

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS, EASTERN DIVISION

Robert Melock v. Scottsdale Insurance Company, et al.

Melock · No. No. 25 C 8105 · Decided December 31, 2025

SUMMARY

The United States District Court for the Northern District of Illinois granted Robert Melock's motion to remand his declaratory-judgment action against multiple insurers to the Circuit Court of Cook County. The court held that the removing insurer failed to establish complete diversity because the citizenship of all members of the named Lloyd's of London syndicates had not been identified. The court rejected arguments that the syndicate members were fictitious defendants or fraudulently joined, and declined to award costs or attorney's fees.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	Matthew F. Kennelly
JURISDICTION	United States District Court for the Northern District of Illinois, Eastern Division
DECIDED	December 31, 2025
DOCKET	No. 25 C 8105
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand a removed insurance-coverage declaratory-judgment action to Illinois state court for lack of complete diversity.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal jurisdiction, including every disputed jurisdictional predicate. Removal statutes are construed narrowly, with doubts resolved in favor of the plaintiff's state-court forum. Subject-matter jurisdiction must be assessed and policed at all times.
PRECEDENTIAL VALUE	Unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- insurance coverage
- duty to defend
- declaratory relief insurance

PRACTICE AREAS

civil procedure

insurance coverage

federal jurisdiction

QUESTIONS PRESENTED

1. Whether Hartford established complete diversity when the complaint named Lloyd's of London syndicates but Hartford did not allege the citizenship of every syndicate member.
2. Whether the syndicate members could be treated as fictitious defendants under 28 U.S.C. § 1441(b)(1) so that their citizenship would be disregarded for removal jurisdiction.
3. Whether the Lloyd's syndicates were fraudulently joined because Melock allegedly had no reasonable possibility of succeeding on his insurance-coverage claims.
4. Whether remand costs and attorney's fees should be awarded under 28 U.S.C. § 1447(c).

HOLDINGS

1. For purposes of diversity jurisdiction, Lloyd's of London underwriting syndicates are treated like limited partnerships, and the removing party must affirmatively establish the citizenship of every member of each syndicate named as a defendant.
2. The members of the named Lloyd's syndicates are not fictitious defendants under 28 U.S.C. § 1441(b)(1), and their citizenship cannot be disregarded merely because their identities are difficult to ascertain.
3. Hartford did not establish fraudulent joinder because Melock had at least a reasonable possibility of prevailing on a coverage claim against the Underwriters.
4. The court declined to award costs or attorney's fees under 28 U.S.C. § 1447(c).

KEY QUOTATIONS

"The party seeking removal has the burden of establishing federal jurisdiction, and federal courts should interpret the removal statute narrowly, resolving any doubt in favor of the plaintiff's choice of forum in state court."

"The Underwriters are known parties, not 'fictitious names.'"

"But as soon as an actual defendant is substituted for the fictitious name, the case is subject to remand if the known party is not of diverse citizenship."

"In short, the exception in section 1441(b)(1) that Hartford invokes does not apply here."

FACTUAL BACKGROUND

Melock sued multiple insurers for a declaratory judgment concerning their duties to defend, pay defense costs, and indemnify the City of Waukegan and other defendants in a separate federal civil-rights and hazardous-prison-conditions lawsuit. The state-court complaint named sixteen specific Lloyd's of London underwriting syndicates but did not allege the citizenship of every syndicate member. Hartford removed on diversity grounds but could not identify the syndicate members or establish their citizenship, even after jurisdictional discovery.

PROCEDURAL HISTORY

Melock filed the action in the Circuit Court of Cook County on July 10, 2025. Hartford Casualty Insurance Company removed it on July 16, 2025, asserting diversity jurisdiction. After Melock moved to remand, the court permitted jurisdictional discovery, later extended the discovery period, and then ordered Hartford to show cause why the case should not be remanded. The court granted the motion to remand and directed the Clerk to return the case to the Circuit Court of Cook County.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk was directed to remand the case forthwith to the Circuit Court of Cook County. The court declined to award costs or attorney's fees under 28 U.S.C. § 1447(c), and vacated the January 8, 2026 status hearing.

CASES CITED

- Schur v. L.A. Weight Loss Centers, Inc., 577 F.3d 752, 758 (7th Cir. 2009)
- Walker v. Trailer Transit, Inc., 727 F.3d 819, 824-25 (7th Cir. 2013)
- Smith v. American General Life & Accident Insurance Co., Inc., 337 F.3d 888, 892 (7th Cir. 2003)
- Chase v. Shop 'N Save Warehouse Foods, Inc., 110 F.3d 424, 427 (7th Cir. 1997)
- Montgomery v. Markel International Insurance Co. Ltd., 259 F. Supp. 3d 857, 863, 865-68 (N.D. Ill. 2017)
- Indiana Gas Co. v. Home Insurance Co., 141 F.3d 314, 316-19 (7th Cir. 1998)
- Intra American Metals, Inc. v. Certain Underwriters at Lloyd's London, No. 13 C 1117, 2014 WL 545899, at *3 (S.D. Ind. Feb. 7, 2014)
- Carden v. Arkoma Associates, 494 U.S. 185, 195-96 (1990)
- Collier v. SP Plus Corp., 889 F.3d 894, 896 (7th Cir. 2018) (per curiam)
- Howell v. Tribune Entertainment Co., 106 F.3d 215, 218 (7th Cir. 1997)
- Rodriguez v. McCloughen, 49 F.4th 1120, 1121 (7th Cir. 2022)
- Doe v. Allied-Signal, Inc., 985 F.2d 908, 911 (7th Cir. 1993)
- Market Street Associates Ltd. Partnership v. Frey, 941 F.2d 588, 590 (7th Cir. 1991)
- Steel Co. v. Citizens for a Better Environment, 523 U.S. 83, 95 (1998)
- McCready v. White, 417 F.3d 700, 702 (7th Cir. 2005)
- Poulos v. Naas Foods, Inc., 959 F.2d 69, 73 (7th Cir. 1992)
- National Casualty Co. v. McFatridge, 604 F.3d 335, 338 (7th Cir. 2010)
- Acuity v. M/I Homes of Chicago, LLC, 2023 IL 129087, ¶ 31, 234 N.E.3d 97, 105
- Buckley v. County of DuPage, No. 88 C 1939, 1998 WL 832641, at *6 (N.D. Ill. Nov. 23, 1998)

