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7 UNITED STATES DISTRICT COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
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10 THE ECLIPSE GROUP LLP, a California
11 limited-liability partnership,

12 Plaintiff,

13 v.

14 TARGET CORPORATION, et al.,

15 Defendants.
16

Case No.: 15cv1411-JLS-BLM

**ORDER GRANTING MOTION FOR
PERMISSIVE INTERVENTION**

(ECF No. 49)

17 Presently before the court is intervenor applicant Stephen M. Lobbin’s *Ex Parte*
18 Motion to Intervene (Interv. Mot. II) (ECF No. 49). For the reasons stated below, the Court
19 **GRANTS** Lobbin’s Intervention Motion.

20 **BACKGROUND**

21 This case arises out of a fee dispute between plaintiff law firm The Eclipse Group
22 LLP (Plaintiff) and Defendants who, among others, are Plaintiff’s former clients. (Compl.
23 ¶¶ 12, 17, 21, 26, ECF No. 1.) Movant attorney Stephen Lobbin stated in his first Motion
24 to Intervene, (ECF No. 38), that he worked with Plaintiff as an independent contractor, and
25 that he “acted as lead (and, most often, sole) counsel during the entire course of the
26 representations that are the subject and focus of this action.” (*Id.* at 2–3 & n.2.) Based on
27 his work in these representations, Lobbin states that he is entitled to a significant portion
28 of the sums Plaintiff seeks in this case, but that “Plaintiff has expressly repudiated

1 [Lobbin’s] entitlement to his contractual share of the unpaid attorney fees to be recovered
2 from the Defendants.” (*Id.* at 3.) Accordingly, Lobbin seeks to intervene in this matter to
3 protect his interests.

4 On May 26, 2016, the Court issued an Order denying with prejudice Lobbin’s
5 motion to intervene as of right pursuant to Federal Rule of Civil Procedure 24(a), and
6 denying without prejudice Lobbin’s motion for permissive intervention pursuant to Federal
7 Rule of Civil Procedure 24(b). (First Interv. Order) (ECF No. 48.) Lobbin has again moved
8 for permissive intervention, addressing the concerns the Court expressed in its First
9 Intervention Order. The Court now considers Lobbin’s current motion.

10 LEGAL STANDARD

11 Federal Rule of Civil Procedure 24(b) provides the basis for permissive intervention.
12 Applicants seeking intervention under Rule 24(b) must meet three criteria:

- 13 (1) the movant must show an independent ground for jurisdiction; (2) the
14 motion must be timely; and (3) the movant’s claim or defense and the main
15 action must have a question of law and fact in common.

16 *Venegas v. Skaggs*, 867 F.2d 527, 529 (9th Cir. 1989), *aff’d sub nom. Venegas v. Mitchell*,
17 495 U.S. 82 (1990); *see also Donnelly v. Glickman*, 159 F.3d 405, 412 (9th Cir. 1998)
18 (citing *Nw. Forest Res. Council v. Glickman*, 82 F.3d 825, 839 (9th Cir. 1996), *as amended*
19 *on denial of reh’g* (May 30, 1996)). “Permissive intervention is committed to the broad
20 discretion of the district court.” *Cty. of Orange v. Air Cal.*, 799 F.2d 535, 539 (9th Cir.
21 1986) (citing *United States v. \$129,374 in U.S. Currency*, 769 F.2d 583, 586 (9th Cir.
22 1985)). “In exercising its discretion, the court must consider whether the intervention will
23 unduly delay or prejudice the adjudication or the original parties’ rights.” Fed. R. Civ. P.
24 24(b)(3).

25 ANALYSIS

26 The Court’s First Intervention Order explained that Lobbin’s first motion seeking
27 permissive intervention satisfied criteria two and three. (First Interv. Order 28–29.) So
28

1 does Lobbin’s present motion. It is timely because the Court has only issued one
2 substantive ruling before this Order, and, procedurally, this case is in its infancy. It is also
3 clear that Lobbin has claims in common with Plaintiff—in fact, they are the same claims,
4 he just purports to be entitled to a portion of the recovery. The threshold requirement that
5 there be “a claim or defense that shares with the main action a common question of law or
6 fact” is therefore also satisfied. *See* Fed. R. Civ. P. 24(b)(1)(B).

7 The remaining requirement Lobbin must show in order to be entitled to permissive
8 intervention is an independent ground for subject matter jurisdiction. Lobbin meets this
9 requirement with his present motion.

10 Federal courts have original subject-matter jurisdiction over civil actions in which
11 there is complete diversity and the amount in controversy exceeds \$75,000. *See* 28 U.S.C.
12 § 1332(a)(1); *Naffe v. Frey*, 789 F.3d 1030, 1039 (9th Cir. 2015) (citing *McNutt v. Gen.*
13 *Motors Acceptance Corp. of Ind.*, 298 U.S. 178, 189 (1936)). Under the “legal certainty”
14 test, the amount in controversy is met when the sum the plaintiff claims “is apparently
15 made in good faith.” *Naffe*, 789 F.3d at 1039–40 (quoting *St. Paul Mercury Indem. Co. v.*
16 *Red Cab Co.*, 303 U.S. 283, 288–89 (1938)).

17 In the present motion Lobbin abandons several of his original claims, leaving only
18 two: (1) breach of quasi-contract against Defendants Target and Kmart; and (2) quantum
19 meruit against Defendants Target and Kmart. (Interv. Mot. II 4.) Lobbins is a resident and
20 domiciliary of California; Target is incorporated in and maintains its principal place of
21 business in Minnesota; and Kmart is incorporated in Michigan and maintains its principal
22 place of business in Illinois. Accordingly, the complete diversity requirement is met. *See*
23 28 U.S.C. § 1332(c) (stating that a corporation shall be deemed to be a citizen of every
24 State where it is incorporated and every State where it has its principal place of business).

25 The amount in controversy requirement is all that remains. Lobbin claims at least
26 \$150,000 against Target and \$90,000 against Kmart. These figures derive from Lobbin’s
27 “conservative estimates” of the alleged 60% fee he is owed on the sums Plaintiffs seek in
28 this action. Further, the underlying past-due sums Plaintiff seeks are only slightly lower

1 than those Lobbin uses to calculate these figures. (*Compare* Claims of Intervenor Stephen
2 M. Lobbin 8, ECF No. 49-2, *with* Pl.’s First Am. Compl. 7–8, ECF No. 50.) Although
3 Plaintiff asserts that a compensation contract between Plaintiff and Lobbin limits to below
4 60% the amount of recovery to which Lobbin is entitled—either 45% or 55% of the past-
5 due amounts (*see* Pl.’s Mot. In Opp’n 6–7, ECF No. 51)—Plaintiff has not proved to a
6 legal certainty that Lobbin’s calculations should not control. Plaintiff does not specify
7 whether the 45% or 55% provision in the alleged contract controls the fee arrangement in
8 the underlying disputes.¹ Further, Lobbin’s proposed claims are equitable causes of action
9 against Defendants to whom Lobbin alleges any purported contract between Lobbin and
10 Plaintiff would be inapplicable. Accordingly, because Lobbin’s claims appear to be made
11 in good faith and Plaintiff has not proven to a legal certainty that Lobbin’s calculations are
12 not valid, the amount in controversy is met. Subject matter jurisdiction is therefore
13 established.

14 Finally, there is no indication that granting Lobbin’s motion to intervene will unduly
15 delay or prejudice the adjudication of the original parties’ rights. Although adding an
16 additional litigant will necessarily add complexity to the case, Lobbin’s shared interest in
17 the claims against Defendants indicates that the case should continue to adjudication in a
18 timely fashion. Further, if Lobbin’s intervention is denied he likely will bring his own
19 lawsuit asserting nearly identical claims against Defendants for the same work forming the
20 basis of Plaintiff’s claims. Given these circumstances, any potential delay arising from
21 Lobbin’s intervention is therefore not undue. *See Venegas*, 867 F.2d at 531 (noting that
22 “judicial economy is a relevant consideration in deciding a motion for permissive
23 intervention” and that in present case district court was “in the best position to decide [the
24 relevant] issues” because “[n]o novel or difficult issues of state law appear[ed] to be at
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26 ¹ The only scenario in which the amount in controversy requirement would not be met is if Lobbin’s fees
27 are calculated at 45%, which would be insufficient to support jurisdiction against Kmart. Calculating
28 Lobbin’s alleged 60% fee using Plaintiff’s lower past-due estimates would still satisfy the amount in
controversy requirement against both Target and Kmart, (*see* Pl.’s First Am. Compl. ¶ 38, ECF No. 50),
as would calculating Lobbin’s fee at 55% using Plaintiff’s lower past-due estimates.

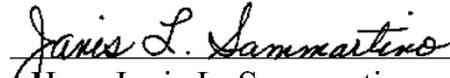
1 issue . . . , and the district court [wa]s well acquainted with the underlying litigation and
2 the parties to this fee dispute”) (citing *Austell v. Smith*, 634 F. Supp. 326, 335 (W.D.N.C.
3 1986); *Gordon v. Forsyth Cty. Hosp. Auth., Inc.*, 409 F. Supp. 708, 718–19 (M.D.N.C.
4 1976), *aff’d in part, vacated in part* 544 F.2d 748 (4th Cir.1976)).

5 **CONCLUSION**

6 For the foregoing reasons, the Court **GRANTS** Lobbin’s Intervention Motion.

7 **IT IS SO ORDERED.**

8 Dated: September 15, 2016


9 Hon. Janis L. Sammartino
10 United States District Judge

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