

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

TRACEY RIDOLFI,	:	Civil No. 1:15-CV-859
	:	
Plaintiff	:	(Magistrate Judge Carlson)
	:	
v.	:	
	:	
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,	:	
	:	
Defendant	:	

MEMORANDUM ORDER

I. Factual Background

This is an insurance dispute between Tracey Ridolfi and her insurer, State Farm Mutual Automobile Insurance Company, relating to claims concerning State Farm’s alleged refusal to provide underinsured motorist (UIM) coverage to Ridolfi. Currently the sole remaining claim in this lawsuit is Ridolfi’s allegation that State Farm’s conduct constitutes a breach of this insurance contract, this court having previously dismissed Ridolfi’s claim that State Farm violated Pennsylvania’s bad faith statute, 42 Pa. Cons. Stat. Ann. § 8371, by: (1) misstating the scope of its coverage; (2) insisting upon a sworn statement from its insured; (3) unreasonably delaying its investigation of this claim and requiring the production of multiple sets of medical records; and (4) failing to keep Ridolfi fully informed in writing on the

progress of her claim.

This case is set for trial on August 7, 2017. In anticipation of trial State Farm has filed a series of motions *in limine*, including a motion *in limine* which seeks to preclude Ridolfi from eliciting testimony regarding the net worth of the defendant. (Doc. 59.) Ridolfi has not responded to this motion. Therefore, the motion is ripe for resolution.

For the reasons set forth below, this motion *in limine* is GRANTED.

II. Discussion

The Court is vested with broad inherent authority to manage its cases, which carries with it the discretion and authority to rule on motions *in limine* prior to trial. *See Luce v. United States*, 469 U.S. 38, 41 n.4 (1984); *In re Japanese Elec. Prods. Antitrust Litig.*, 723 F.2d 238, 260 (3d Cir. 1983), *rev'd on other grounds sub nom.*, *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986) (the court exercises its discretion to rule *in limine* on evidentiary issues “in appropriate cases”). Courts may exercise this discretion in order to ensure that juries are not exposed to unfairly prejudicial, confusing or irrelevant evidence. *United States v. Romano*, 849 F.2d 812, 815 (3d Cir. 1988). Courts may also do so in order to “narrow the evidentiary issues for trial and to eliminate unnecessary trial interruptions.” *Bradley v. Pittsburgh Bd. of Educ.*, 913 F.2d 1064, 1069 (3d Cir. 1990) (citation

omitted). However, courts should be careful before doing so.

In considering motions *in limine* which call upon the Court to engage in preliminary evidentiary rulings under Rule 403 of the Federal Rules of Evidence, we begin by recognizing that these “evidentiary rulings [on motions *in limine*] are subject to the trial judge's discretion and are therefore reviewed only for abuse of discretion ... Additionally, application of the balancing test under Federal Rule of Evidence 403 will not be disturbed unless it is ‘arbitrary and irrational.’ ” *Abrams v. Lightolier Inc.* 50 F.3d 1204, 1213 (3d Cir.1995) (citations omitted); *see Bernardsville Bd. of Educ. v. J.H.*, 42 F.3d 149, 161 (3d Cir.1994) (reviewing *in limine* rulings for abuse of discretion). Yet, while these decisions regarding the exclusion of evidence rest in the sound discretion of the district court, and will not be disturbed absent an abuse of that discretion, the exercise of that discretion is guided by certain basic principles.

One of the key guiding principles is reflected in the philosophy which shapes the rules of evidence. The Federal Rules of Evidence can aptly be characterized as evidentiary rules of inclusion, which are designed to broadly permit fact-finders to consider pertinent factual information while searching for the truth. The inclusionary quality of the rules, is embodied in three cardinal concepts. The first of these concepts is Rule 401's definition of relevant evidence. Rule 401 defines what is

relevant in an expansive fashion, stating:

“Relevant evidence” means evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable *197 or less probable than it would be without the evidence.

Fed. R. Evid. 401.

Adopting this view of relevance it has been held that: “Under [Rule] 401, evidence is relevant if it has ‘any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.’ [Therefore] ‘It follows that evidence is irrelevant only when it has no tendency to prove the fact. Thus the rule, while giving judges great freedom to admit evidence, diminishes substantially their authority to exclude evidence as irrelevant.’ ” *Frank v. County of Hudson*, 924 F. Supp. 620, 626 (D.N.J.1996) *citing Spain v. Gallegos*, 26 F.3d 439, 452 (3d Cir.1994) (quotations omitted).

This quality of inclusion embraced by the Federal Rules of Evidence is further buttressed by Rule 402, which generally defines the admissibility of relevant evidence in sweeping terms, providing that:

All relevant evidence is admissible, except as otherwise provided by the Constitution of the United States, by Act of Congress, by these rules, or by other rules prescribed by

the Supreme Court pursuant to statutory authority.
Evidence which is not relevant is not admissible.

Fed. R. Evid. 402.

Thus, Rule 402 expressly provides that all “[r]elevant evidence will be admissible unless the rules of evidence provide to the contrary.” *United States v. Sriyuth*, 98 F.3d 739, 745 (3d Cir.1996) (citations omitted). These principles favoring inclusion of evidence are, however, subject to some reasonable limitations. Thus, Rule 403, provides grounds for exclusion of some potentially irrelevant but highly prejudicial evidence, stating that:

Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence.

Fed. R. Evid. 403 .

By permitting the exclusion of relevant evidence only when its probative value is “substantially outweighed” by other prejudicial factors, Rule 403 underscores the principle that, while evidentiary rulings rest in the sound discretion of the court, that discretion should consistently be exercised in a fashion which favors the admission of relevant proof unless the relevance of that proof is substantially outweighed by some other factors which caution against admission.

In the instant case, exercising our discretion, we conclude that evidence of State Farm's net worth is properly excluded from the trial of this case. Presently the sole remaining claim in this litigation is a breach of contract claim by Ridolfi against State Farm. The only tangential, conceivable relevance that evidence of State Farm's net worth might have to this litigation would be as evidence supporting a punitive damages claim. *See TVT Records v. Island Def Jam Music Grp.*, 412 F.3d 82 (2d Cir. 2005). However, it is well-settled under Pennsylvania law that: " 'punitive damages are not recoverable in an action based solely on breach of contract.' *Thorsen v. Iron & Glass Bank*, 328 Pa.Super. 135, 476 A.2d 928, 932 (Pa.Super.Ct.1984); *Johnson v. Hyundai Motor Am.*, 698 A.2d 631, 639 (PaSuper.Ct.1997)." *Samuel-Bassett v. KIA Motors Am., Inc.*, 357 F.3d 392, 402 (3d Cir. 2004). Since punitive damages are not recoverable in this lawsuit, interjection of this irrelevant evidence would be highly prejudicial and could lead to juror confusion/ Therefore, this net worth evidence is not relevant to any of the issues properly before the jury and should be excluded from the trial of this case.

An appropriate order follows.

III. Order

For the forgoing reasons, IT IS ORDERED that the defendant's motion in limine (Doc. 59), is GRANTED, and the plaintiff is precluded from referring to State

Farm's net worth in the trial of this breach of contract claim. IT IS FURTHER ORDERED that the parties shall have a telephonic conference with the court on **July 28, 2017 at 1:00 p.m.** to address some other pending motions in this case in advance of the pretrial conference. The plaintiff shall initiate the call, ensuring that all parties are on the telephone line, before contacting the Court at telephone number 717-614-4120.

/s/ Martin C. Carlson _____

Martin C. Carlson

United States Magistrate Judge

Dated: July 25, 2017