

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Zahedi, et al. v. Liberty Mutual Insurance, et al.

Zahedi · No. CV 2:24-5482-JAK (JPRx) · Decided July 1, 2025

SUMMARY

The United States District Court for the Central District of California denied Plaintiffs’ motion to remand and request for attorney’s fees in an insurance-coverage action. The court determined that Liberty Insurance Corporation, rather than the trade name “Liberty Mutual Insurance,” was the proper defendant, and that complete diversity existed because LIC was incorporated in Illinois and had its principal place of business in Massachusetts. The court also found that removal had an objectively reasonable basis and denied fees and costs.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	John A. Kronstadt
JURISDICTION	United States District Court for the Central District of California
DECIDED	July 1, 2025
DOCKET	CV 2:24-5482-JAK (JPRx)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved to remand an insurance action removed from Los Angeles Superior Court on the basis of diversity jurisdiction and requested attorney's fees and costs.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal jurisdiction by a preponderance of the evidence when jurisdictional facts are factually challenged. The district court may resolve disputed jurisdictional facts, and removal statutes are strictly construed with doubts resolved in favor of remand.
PRECEDENTIAL VALUE	unpublished

TOPICS

- subject matter jurisdiction
- civil procedure
- declaratory relief insurance
- insurance bad faith
- breach of contract

PRACTICE AREAS

civil procedure

insurance

contracts

QUESTIONS PRESENTED

1. Whether the action was properly removable based on complete diversity of citizenship and an amount in controversy exceeding \$75,000.
2. Whether Liberty Insurance Corporation was the proper defendant despite the complaint's designation of Liberty Mutual Insurance.
3. Whether Plaintiffs' failure to comply adequately with the local meet-and-confer requirement warranted denial of the motion to remand.
4. Whether Plaintiffs were entitled to attorney's fees and costs incurred because of the removal.

HOLDINGS

1. A technical violation of the local meet-and-confer requirement does not per se require denial of a motion, particularly where the nonmoving party identifies no prejudice and further discussion would not have changed the outcome.
2. Removal was proper because the amount in controversy exceeded \$75,000 and complete diversity existed between the California plaintiffs and Liberty Insurance Corporation, which was an Illinois corporation with its principal place of business in Massachusetts.
3. Plaintiffs were not entitled to attorney's fees and costs because Defendant had an objectively reasonable basis for removal under diversity jurisdiction.

KEY QUOTATIONS

“Because Defendant has shown by a preponderance of the evidence that LIC is the proper defendant, and LIC is incorporated in Illinois and has its principal place of business in Massachusetts, there is complete diversity between Plaintiff and Defendant. Thus, diversity jurisdiction is proper.” (III.B.2)

FACTUAL BACKGROUND

Plaintiffs obtained a California homeowners insurance policy for their residence, which was burglarized and damaged on December 22, 2022. Plaintiffs submitted an insurance claim, which Defendant allegedly denied or partially adjusted, calculating covered damages at \$572.72. The complaint named Liberty Mutual Insurance, but evidence showed that Liberty Insurance Corporation issued and underwrote the policy and was incorporated in Illinois with its principal place of business in Massachusetts.

PROCEDURAL HISTORY

Iman Zahedi and Azam Cheraghian filed suit in Los Angeles Superior Court against Liberty Mutual Insurance. Liberty Insurance Corporation removed the action to the Central District of California, asserting that Liberty Mutual Insurance was a trade name and that LIC was the actual insurer and defendant. After briefing, a hearing,

and supplemental declarations concerning the identity and citizenship of the insurer, the court denied the motion to remand and denied the request for attorney's fees and costs.

DISPOSITION

other

CASES CITED

- *Makaeff v. Trump Univ., LLC*, 715 F.3d 254, 259 n.2 (9th Cir. 2013)
- *Harris v. County of Orange*, 682 F.3d 1126, 1132 (9th Cir. 2012)
- *Tollis, Inc. v. City of San Diego*, 505 F.3d 935, 938 n.1 (9th Cir. 2007)
- *United States v. Chapel*, 41 F.3d 1338, 1342 (9th Cir. 1994)
- *Heidelberg, Inc. v. PM Lithographers, Inc.*, No. CV 17-02223-AB (AJWx), 2017 WL 7201872, at *2–3 (C.D. Cal. Oct. 19, 2017)
- *United States, ex rel. Modglin v. DJO Glob. Inc.*, 114 F. Supp. 3d 993, 1008 (C.D. Cal. 2015)
- *Moore-Thomas v. Alaska Airlines, Inc.*, 553 F.3d 1241, 1244 (9th Cir. 2009)
- *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987)
- *Hunter v. Philip Morris USA*, 582 F.3d 1039, 1043 (9th Cir. 2009)
- *Valdez v. Allstate Ins. Co.*, 372 F.3d 1115, 1117 (9th Cir. 2004)
- *Matheson v. Progressive Specialty Ins. Co.*, 319 F.3d 1089, 1090 (9th Cir. 2003)
- *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 403–04 (9th Cir. 1996)
- *Chavez v. JPMorgan Chase & Co.*, 888 F.3d 413, 415 (9th Cir. 2018)
- *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001)
- *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992)
- *Libhart v. Santa Monica Dairy Co.*, 592 F.2d 1062, 1064 (9th Cir. 1979)
- *ARCO Env't Remediation, L.L.C. v. Dep't of Health & Env't Quality of Mont.*, 213 F.3d 1108, 1113 (9th Cir. 2000)
- *Jimenez v. Allstate Ins. Co.*, No. LA CV10-08486, 2018 WL 11362268, at *6 (C.D. Cal. Nov. 28, 2018)
- *Alcatel-Lucent USA, Inc. v. Dugdale Commc'ns, Inc.*, No. CV 09-2140 PSG (JCx), 2009 WL 3346784, at *4 (C.D. Cal. Oct. 13, 2009)
- *Brodie v. Bd. of Trs. of Cal. State Univ.*, No. CV 12-07690 DDP (AGRx), 2013 WL 4536242, at *1 (C.D. Cal. Aug. 27, 2013)
- *Dart Cherokee Basin Operating Co. v. Owens*, 574 U.S. 81, 87 (2014)
- *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039–40 (9th Cir. 2004)
- *Martin v. Franklin Capital Corp.*, 546 U.S. 132, 136 (2005)