UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

Hallmark National Insurance Company v. Northern Made Outlaws, LLC d/b/a Outlaws

Hallmark National Insurance Co. v. Northern Made Outlaws, LLC d/b/a Outlaws · No. CIV-25-1183-R · Decided April 20, 2026

SUMMARY

The United States District Court for the Western District of Oklahoma grants Hallmark National Insurance Company's motion for default judgment against Northern Made Outlaws, LLC. The court declares that Hallmark has no duty to pay or defend Outlaws after exhaustion of the $25,000 assault-and-battery liability limit, for Outlaws's assumption of liability under a mediation agreement, or for punitive damages. The ruling is based on the policy's assault-and-battery provisions and Outlaws's failure to respond or defend.

CASE DETAILS

COURT	United States District Court for the Western District of Oklahoma
JURISDICTION	United States District Court for the Western District of Oklahoma
DECIDED	April 20, 2026
DOCKET	CIV-25-1183-R
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment under Federal Rule of Civil Procedure 55(b) in an action seeking declaratory relief concerning insurance coverage and defense obligations. The defendant failed to answer, plead, or respond, and the Clerk entered default.
STANDARD OF REVIEW	Entry of default judgment is committed to the sound discretion of the trial court. Before entering default judgment, the court must determine whether it has personal and subject-matter jurisdiction and whether the unchallenged facts constitute a legitimate cause of action.
PRECEDENTIAL VALUE	unpublished
PARTIES	Hallmark National Insurance Company v. Northern Made Outlaws, LLC d/b/a Outlaws

TOPICS

declaratory relief insurance | duty to defend | duty to indemnify | default judgment | insurance coverage

PRACTICE AREAS

insurance coverage | insurance litigation | declaratory judgment | civil procedure | commercial litigation

QUESTIONS PRESENTED

1. Whether default judgment should be entered against Outlaws after it failed to answer, plead, or respond.
2. Whether the court had subject-matter jurisdiction, personal jurisdiction, and proper venue.
3. Whether the policy barred Hallmark's duty to indemnify or defend Outlaws after the $25,000 assault-and-battery liability limit was exhausted.
4. Whether the policy excluded coverage for Outlaws's assumption of liability in the mediation agreement.
5. Whether the policy excluded coverage for punitive or exemplary damages.

HOLDINGS

1. Default judgment was proper because Outlaws failed to respond or defend, the court had jurisdiction and proper venue, and the well-pleaded allegations established a legitimate cause of action.
2. To the extent the underlying claims were based on assault and/or battery, or on negligent supervision connected with that assault and/or battery, Hallmark had no duty to indemnify or defend Outlaws after the policy's $25,000 per-claim limit was exhausted.
3. Hallmark had no duty to cover or defend Outlaws for liability assumed in the mediation agreement with Cummings.
4. Hallmark had no duty to cover any punitive or exemplary damages awarded in the Abbott Litigation.

KEY QUOTATIONS

> *"We shall have the right and duty to defend any suit against you seeking such "damages," even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and such settlement of any claim or suit as we deem expedient, but we shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of our liability has been exhausted."* (Doc. No. 13-1 at p. 66)

> *"To the extent the underlying wrong is assault and/or battery, and to the extent Abbott purports to bring claims against Defendant based on its negligence in its supervision of Dowdy in connection with that assault and/or battery, Hallmark has no duty to pay or defend Outlaws (1) once the $25,000 limit of liability has been extinguished, (2) for its assumption of liability in its settlement with Cummings, or (3) for any award of punitive damages in the Abbott Litigation."* (Order conclusion)

FACTUAL BACKGROUND

Hallmark insured Outlaws, a bar in Stillwater, Oklahoma, under a policy containing assault-and-battery coverage limited to $25,000 per claim and $50,000 in the aggregate. A patron, Bradley Abbott, sued Outlaws, its bouncer

Jacob Dowdy, and property owner Greg Cummings after an alleged assault and/or battery at the bar. Hallmark tendered $25,000 in exchange for a full release, but Abbott's attorney did not respond; Outlaws later agreed in a mediation agreement to assume claims and liabilities and indemnify Cummings, without Hallmark's consent. Hallmark sought declarations that it had no further duty to pay or defend after exhaustion of the policy limit, no duty arising from Outlaws's assumption of liability, and no duty to cover punitive damages.

PROCEDURAL HISTORY

Hallmark filed the declaratory-judgment action on October 9, 2025. Defendant was served through its registered agent but failed to respond, leading the Clerk to enter default on February 3, 2026. The district court granted Hallmark's motion for default final judgment after determining that it had subject-matter and personal jurisdiction, proper venue, and a legitimate cause of action.

DISPOSITION

other

CASES CITED

- Tripodi v. Welch, 810 F.3d 761, 764 (10th Cir. 2016)
- In re Rains, 946 F.2d 731, 732-33 (10th Cir. 1991)
- Bixler v. Foster, 596 F.3d 751, 762 (10th Cir. 2010)
- Reg'l Dist. Council v. Mile High Rodbusters, Inc., 82 F. Supp. 3d 1235, 1243 (D. Colo. 2015)
- Sanchez est. of Standage v. White County Med. Ctr., 730 F. App'x 656, 658 (10th Cir. 2018) (unpublished)
- Goodyear Dunlop Tires Ops., S.A. v. Brown, 564 U.S. 915, 919 (2011)
- Frank v. P N K (Lake Charles) L.L.C., 947 F.3d 331, 338 n. 10 (5th Cir. 2020)
- Avus Designs, Inc. v. Grezxx, LLC, 644 F. Supp. 3d 963, 974-82 (D. Wyo. Dec. 2, 2022)
- Okla. First Cap. Fund X, Inc. v. RBR Glob., LLC, No. CIV-25-082-PRW, 2026 WL 625117, at *2 (W.D. Okla. Mar. 5, 2026)
- United States v. Craighead, 176 F. App'x 922, 924 (10th Cir. 2006) (unpublished)
- Scottsdale Ins. Co. v. Owl Nite Sec., No. 06-CV-0097-CVE-SAJ, 2006 WL 3742102, at *4 (N.D. Okla. Dec. 15, 2006)
- First Bank of Turley v. Fid. & Deposit Ins. Co., 928 P.2d 298, 302, 304 n.23 (Okla. 1996)
- Silver v. Slusher, 770 P.2d 878, 883 (Okla. 1988)
- Christian v. Metropolitan Life Ins. Co., 566 P.2d 445, 448 (Okla. 1977)
- Dodson v. St. Paul Ins. Co., 812 P.2d 372, 376 (Okla. 1991)
- Event Sec., LLC v. Essex Ins. Co., No. CIV-16-1300-C, 2017 WL 7735838, at *1-2 (W.D. Okla. Jan. 30, 2017)
- Essex Ins. Co. v. Bayless, No. 12-CV-226-JHP, 2013 WL 4832863, at *5 (E.D. Okla. Sep. 10, 2023)
- Sphere Drake Ins. P.L.C. v. D'Errico, 4 F. App'x 660, 662-63 (10th Cir. 2001) (unpublished)
- Penley v. Gulf Ins. Co., 414 P.2d 305, 308 (Okla. 1966)

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