

JSH ATTORNEYS OBTAIN SUMMARY JUDGMENT IN FEDERAL COURT FOR NATIONAL INSURER

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Arcade v. AGCS Marine Insurance – Jones, Skelton and Hochuli attorneys [Don](#)

[Myles](#), [Chelsey Golightly](#) and Sean Moore, recently secured summary judgment in Federal Court for one of the Firm's clients, AGCS Marine Insurance, a division of Allianz USA ("AGCS"). Specifically, the United States District Court for the District of Arizona dismissed the Plaintiff's claims for breach of contract, breach of covenant of good faith and fair dealing, and punitive damages.

This case arose out of the alleged theft of amusement gaming machines from various small businesses in the Dallas/Fort Worth area. Plaintiff, owner of the amusement machines and an Arizona resident, used Craigslist to hire several persons to run the daily operations of its business in Texas. After some time, Plaintiff noticed a substantial decrease in its profits and sent a representative to Texas to investigate these changes.

After visiting the small businesses and a nearby storage unit, Plaintiff's representative discovered that all but a few of the machines were missing. The various small business owners told Plaintiff's representative that the persons hired from Craigslist removed the machines. The Craigslist hires were also the only persons with keys to the storage unit. There were no signs of forced entry.

Two months later, Plaintiff made a claim under its AGCS insurance policy claiming the machines were stolen. The policy, however, contained an exclusion for property lost or damaged as the result of the dishonest or criminal acts by anyone to whom the property had been entrusted. While AGCS was investigating the claim, and before a coverage determination was made, Plaintiff filed this lawsuit.

After minimal discovery, Plaintiff filed a motion for summary judgment claiming the above-referenced exclusion did not apply and AGCS' investigation was inadequate. Plaintiff argued that the persons hired from Craigslist were not entrusted with the equipment, and there was no admissible evidence that they stole the machines. In response, AGCS filed its own motion for summary judgment and argued that because the exclusion clearly applied, Plaintiff was not entitled to coverage under the policy. AGCS also provided evidence that it contacted Plaintiff within 24-hours of the initial claim and that it performed a reasonable and adequate investigation regarding the alleged theft.

Without hearing oral argument, the Court agreed with AGCS and granted its motion for summary judgment. Plaintiff's motion was denied, and the case was subsequently dismissed with prejudice.

[Don Myles](#) focuses his practice on defending clients in cases involving catastrophic injury and wrongful death claims, bad faith and extra-contractual liability, professional liability, and insurance coverage.

[Chelsey Golightly](#) practices in the areas of general civil litigation and insurance defense. She focuses her practice on defending clients in cases involving wrongful death and catastrophic personal injury, premises liability, products liability, and social host liability.