

Sheppard Mullin Secures Jury Trial Win in California Federal Court

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Sheppard Mullin obtained a complete defense verdict in an insurance bad faith jury trial in federal court. The plaintiffs claimed they were the victims of a burglary and submitted a claim for a theft loss under their homeowner's policy. But the circumstances surrounding the alleged burglary were highly suspicious and, in the years following the burglary, the plaintiffs' insurance claim grew by hundreds of items and by several hundred thousand dollars. When our client paid less than the full amount demanded on the plaintiffs' insurance claim, the plaintiffs sued for (1) breach of contract; (2) breach of the implied covenant of good faith and fair dealing; and (3) negligence. The plaintiffs claimed that our client failed to conduct a thorough investigation and knowingly refused to pay for the full amount owed for their loss. The plaintiffs asked the jury to award them \$1.5 million in damages. On April 26, the jury rejected the plaintiffs' claims, finding that they failed to establish that there was an actual burglary.

The case was led by partners John Edson and Jack Burns.

Attorneys

Jack Burns

John D. Edson

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