DISPOSITION

other

CASES CITED

- Tubacex, Inc. v. M/V Risan, 45 F.3d 951, 954 (5th Cir. 1995)
- Malacara v. Garber, 353 F.3d 393, 404 (5th Cir. 2003)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248-249 (1986)
- State Farm Life Insurance Co. v. Gutterman, 896 F.2d 116, 118 (5th Cir. 1990)
- Reeves v. Sanderson Plumbing Products, Inc., 530 U.S. 133, 150 (2000)
- Clift v. Clift, 210 F.3d 268, 270 (5th Cir. 2000)
- Brumfield v. Hollins, 551 F.3d 322, 326 (5th Cir. 2008)
- Chandris, Inc. v. Latsis, 515 U.S. 347, 368 (1995)
- Stewart v. Dutra Construction Co., 543 U.S. 481, 497 (2005)
- Holmes v. Atlantic Sounding Co., 437 F.3d 441, 448 (5th Cir. 2006)
- Moore v. Bis Salamis, Inc., 748 F. Supp. 2d 598, 605 (E.D. Tex. 2010)
- Lozman v. City of Riviera Beach, Florida, 568 U.S. 115, 124-126 (2013)

OPINION

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF LOUISIANA LAKE CHARLES DIVISION ODILON GONZALES ET AL CASE NO. 2:22-CV-01037 VERSUS JUDGE JAMES D. CAIN, JR. LOUISIANA SCRAP METALS MAGISTRATE JUDGE LEBLANC RECYCLING LAKE CHARLES LLC MEMORANDUM RULING Before the court is a Motion for Summary Judgment [doc. 114] filed by defendant Everest National Insurance Company.

Plaintiffs Odilon Gonzales and Sylvia Avila oppose the motion. Doc. 116. I. BACKGROUND This suit arises from an accident that occurred on April 30, 2021, at a recycling facility in Lake Charles, Louisiana, owned by defendant Louisiana Scrap Metals Recycling Lake Charles LLC ("LSM"). Plaintiffs allege as follows: Their son, Adrian Gonzalez Avila, an employee of CP Contractors LLC ("CPC"), was tasked with torch-cutting aboard the M/V SMITH TIDE, which was being scrapped at LSM, when a flash fire occurred.

Doc. 26, ¶ IV; doc. 103, p. 3. Mr. Gonzalez Avila ("decedent") succumbed to his injuries on May 3, 2021, and his parents filed a wrongful death suit in this court against CPC and LSM. Doc. 1. Plaintiffs subsequently amended the suit to add insurers Everest National Insurance Company ("Everest"), Scottsdale Insurance Company ("Scottsdale"), and Stonington Insurance Company as defendants.

Doc. 72. After reaching a partial settlement, they dismissed all claims against CPC and their claims against LSM, but only to the extent of any uninsured exposure. Doc. 79. They also dismissed insurer Scottsdale to the extent of its liability under the policy issued to CPC, reserving "all rights to pursue any and all claims against any insurer(s) that may provide coverage to LSM," other than Scottsdale.1 Id. The matter is now set for bench trial before the undersigned on November 9, 2026.

Doc. 101. Everest brings this motion for summary judgment, arguing that plaintiffs' allegations invoking the Longshoreman Harbor Workers Compensation Act ("LHWCA") and Jones Act preclude coverage under the policy's Marine Liability Exclusion. Doc. 114. Plaintiffs oppose the motion, asserting that these allegations remain contested and that, at any rate, the policy's language does not explicitly exclude coverage for this incident.

Doc. 116. II. SUMMARY JUDGMENT STANDARD Under Rule 56(a), "[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." The moving party is initially responsible for identifying portions of pleadings and discovery that show the lack of a genuine issue of material fact.

Tubacex, Inc. v. M/V Risan, 45 F.3d 951, 954 (5th Cir. 1995). He may meet his burden by pointing out "the absence of evidence supporting the nonmoving party's case." Malacara 1 LSM has filed a third-party demand for defense and indemnity against Scottsdale and CPC. Doc. 18. Those claims remain pending. See doc. 98 (Rule 26(f) Report). v. Garber, 353 F.3d 393, 404 (5th Cir.

2003). The non-moving party is then required to go beyond the pleadings and show that there is a genuine issue of material fact for trial. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). To this end he must submit "significant probative evidence" in support of his claim. State Farm Life Ins. Co. v. Gutterman, 896 F.2d 116, 118 (5th Cir. 1990). "If the evidence is merely colorable, or is not significantly probative, summary judgment may be granted." Anderson, 477 U.S. at 249 (citations omitted).

A court may not make credibility determinations or weigh the evidence in ruling on a motion for summary judgment. Reeves v. Sanderson Plumbing Prods., Inc., 530 U.S. 133, 150 (2000). The court is also required to view all evidence in the light most favorable to the non-moving party and draw all reasonable inferences in that party's favor. Clift v. Clift, 210 F.3d 268, 270 (5th Cir.

2000). Under this standard, a genuine issue of material fact exists if a reasonable trier of fact could render a verdict for the nonmoving party. Brumfield v. Hollins, 551 F.3d 322, 326 (5th Cir. 2008). III. LAW & APPLICATION The Everest policy provides $10 million in excess coverage to the $1 million commercial general liability policy issued by Zurich American Insurance Company.

See doc. 114, att. 5, pp. 1–5. The Everest policy also contains a stand-alone Marine Liability Exclusion, stating in relevant part: This insurance does not apply to: 1. Any liability arising out of any marine liability including but not limited to... ship repairers' legal liability terminal operation liability, wharfingers liability, liabilities arising from Jones Act... ship builders liability, or the U.S. Longshoremen and Harbor Workers' Act coverage... any liability arising out of maintenance, fueling, "loading or unloading" of any watercraft Id. at 29.

Plaintiffs invoke the court's jurisdiction under the Jones Act and general maritime law based on allegations that the decedent was working aboard "a vessel located on navigable waters" at the time of the explosion. Doc. 26, ¶ IV. They also raised claims against LSM under the LHWCA because it "[a]t all pertinent times hereto... owned, operated, and/or controlled the vessel/structure located at its dock, which was at all pertinent times a vessel in navigation." Id. at ¶ V. To qualify as a Jones Act seaman, an employee must show (1) that his duties contributed to the function of a navigable vessel or the accomplishment of its mission; and (2) that he had a connection to a vessel in navigation, or to an identifiable group of vessels, that was substantial in terms of both its duration and its nature.

Chandris, Inc. v. Latsis, 515 U.S. 347, 368 (1995). Meanwhile, the LHWCA covers workers whose injuries are "caused by the negligence of a vessel." 33 U.S.C. § 905(b). A watercraft need not be in motion to qualify as a vessel under the LHWCA. Instead, the statute applies to "any watercraft practically capable of maritime transportation, regardless of its primary purpose or state of transit at a particular moment." Stewart v. Dutra Const.

Co., 543 U.S. 481, 497 (2005). This definition "applies equally" to the determination of a vessel under the Jones Act. Holmes v. Atl. Sounding Co., Inc., 437 F.3d 441, 448 (5th Cir. 2006). On a prior motion for summary judgment, LSM sought the court's determination that it was not liable for the acts or omissions of CPC employees under Louisiana law. Doc. 51, att.

1. To this end it asserted that state law, rather than maritime law, applied because "the remaining structure was no longer capable of being used as a vessel in maritime commerce." Id. at 2; see doc. 37 (LSM answer and affirmative defenses).

In opposition plaintiffs maintained that (1) general maritime law applied and (2) under general maritime law, LSM exercised operational control over CPC's work. Doc. 62. The court resolved the motion without determining the applicable law, because there was no substantive difference between the two on the issue of principal liability. Doc. 110.

As such, there has been no determination on the M/V SMITH TIDE's qualifications as a vessel at the time of the accident. Everest attempts to show the absence of a factual dispute by pointing to the following brief exchange from the deposition of LSM safety manager Christopher Sammons: Q. It was still capable of floating, obviously, and being moved about in the water as of June 14 according to this one, right?

MR. ZAUNBRECHER: Object to form. THE WITNESS: It was still floating. Doc. 114, att. 4, p. 42. But floating is not enough to qualify a craft as a vessel. See Moore v. Bis Salamis, Inc., 748 F.Supp.2d 598, 605 (E.D. Tex. 2010) (floating offshore platform, even though capable of limited range of movement, did not qualify as vessel); Lozman v. City of Riviera Beach, Fla., 568 U.S. 115, 124–26 (2013) (floating home, which lacked rudder or steering mechanism and was incapable of self-propulsion, did not qualify as vessel).

If scrapping had progressed to the point where the vessel was no longer practically capable of transportation over water, then the Jones Act and LHWCA do not apply and there is no issue with the excess policy's marine exclusion. Plaintiffs are permitted to argue in the alternative on this point. Meanwhile, Everest fails to put forth evidence showing the absence of a factual dispute.

Accordingly, summary judgment is inappropriate at this stage. IV. CONCLUSION For the reasons stated above, the Motion for Summary Judgment [doc. 114] will be DENIED. THUS DONE AND SIGNED in Chambers on the 25th day_of March, 2026. UNITED STATES DISTRICT JUDGE Page 6 of 6