UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

Sheikh v. Spinnaker Insurance Company, et al.

Sheikh · No. 2:23-cv-01582-TLN-SCR · Decided June 26, 2025

SUMMARY

The United States District Court for the Eastern District of California rules on Defendants' motion for a protective order concerning Plaintiff's Rule 30(b)(6) deposition topics. The court grants the motion in part and denies it in part, allowing testimony regarding policy coverages, business relationships, and current financial condition while precluding or limiting testimony on payments, the Topa-to-Spinnaker change, corporate structure, and historic financial information. The court denies Plaintiff's request for sanctions and orders the parties to bear their own costs and fees.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Sean C. Riordan
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	June 26, 2025
DOCKET	2:23-cv-01582-TLN-SCR
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved for a protective order concerning Plaintiff's Rule 30(b)(6) deposition notices. The court granted the motion in part and denied it in part.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure 26(b)(1), discovery must concern nonprivileged matter relevant to a claim or defense and proportional to the needs of the case. Discovery may be limited under Rule 26(b)(2)(C), and a protective order may issue for good cause under Rule 26(c)(1). The party seeking protection bears the burden of showing specific prejudice or harm.
PRECEDENTIAL VALUE	unpublished

TOPICS

discovery dispute · insurance coverage · breach of contract · civil procedure · commercial litigation

PRACTICE AREAS

civil procedure · insurance · contracts · commercial litigation

QUESTIONS PRESENTED

1. Whether Defendants showed good cause for a protective order limiting or precluding Rule 30(b)(6) testimony on the six contested deposition topics.
2. Whether testimony concerning the meaning of insurance policy provisions was relevant and permissible in Plaintiff's breach-of-contract action.
3. Whether a protective order should preclude testimony concerning premium payments where Defendants offered to stipulate that Plaintiff made the payments.
4. Whether testimony concerning the change from Topa to Spinnaker and the corporate structures of the entities was sufficiently relevant and proportional to justify discovery.
5. Whether Plaintiff was entitled to Rule 30(b)(6) testimony concerning Defendants' current financial condition and net worth in support of a punitive-damages claim.
6. Whether Plaintiff was entitled to sanctions for responding to the motion for a protective order.

HOLDINGS

1. The court allowed Plaintiff to question Defendants about the policies' coverages and benefits, but granted a protective order preventing questioning about Topa's interpretation of the policies because Topa was a separate, nonparty entity.
2. The court granted a protective order precluding Rule 30(b)(6) testimony on the payment-collection topic because Defendants offered to stipulate that Plaintiff made the payments, making the deposition needlessly burdensome.
3. The court granted a protective order precluding Rule 30(b)(6) testimony on the reason for and effect of the change from Topa to Spinnaker.
4. The court granted a protective order precluding questioning about the corporate structures of Hippo, Spinnaker, and Topa, while allowing testimony concerning the entities' business relationships.
5. The court allowed properly tailored Rule 30(b)(6) testimony concerning Defendants' current financial condition and net worth, but granted a protective order against testimony concerning historic financial condition and net worth.
6. The court denied Plaintiff's request for sanctions and required the parties to bear their own costs and attorney's fees.

KEY QUOTATIONS

> *"Courts routinely allow discovery into the meaning of insurance policy provisions in breach of contract cases."* (1)

> *"A protective order may issue only upon a showing of good cause."* (1)

> *"While either party may ultimately seek to present expert testimony as to Defendants' financial condition and net worth, properly tailored Rule 30(b)(6) testimony would likely constitute a critical foundation for any such expert testimony."* (2)

> *"Rule 30(b)(6) explicitly requires [a company] to have persons testify on its behalf as to all matters known or reasonably available to it and, therefore, implicitly requires persons to review all matters known or reasonably available to it in preparation for the 30(b)(6) deposition."* (3)

FACTUAL BACKGROUND

The action concerns insurance coverage for alleged losses at property belonging to Plaintiff and asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, intrusion into private affairs, and declaratory relief. Plaintiff served Rule 30(b)(6) deposition notices concerning policy coverage, premium payments, corporate relationships, the change from Topa Insurance Company to Spinnaker, and Defendants' financial condition and net worth. Defendants challenged six topics as overbroad, cumulative, burdensome, obtainable from other sources, or outside the scope of Rule 26(b)(1).

PROCEDURAL HISTORY

Plaintiff served separate Rule 30(b)(6) deposition notices on Spinnaker Insurance Company and Hippo Analytics, Inc. d/b/a Hippos Insurance Services, each containing 25 topics. After the parties met and conferred, six topics remained contested, and Defendants filed the motion for a protective order. Following briefing and a June 20, 2025 hearing, the court issued an order granting the motion in part and denying it in part.

DISPOSITION

other

CASES CITED

- Sali v. Corona Reg'l Med. Ctr., 884 F.3d 1218, 1219 (9th Cir. 2018)
- Blankenship v. Hearst Corp., 519 F.2d 418, 429 (9th Cir. 1975)
- Swenson v. GEICO Cas. Co., 336 F.R.D. 206, 209 (D. Nev. 2020)
- Grano v. Sodexo Mgmt., Inc., 335 F.R.D. 411, 414 (S.D. Cal. 2020)
- Phillips ex rel. Estates of Byrd v. Gen. Motors Corp., 307 F.3d 1206, 1210-11 (9th Cir. 2002)
- Mainstreet Collection, Inc. v. Kirklands, Inc., 270 F.R.D. 238, 241 (E.D.N.C. 2010)
- Colony Ins. Co. v. Sanchez, 2019 WL 3241160, at *2 (D. Nev. July 18, 2019)
- Riverport Ins. Co. v. State Farm Fire & Cas. Co., 2018 WL 6435883, at *2 (D. Nev. Dec. 6, 2018)
- Corbrus, LLC v. 8th Bridge Capital, Inc., 2022 U.S. Dist. LEXIS 166448, at *57 (C.D. Cal. Sept. 13, 2022)
- United States ex rel. Griffis v. EOD Tech., Inc., (E.D. Tenn. May 10, 2024)
- DelVecchia v. Frontier Airlines, 2020 WL 2308224, at *3 (D. Nev. May 8, 2020)
- Calzaturficio S.C.A.R.P.A., s.p.a. v. Fabiano Shoe Co., 201 F.R.D. 33, 36-37 (D. Mass. 2001)
- In re Itel Sec. Litigation, 791 F.2d 672, 675 (9th Cir. 1986)