

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Robert Helton v. USAA General Indemnity Company, et al.

Helton v. USAA General Indemnity Company, et al., No. CV-25-03822-PHX-KML (D. Ariz. Dec. 17, 2025) ·
No. No. CV-25-03822-PHX-KML · Decided December 17, 2025

OPINION

1 WO 2 3 4 5 6 IN THE UNITED STATES DISTRICT COURT 7 FOR THE DISTRICT OF
ARIZONA 8 9 Robert Helton, No. CV-25-03822-PHX-KML 10 Plaintiff, ORDER 11 v. 12 USAA
General Indemnity Company, et al., 13 Defendants. 14 15 Defendant USAA General Indemnity
Company removed this case from state court 16 based on diversity jurisdiction. Plaintiff Robert
Helton seeks remand, arguing USAA failed 17 to establish more than \$75,000 is in controversy.

Before filing his suit Helton indicated his 18 total damages approached \$200,000, not including
punitive damages and attorneys' fees. 19 The motion to remand is denied. 20 I. Factual and
Procedural Background 21 In October 2023, Helton was riding his bicycle when he was hit by a
car. (Doc. 1-2 22 at 10.)

The driver of that car was insured by non-party State Farm. Based on Helton's 23 injuries, State
Farm paid Helton the applicable policy limit of \$100,000. That amount did 24 not "adequately
compensate [Helton] for his injuries, medical expenses, lost earnings and 25 general damages."
(Doc. 1-2 at 10.) Helton therefore made a claim for underinsured 26 motorist benefits under his
own policy with USAA.

(Doc. 1-2 at 11.) Helton's underinsured 27 policy limits were "\$100,000/\$300,000." (Doc. 1-2 at
9.) USAA offered Helton \$25,000 28 despite knowing the "contractual benefit it owed [Helton]
under his policy [was] more than 1 \$25,000." (Doc. 1-2 at 11.) Confusingly, Helton alleges USAA
"was willing to pay the full 2 contractual benefit" which was more than \$25,000, but USAA
"failed to offer and/or 3 disclose said amount." (Doc.

1-2 at 11.) 4 In September 2025, Helton filed suit against USAA in Maricopa County Superior 5
Court. Helton requested his suit be classified as "Tier 2." See *Rieke v. ManhattanLife 6 Assurance*
Co. of Am., No. CV-20-00724-PHX-GMS, 2020 WL 3056123, at *1 (D. Ariz. 7 June 9, 2020)
(explaining "tier system" in state court). A Tier 2 suit is one of "intermediate 8 complexity." Ariz.
R. Civ.

P. 26.2(b)(2). The tier assignment can be "based on the damages 9 claimed in the action," with
Tier 2 encompassing those actions "claiming more than 10 \$50,000 and less than \$300,000 in
damages," not including "claims for punitive damages, 11 interest, attorney's fees... and costs."
Ariz. R. Civ. P. 26.2(c)(3), (e). But the basis for tier 12 assignment is the expected complexity of

the case, such as the amount of evidence and 13 witnesses that will be required, not simply the amount of damages at issue.

Ariz. R. Civ. 14 P. 26.2(b). 15 Helton's complaint contains three claims: "declaration of rights"; breach of 16 contract; and bad faith. (Doc. 1-2 at 11-12.) In terms of relief related to the "declaration of 17 rights," the complaint requests a "declaration of the full benefit of the contract." (Doc. 1-2 18 at 13.) USAA reads that language to mean Helton's complaint is seeking the \$100,000 19 policy limit.

(Doc. 11 at 4.) Helton claims that language merely indicates he is seeking all 20 the benefits under the contract that he is entitled to recover, which may or may not be the 21 policy limit. (Doc. 12 at 2.) Whichever reading is correct, the complaint seeks an 22 unspecified amount in compensatory damages, punitive damages, and attorneys' fees. 23 Based on the Tier 2 designation, the possible compensatory and punitive damages, 24 as well as the award of attorneys' fees, USAA concluded more than \$75,000 was in 25 controversy and removed the case to federal court.

There is no dispute the parties are 26 completely diverse, but Helton argues the case must be remanded because USAA has not 27 established more than \$75,000 is in controversy. Given his own pre-suit communications 28 that he does not disavow, this position has no factual or legal basis. 1 II. Analysis 2 To remove the case from state court, USAA's notice of removal was required to 3 "include only a plausible allegation that the amount in controversy exceeds the 4 jurisdictional threshold." *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 5 89 (2014).

Now that Helton has disputed the amount in controversy, both parties must 6 "submit proof" for the court to decide "by a preponderance of the evidence, whether the 7 amount-in-controversy requirement has been satisfied." *Id.* at 88.

The relevant "proof" may 8 include "the reality of what is at stake in the litigation, using reasonable assumptions 9 underlying the defendant's theory of damages exposure." *Ibarra v. Manheim Invs., Inc.*, 10 775 F.3d 1193, 1198 (9th Cir. 2015). And "when a statute or contract provides for the 11 recovery of attorneys' fees, prospective attorneys' fees must be included in the assessment 12 of the amount in controversy." *Arias v. Residence Inn by Marriott*, 936 F.3d 920, 922 (9th 13 Cir.

2019). 14 To meet its burden, USAA points to the amount of compensatory damages Helton 15 demanded before filing suit, the demand in the complaint that can be read as seeking the 16 \$100,000 policy limit, the value of punitive damages, and the value of past and future 17 attorneys' fees. Helton's pre-suit communications outlined compensatory damages that far 18 exceed \$75,000, meaning those compensatory damages alone are sufficient to establish 19 more than \$75,000 is in controversy.

The possibility of punitive damages and an award of 20 attorneys' fees only provide additional evidence the amount in controversy requirement is 21 met. 22 In April 2025, Helton's counsel sent a demand letter to USAA claiming the accident 23 resulted in Helton incurring \$39,558.42 in medical expenses. (Doc. 11-1 at 6.)

The accident 24 had also caused Helton to miss 36 weeks of work and, when he was able to return to work, 25 Helton had to take a different position that paid less. Before the accident Helton earned an 26 average of \$3,410 per week, meaning the 36 weeks of lost earnings equaled \$102,672. 27 When he returned to work in May 2024 at a different position, Helton was paid \$800/week 28 less than before the accident.

Assuming Helton returned to work on May 1, 2024, there are 1 70 weeks between that date and September 3, 2025, the date Helton filed this suit. 2 Assuming a loss of \$800 per week, that is \$56,000 in additional lost earnings.

Thus, based 3 on Helton's own calculations and demands, he experienced at least \$198,230.42 4 (\$39,558.42 + \$102,672 + \$56,000) in compensatory damages before he filed suit. Even 5 accounting for the \$100,000 paid by State Farm, there is significantly more than \$75,000 6 in controversy. 7 Helton does not argue his pre-suit communications were "inflated and not an honest 8 assessment of damages." *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 840 (9th Cir.

2002). Nor 9 has Helton made any "attempt to disavow his [communications] or offer contrary 10 evidence" calling the amount of his compensatory damages into question. Without Helton 11 disputing his own estimate of damages, that estimate is sufficient to establish the amount 12 in controversy. *Id.* Accordingly, there is no need to assess in detail the possible values of 13 the punitive damages or attorneys' fees Helton seeks to recover, but both would add to the 14 already-sufficient amount in controversy.

Cf. *Greene v. Harley-Davidson, Inc.*, 965 F.3d 15 767, 772 (9th Cir. 2020) (punitive damages can be included "if it is reasonably possible 16 that [defendant] may be liable for the proffered punitive damages amount"); *Fritsch v. Swift 17 Transportation Co. of Arizona, LLC*, 899 F.3d 785, 794 (9th Cir. 2018) (when attorneys' 18 fees are recoverable by statute the court "must include future attorneys' fees... when 19 assessing whether the amount-in-controversy requirement is met.").

Helton's only 20 argument on attorneys' fees is that they are too speculative, but the Ninth Circuit has 21 explicitly rejected that concern. *Fritsch*, 899 F.3d at 796. A small amount of attorneys' 22 fees, such as \$10,000, is overwhelmingly likely should Helton prevail. That amount only 23 adds to an amount in controversy that easily exceeds \$75,000. 24 / 25 / 26 / 27 / 28 / 1 Accordingly, 2 IT IS ORDERED the Motion to Remand (Doc.8) is DENIED.

3 IT IS FURTHER ORDERED the Stipulation to Stay (Doc. 13) is DENIED AS 4|| MOOT. The
parties shall file their Rule 26(f) Joint Case Management as required by Doc. 5 || 7 within ten days
of this order. 6 Dated this 17th day of December, 2025. 7 9 Ada M.A Honorable Krissa M.
Lanham 10 United States District Judge 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
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