

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
GEORGIA, ATLANTA DIVISION

National Youth Placement Corp., Inc. and Education System
Management Inc. v. Manufacturers Alliance Insurance Company

National Youth Placement · No. 1:25-cv-03673-SDG · Decided March 31, 2026

SUMMARY

The United States District Court for the Northern District of Georgia grants Plaintiffs’ motion to remand an insurance coverage action to the Superior Court of Clayton County, Georgia. The court holds that the defendant’s removal was untimely under 28 U.S.C. § 1446(b)(3) because the amended complaint seeking damages was served more than 30 days before removal, and earlier written demands had established the amount in controversy. The court rejects the argument that alleged discovery noncooperation extended the removal period.

CASE DETAILS

COURT	United States District Court for the Northern District of Georgia, Atlanta Division
JURISDICTION	United States District Court for the Northern District of Georgia, Atlanta Division
DECIDED	March 31, 2026
DOCKET	1:25-cv-03673-SDG
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiffs moved to remand an insurance-coverage action removed from the Superior Court of Clayton County, Georgia, asserting that the defendant's removal under diversity jurisdiction was untimely.
STANDARD OF REVIEW	The removing party bears the burden of demonstrating federal subject-matter jurisdiction and compliance with the procedural requirements for removal; removal statutes are construed narrowly, with uncertainties resolved in favor of remand.
PRECEDENTIAL VALUE	Unknown; district court opinion identified in the source as having unknown precedential status.
PARTIES	National Youth Placement Corp., Inc., Education System Management Inc. v. Manufacturers Alliance Insurance Company

TOPICS

civil procedure

subject matter jurisdiction

insurance coverage

commercial litigation

PRACTICE AREAS

civil procedure

insurance law

removal and remand

commercial litigation

QUESTIONS PRESENTED

1. Whether Defendant's notice of removal was timely under 28 U.S.C. § 1446(b)(3) when it was filed more than 30 days after Defendant received Plaintiffs' amended complaint seeking damages exceeding \$75,000.
2. Whether Plaintiffs' alleged lack of cooperation in discovery excused Defendant's failure to remove within the statutory 30-day period.

HOLDINGS

1. Removal was untimely because Plaintiffs' amended complaint, together with their prior written demands for approximately \$1 million in insurance benefits, clearly established for the first time that the case was removable, and Defendant did not remove within 30 days after receiving the amended complaint.
2. A plaintiff's alleged failure to cooperate in discovery does not extend or toll the 30-day removal period established by 28 U.S.C. § 1446(b)(3).

KEY QUOTATIONS

“Because MAIC did not file its notice of removal within 30 days of receipt of Plaintiffs’ amended complaint in April 2025, its removal was untimely.” (Discussion § III)

“Accordingly, MAIC’s removal was untimely under § 1446(b)(3), and this case must be remanded.” (Conclusion § IV)

“The Clerk of Court is DIRECTED to REMAND this case to the Superior Court of Clayton County, Georgia, and to close this action.” (Conclusion § IV)

FACTUAL BACKGROUND

Plaintiffs operate licensed inpatient substance-abuse and mental-health treatment facilities in Georgia and obtained a commercial insurance policy from Defendant covering five properties. After water damage and vandalism at one property, Plaintiffs submitted insurance claims and disputed Defendant's nonrenewal of the policy. Plaintiffs made written demands in November 2024 and January 2025 for approximately \$1 million in unpaid insurance benefits, then amended their complaint on April 11, 2025, to seek damages for property loss and lost business income. Defendant removed on July 1, 2025, based on diversity jurisdiction.

PROCEDURAL HISTORY

Plaintiffs initially filed the action in Georgia state court seeking injunctive relief concerning nonrenewal of their commercial insurance policy. They amended the complaint on April 11, 2025, to seek property-damage and lost-

business-income damages. After receiving prior demands for approximately \$1 million in insurance benefits, Defendant removed the case on July 1, 2025. The district court granted Plaintiffs' motion to remand because the notice of removal was filed more than 30 days after Defendant received the amended complaint.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk of Court was directed to remand the case to the Superior Court of Clayton County, Georgia, and close the federal action.

CASES CITED

- University of South Alabama v. American Tobacco Co., 168 F.3d 405, 410 (11th Cir. 1999)
- Williams v. Best Buy Co., 269 F.3d 1316, 1319 (11th Cir. 2001)
- Burns v. Windsor Insurance Co., 31 F.3d 1092, 1095, 1097 (11th Cir. 1994)
- Kokkonen v. Guardian Life Insurance Co. of America, 511 U.S. 375, 377 (1994)
- Premier Holidays International, Inc. v. Actrade Capital, Inc., 105 F. Supp. 2d 1336, 1338-39 (N.D. Ga. 2000)
- Lowery v. Alabama Power Co., 483 F.3d 1184, 1208, 1213 n.62, 1215 n.63, 1216 (11th Cir. 2007)
- Chapman v. Powermatic, Inc., 969 F.2d 160, 164 (5th Cir. 1992)
- Lainhart v. Nutt, No. CV 625-046, 2025 WL 1823971, at *3 (S.D. Ga. July 2, 2025)
- Alexander v. Wright Transportation, Inc., No. 5:25-CV-13 (MTT), 2025 WL 985716, at *3 (M.D. Ga. Apr. 2, 2025)
- Mumfrey v. CVS Pharmacy, Inc., 719 F.3d 392, 398 (5th Cir. 2013)
- Morrison v. Allstate Indemnity Co., 228 F.3d 1255, 1261, 1268 (11th Cir. 2000)
- Hajdasz v. Magic Burgers, LLC, 805 F. App'x 884, 889 (11th Cir. 2020)
- Smith v. Bally's Holiday, 843 F. Supp. 1451, 1454 (N.D. Ga. 1994)