

THOUGHT LEADERSHIP

News

## FIFTH CIRCUIT COURT OF APPEALS DECLINES TO ADOPT “FRAUDULENT MISJOINDER” DOCTRINE

Newsbrief

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The U.S. Court of Appeals for the Fifth Circuit recently ruled that diversity jurisdiction will not be found when the underlying lawsuit contains plausible claims against a non-diverse party, even if such plausible claims should be severed. *Williams v. Homeland Ins. Co. of N.Y., et al.*, No. 20-30196 (5th Cir. Nov. 30, 2021). Instead, the Court held that litigants should address the alleged fraudulent misjoinder (i.e., when a party joins a non-diverse party to a lawsuit for the purpose of defeating diversity jurisdiction) in the state court action. If the party alleging fraudulent misjoinder successfully has the non-diverse party’s plausible claims severed from the lawsuit, such party will have 30 days from the date of the severance to remove the lawsuit to federal court.

Copy attached for your further review.