

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEVADA

Sanwire Corporation v. Intercept Music Group, Inc. et al.

Sanwire · No. 2:25cv-01533-ART-CLB · Decided December 31, 2025

SUMMARY

The United States District Court for the District of Nevada grants Sanwire Corporation’s motion to remand, concluding that defendants failed to establish that Nevada defendant Intercept Music Group, Inc. was fraudulently joined. The court finds a possibility that Sanwire could amend its claims for conversion and unjust enrichment against the nondiverse defendant. The defendants’ motions to dismiss are denied as moot.

CASE DETAILS

COURT	United States District Court for the District of Nevada
WRITING FOR THE COURT	Anne R. Traum
JURISDICTION	United States District Court for the District of Nevada
DECIDED	December 31, 2025
DOCKET	2:25cv-01533-ART-CLB
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand the removed action to Nevada state court, arguing that nondiverse defendant Intercept Music Group, Inc. was not fraudulently joined. Defendants moved to dismiss. The district court granted the motion to remand and denied the motion to dismiss as moot.
STANDARD OF REVIEW	On a motion to remand, the removing defendant bears the burden of establishing that removal is proper, subject to a strong presumption against removal. Fraudulent joinder is evaluated under whether there is any possibility that the plaintiff could state a claim against the nondiverse defendant in state court, including after amendment.
PRECEDENTIAL VALUE	Unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- motions to dismiss
- conversion
- unjust enrichment

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Intercept Music Group, Inc. was fraudulently joined so that its Nevada citizenship could be disregarded for purposes of diversity jurisdiction.
2. Whether the possibility that Sanwire could amend its complaint to state conversion or unjust-enrichment claims against Intercept Music Group required remand.
3. Whether defendants' motion to dismiss remained justiciable after remand was granted.

HOLDINGS

1. Intercept Music Group, Inc. was not shown to be fraudulently joined because the court could not conclude that there was no possibility that a Nevada state court would find that Sanwire could state a cause of action against it.
2. Sanwire established a sufficient possibility of stating conversion and unjust-enrichment claims against Intercept Music Group, Inc. through amendment, even though the present complaint was insufficiently specific.
3. The alleged failure to plead a sufficient tortious-interference claim did not defeat remand because the possibility of viable conversion and unjust-enrichment claims against Intercept Music Group remained.

KEY QUOTATIONS

“if there is a possibility that a state court would find that the complaint states a cause of action against any of the resident defendants, the federal court must find that the joinder was proper and remand the case to the state court.” (at 2)

“The Court is unable to conclude that there is no possibility that a state court would find that Plaintiff could state a cause of action against IMG if given leave to amend in state court.” (at 4)

FACTUAL BACKGROUND

Sanwire alleged that Intercept Music Group, Inc., a Nevada corporation, improperly held intellectual property and other assets that belonged to Sanwire and should have been conveyed to it. Sanwire also alleged that assets and business opportunities were improperly diverted and that Intercept Music Group claimed common shares of Sanwire stock to which it was not entitled. Although the state-court complaint lacked specificity as to which defendants were liable for particular claims, Sanwire represented that it could amend to assert conversion and unjust-enrichment claims against Intercept Music Group.

PROCEDURAL HISTORY

Sanwire filed the action in state court against Intercept Music Group, Inc., Intercept Music Inc., New Horizons Transfer, Inc., and Trillium Partners, L.P. Defendants removed the action to federal court based on diversity jurisdiction, asserting that the Nevada defendant, Intercept Music Group, Inc., was fraudulently joined. Trillium

was voluntarily dismissed, after which Sanwire moved to remand. Following a hearing, the court granted remand and denied the pending motions to dismiss as moot.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to Nevada state court. The defendants' motions to dismiss are denied as moot.

CASES CITED

- Carrington Mortgage Services, LLC v. Ticor Title of Nevada, Inc., 2020 WL 3892786, at *2, *5 (D. Nev. July 10, 2020)
- Sanchez v. Monumental Life Insurance Co., 102 F.3d 398, 403-04 (9th Cir. 1996)
- Gaus v. Miles, Inc., 980 F.2d 564, 566-67 (9th Cir. 1992)
- Deutsche Bank National Trust Co. as Trustee for American Home Mortgage Investment Trust 2007-1 v. Old Republic Title Insurance Group, Inc., 532 F. Supp. 3d 1004 (D. Nev. 2021)
- Grancare, LLC v. Thrower by and through Mills, 889 F.3d 543, 548-50 (9th Cir. 2018)
- Ritchey v. Upjohn Drug Co., 139 F.3d 1313, 1318 (9th Cir. 1998)
- Hunter v. Philip Morris USA, 582 F.3d 1039, 1046 (9th Cir. 2009)
- Duncan Golf Management v. Nevada Youth Empowerment Project, 2024 WL 4349454, at *2 (D. Nev. Sept. 28, 2024)
- Blige v. Terry, 139 Nev. 607, 616 (2023)
- Wantz v. Redfield, 74 Nev. 196, 198 (1958)
- M.C. Multi-Family Development, LLC v. Crestdale Associates, Ltd., 124 Nev. 901, 904 (2008)
- Kennedy v. Carriage Cemetery Services, Inc., 727 F. Supp. 2d 925, 932 (D. Nev. 2010)
- Leasepartners Corp. v. Robert L. Brooks Trust, 113 Nev. 747, 755 (1997)
- LT International Ltd. v. Shuffle Master, Inc., 8 F. Supp. 3d 1238, 1249 (D. Nev. 2014)
- Hilton Hotels Corp. v. Butch Lewis Productions, Inc., 109 Nev. 1043, 1048 (1993)

OPINION

1 2 3 UNITED STATES DISTRICT COURT 4 DISTRICT OF NEVADA 5 SANWIRE CORPORATION, Case No. 2:25cv-01533-ART-CLB 6 Plaintiff, ORDER ON MOTION TO REMAND 7 v. (ECF No. 25) AND MOTION TO DISMISS (ECF No. 7) 8 INTERCEPT MUSIC GROUP, INC. et. al., 9 Defendants. 10 11 Plaintiff Sanwire Corporation (“Plaintiff” or “Sanwire”) brings this action 12 against Defendants Intercept Music Group, Inc. (“IMG”), Intercept Music Inc. 13 (“Intercept”), and New Horizons Transfer, Inc. (“NHT”).

Plaintiff brings the 14 following claims: 1) breach of contract against Intercept, 2) breach of the implied 15 covenants of good faith and fair dealing against Intercept, 3) conversion against 16 “Defendant,” 4) unjust enrichment against Intercept, 5) intentional 17 misrepresentation against Intercept, and 6) declaratory relief against Intercept. 18 (ECF No. 1.)

Before the Court is Plaintiff’s Motion to Remand (ECF No. 25) and 19 Defendants Intercept and IMG’s Motion to Dismiss (ECF No. 7). 20 I. Background 21 Plaintiff filed this action in state court against Defendants IMG, Intercept, 22 NHT, and Trillium Partners, L.P. (ECF No. 1-1) and Defendants removed the case 23 to this Court based on diversity jurisdiction, arguing that non-diverse defendant 24 IMG was fraudulently joined.

(ECF No. 1.) Defendant Trillium Partners, L.P. filed 25 a Motion to Dismiss (ECF No. 3) and Defendants Intercept and IMG joined (ECF 26 No. 7). Plaintiff voluntarily dismissed Trillium from the action. (ECF No. 24.) 27 Plaintiff filed a Motion to Remand based on IMG’s lack of diversity as a Nevada 28 corporation. (ECF No. 25.) Defendants Intercept and IMG responded that IMG 1 was fraudulently joined, and Plaintiff could not state a possible claim against 2 IMG.

(ECF No. 30.) Plaintiff replied. (ECF No. 33.) On December 11, 2025, this 3 Court held a hearing on the motions and took them under submission. (ECF No. 4 43.) 5 II. Legal Standard 6 A plaintiff may challenge removal by timely filing a motion to remand. 28 7 U.S.C. § 1447(c).

On a motion to remand, the removing defendant faces a strong 8 presumption against removal and bears the burden of establishing that removal 9 is proper. *Carrington Mortgage Services, LLC v. Ticor Title of Nevada, Inc.*, 10 220CV699JCMNJK, 2020 WL 3892786, at *2 (D. Nev. July 10, 2020) (citing 11 *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 403–04 (9th Cir.

1996); *Gaus 12 v. Miles, Inc.*, 980 F.2d 564, 566–67 (9th Cir. 1992)). 13 Here, Defendant alleges that IMG was fraudulently joined to destroy 14 diversity and keep the present action in state court. (ECF No. 30 at 6.) “There are 15 two ways to establish fraudulent joinder: ‘(1) actual fraud in the pleading of 16 jurisdictional facts, or (2) inability of the plaintiff to establish a cause of action 17 against the non-diverse party in state court.’” *Deutsche Bank Nat’l Tr.*

Co. as Tr. 18 for Am. Home Mortgage Inv. Tr. 2007-1 v. Old Republic Title Ins. Group, Inc., 532 19 F. Supp. 3d 1004 (D. Nev. 2021) (quoting *Grancare, LLC v. Thrower by and 20 through Mills*, 889 F.3d 543, 548 (9th Cir. 2018) (internal citations omitted)). 21 Defendant argues the second method. 22 To fulfill the second method, the defendant must show that an “individual[] 23 joined in the action cannot be liable on any theory.” *Grancare*, 889 F.3d at 548 24 (citing *Ritchey v. Upjohn Drug Co.*, 139 F.3d 1313, 1318 (9th Cir.

1998)). “But ‘if 25 there is a possibility that a state court would find that the complaint states a 26 cause of action against any of the resident defendants, the federal court must 27 find that the joinder was proper and remand the case to the state court.’” *Id.* 28 (citing *Hunter v. Philip Morris*

USA, 582 F.3d 1039, 1046 (9th Cir. 2009) (emphasis 1 in original)). “[This] standard is similar to the ‘wholly insubstantial and frivolous’ 2 standard for dismissing claims under Rule (12)(b)(1) for lack of federal question 3 jurisdiction.” Id. at 549-550. “A defendant invoking federal court diversity 4 jurisdiction on the basis of fraudulent joinder bears a ‘heavy burden’ since there 5 is a ‘general presumption against [finding] fraudulent joinder.’” Id. at 548 (citing 6 Hunter, 582 F.3d at 1046). “While plaintiff may not ultimately recover against 7 [defendant], this does not mean that [defendant] was fraudulently joined.

In 8 assessing whether a defendant was fraudulently joined, the court need not look 9 extensively at the merits of the claims...” Carrington Mortgage Services, LLC, 10 2020 WL 3892786 at *5 (internal citation omitted). “When applying the possible- 11 claim standard for fraudulent joinder, a ‘district court must consider... whether 12 a deficiency in the complaint can possibly be cured by granting the plaintiff leave 13 to amend.’” Duncan Golf Management v. Nevada Youth Empowerment Project, 14 3:23-cv-0666-ART-CSD, 2024 WL 4349454 at *2 (D.

Nev. Sept. 28, 2024) (quoting 15 Grancare, 889 F.3d at 550). 16 III. Analysis 17 Defendants argue that Plaintiff fails to state any viable cause of action 18 against IMG. They claim that the only cause of action in which IMG is mentioned 19 explicitly is under injunctive relief, which is a remedy; that IMG is neither an 20 interested party under the Declaratory Judgment Act nor a necessary party under 21 Rule 19; and Plaintiff’s claims cannot be cured by amendment.

Plaintiff argues 22 that IMG is, upon information and belief, is currently the holder of intellectual 23 property and other assets that should have been conveyed to Plaintiff, and even 24 if its original state court complaint was deficient in stating a claim for conversion 25 and unjust enrichment, it is entitled to amend that claim to cure its deficiencies.

26 As an initial matter, the parties do not dispute that the jurisdictional amount is 27 satisfied, and that IMG is a citizen of Nevada. 28 The Court is unable to conclude that there is no possibility that a state 1 court would find that Plaintiff could state a cause of action against IMG if given 2 leave to amend in state court.

In its motion, Plaintiff alleges that IMG improperly 3 holds intellectual property and other assets belonging to Plaintiff which should 4 have been conveyed. (ECF No. 25 at 2.) While its state court complaint lacks 5 specificity identifying defendants for particular causes of action, Plaintiff argues 6 that it asserts liability under declaratory relief and preliminary injunction “to 7 address the theft.” (ECF No. 25 at 9.)

Even if it failed to state a claim in its original 8 complaint, Plaintiff requests leave to amend to make more specific claims against 9 IMG in particular for unjust enrichment, tortious interference with contractual 10 relations, and conversion. 11 Under Nevada state law, courts have the power to

enter declaratory judgments “whether or not further relief is or could be claimed.” NRS § 30.030.

In its allegations for declaratory relief, Plaintiff requests a determination that IMG wrongfully obtained the property of Plaintiff and has no right to the shares of the company. (ECF No. 25 at 7, 10.) It claims that Plaintiff’s property was wrongfully conveyed to IMG and that IMG and Intercept engaged in improper conduct and the hiding of assets.

(ECF No. 25 at 9 n.16.) To state a claim for conversion under Nevada state law, the plaintiff must show “a distinct act of dominion wrongfully exerted over another’s personal property in denial of, or inconsistent with his title or rights therein or in derogation, exclusion, or defiance of such title or rights.” *Blige v. Terry*, 139 Nev. 22 607, 616 (2023) (citing *Wantz v. Redfield*, 74 Nev. 196, 198 (1958)).

Tangible or intangible property can be converted. *Id.* (citing *M.C. Multi-Family Dev., LLC v. Crestdale Assocs., Ltd.*, 124 Nev. 901, 904 (2008)). To state a claim for unjust enrichment under Nevada state law, a plaintiff must show “(1) a benefit conferred on the defendant by the plaintiff; (2) appreciation by the defendant of such benefit; and (3) acceptance and retention by the defendant of such benefit.” *Kennedy v. Carriage Cemetery Services, Inc.*, 1 727 F. Supp. 2d 925, 932 (D.

Nev. 2010) (citing *Leasepartners Corp. v. Robert L. 2 Brooks Trust*, 113 Nev. 747, 755 (1997)). Unjust enrichment is an equitable substitute for a contract. *Id.* (internal citation omitted). To state a claim for tortious interference with contractual relations under Nevada state law, a plaintiff must show “(1) a valid and existing contract; (2) the defendant’s knowledge of the contract; (3) intentional acts intended or designed to disrupt the contractual relationship; (4) actual disruption of the contract; and (5) resulting damage.” *LT Intern.*

Ltd. v. Shuffle Master, Inc., 8 F. Supp. 3d 1238, 9 1249 (D. Nev. 2014) (citing *Hilton Hotels Corp. v. Butch Lewis Productions, Inc.*, 10 109 Nev. 1043, 1048 (1993)). Defendant may be correct that Plaintiff failed to state a claim under this particular complaint. This standard for remand, however, gives parties the benefit of the doubt in granting the possibility to amend.

Plaintiff alleges that Defendant is “hijacking business opportunities, property, and intellectual property which was promised to [Plaintiff] under the Acquisition Agreement” including 16 “attempting to claim 1,247,773,672 common shares of Sanwire stock to which it is not entitled...” (ECF No. 33 at 10.) This is a sufficient factual basis upon which Plaintiff could amend its complaint to state claims for conversion and unjust enrichment.

The Court finds that Plaintiff fails to state sufficient facts to establish that IMG committed intentional acts intended or designed to disrupt the contractual relationship for a claim of

tortious interference with contractual 22 relations at this stage; however, this does not doom Plaintiff's Motion given its 23 possibility of success on other claims.

24 IV. Conclusion 25 It is therefore ordered that Plaintiff's Motion to Remand (ECF No. 25) is 26 GRANTED. 27 It is further ordered that Defendants' Motion to Dismiss (ECF Nos. 6 and 28 7) are DENIED as moot. 1 Dated this 31st day of December, 2025. 2 3 Appeared on 4 ANNE R. TRAUM 5 UNITED STATES DISTRICT JUDGE 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28