

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH
CAROLINA, SPARTANBURG DIVISION

Burlington Industries, Inc., by and through its duly-appointed Receiver, Peter M. McCoy, Jr. v. Continental Casualty Company; Travelers Casualty and Surety Company, f/k/a Aetna Casualty and Surety Company; American Home Assurance Company; Allstate Insurance Company, as successor-in-interest to Northbrook Excess and Surplus Insurance Company, f/k/a Northbrook Insurance Company; Granite State Insurance Company; American International Group Inc.; AIU Insurance Company; The Continental Insurance Company, as successor-in-interest to Harbor Insurance Company; Westport Insurance Corporation, as successor-in-interest to Puritan Insurance Company; Federal Insurance Company; Munich Reinsurance America Inc., f/k/a American Reinsurance Company; Old Republic Insurance Company; Pacific Employers Insurance Company; Lexington Insurance Company; Scottsdale Insurance Company; National Union Fire Insurance Company of Pittsburgh PA; Century Indemnity Company, as successor-in-interest to Cigna Specialty Insurance Company, f/k/a California Union Insurance Company; Zurich Reinsurance Company LTD, f/k/a Zurich International LTD; Liberty Mutual Insurance Company

Burlington Industries · No. 7:25-cv-01706-DCC · Decided March 19, 2026

SUMMARY

The United States District Court for the District of South Carolina granted Burlington Industries, Inc.'s motion to remand under the Barton doctrine. The court held that the doctrine barred federal jurisdiction over claims brought by a state-court-appointed receiver without leave of the appointing court, and that the receiver's actions fell within the scope of his appointment. The action was remanded to the Spartanburg County Court of Common Pleas, and the remaining motions were deemed moot with leave to refile in state court.

CASE DETAILS

COURT	United States District Court for the District of South Carolina, Spartanburg Division
WRITING FOR THE COURT	Donald C. Coggins, Jr.
JURISDICTION	United States District Court for the District of South Carolina, Spartanburg Division
DECIDED	March 19, 2026
DOCKET	7:25-cv-01706-DCC
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand a removed insurance action to state court. A magistrate judge recommended granting the motion, and the district court conducted de novo review of specific objections and clear-error review of the unobjected portion of the recommendation.
STANDARD OF REVIEW	De novo review of portions of the magistrate judge's report to which specific objections were made; clear-error review of the unobjected portions.
PRECEDENTIAL VALUE	Unknown
PARTIES	Burlington Industries, Inc., by and through its duly-appointed Receiver, Peter M. McCoy, Jr. v. Continental Casualty Company, Travelers Casualty and Surety Company, f/k/a Aetna Casualty and Surety Company, American Home Assurance Company, Allstate Insurance Company, as successor-in-interest to Northbrook Excess and Surplus Insurance Company, f/k/a Northbrook Insurance Company, Granite State Insurance Company, American International Group Inc., AIU Insurance Company, The Continental Insurance Company, as successor-in-interest to Harbor Insurance Company, Westport Insurance Corporation, as successor-in-interest to Puritan Insurance Company, Federal Insurance Company, Munich Reinsurance America Inc., f/k/a American Reinsurance Company, Old Republic Insurance Company, Pacific Employers Insurance Company, Lexington Insurance Company, Scottsdale Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, Century Indemnity Company, as successor-in-interest to Cigna Specialty Insurance Company, f/k/a California Union Insurance Company, Zurich Reinsurance Company LTD, f/k/a Zurich International LTD, Liberty Mutual Insurance Company

TOPICS

subject matter jurisdiction

civil procedure

insurance

commercial litigation

federalism

PRACTICE AREAS

civil procedure

insurance

commercial litigation

federal jurisdiction

receiverships

QUESTIONS PRESENTED

1. Whether the Barton doctrine deprived the federal court of jurisdiction over the action because the claims involved a court-appointed receiver.
2. Whether allegations that the receiver acted outside the scope of his authority or violated South Carolina receivership statutes prevented application of the Barton doctrine.
3. Whether the Barton doctrine was inapplicable because the receiver filed a related action in a different South Carolina county or because the claims were in personam.
4. Whether the receiver was entitled to costs and attorney's fees associated with remand.

HOLDINGS

1. The Barton doctrine applied and deprived the federal court of jurisdiction because the action involved claims by or against a court-appointed receiver without prior leave from the appointing court.
2. Allegations that the receiver acted wrongfully, intentionally, illegally, or outside the asserted scope of authority did not defeat application of the Barton doctrine when the challenged conduct was connected to the receiver's official duties.
3. The receiver's filing of a subsequent action in a different South Carolina county did not defeat application of the Barton doctrine.
4. The Barton doctrine was not inapplicable merely because the action was in personam.
5. The receiver was not entitled to costs and attorney's fees because the removal was not objectively unreasonable.

KEY QUOTATIONS

“Generally, the Barton doctrine bars a party from litigating a claim of or against a court-appointed receiver without first obtaining leave of the appointing court.” (Analysis)

“It is not for this Court to sit in judgment of the Receiver's actions taken as a representative of the court that appointed him.” (Analysis, Scope of Authority)

FACTUAL BACKGROUND

Burlington Industries was acting through a court-appointed receiver in connection with a South Carolina state-court receivership. Burlington brought an insurance-related action involving numerous defendant insurers, and the action was removed to federal court. Defendants argued that the Barton doctrine did not apply because the

receiver was allegedly acting outside the scope of his authority, the receiver's later state-court filing occurred in a different county, and the claims were in personam.

PROCEDURAL HISTORY

Burlington Industries filed a motion to remand after defendants removed the action to federal court. The motion was referred to Magistrate Judge William S. Brown, who held a hearing and recommended remand. After the parties filed objections and responses, the district court adopted the recommendation, granted the motion to remand, and declared the remaining motions moot with leave to refile in state court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action was remanded to the Spartanburg County Court of Common Pleas. The remaining motions were declared moot, with leave to refile in the state-court action.

CASES CITED

- Mathews v. Weber, 423 U.S. 261 (1976)
- Diamond v. Colonial Life & Accident Ins. Co., 416 F.3d 310, 315 (4th Cir. 2005)
- Barton v. Barbour, 104 U.S. 126 (1881)
- Cape plc v. Anglo Am. plc, No. CV 3:24-3771-MGL, 2024 WL 4647873 (D.S.C. Aug. 13, 2024)
- In re Cutright, No. 08-70160-SCS, 2012 WL 1945703, at *6 (Bankr. E.D. Va. May 30, 2012)
- McDaniel v. Blust, 668 F.3d 153, 157-58 (4th Cir. 2012)
- Dove v. Gold Kist, 442 S.E.2d 598, 600 (S.C. 1994)
- Pipe & Boiler Insulation, Inc. by and through Protopapas v. Continental Ins. Co., 736 F.Supp.3d 375
- Protopapas v. Zurich Am. Ins. Co., No. 3:21-CV-04086-DCC, 2023 WL 2206640, at *1 (D.S.C. Feb. 24, 2023)
- Mimms v. Burlington Industries, Inc., C/A 2021-CP-40-05873 (Ct. of C.P. Richland Cnty.)