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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION

LIANA HAMPARTSOUMIAN, an
Individual,

Plaintiff,

vs.

STATE FARM GENERAL
INSURANCE COMPANY, an Illinois
Corporation, and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: 2:25-cv-00404-JLS-ASx
District Judge: Josephine L. Staton
Magistrate Judge: Alka Sagar

PLAINTIFF’S OPPOSITION TO
DEFENDANT’S MOTION FOR
SUMMARY JUDGMENT;
MEMORANDUM OF POINTS &
AUTHORITIES

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

1
2 Defendant State Farm General Insurance Company seeks summary
3 judgment based on the theory that the water damage at Plaintiff Liana
4 Hampartsoumian’s home resulted from gradual seepage or leakage occurring over
5 time and therefore falls within a policy exclusion. The evidentiary record does not
6 support that conclusion. Instead, the record demonstrates that the water damage
7 occurred suddenly on September 1, 2023 when a dishwasher discharge hose failed,
8 causing water to spread across the kitchen floor and adjacent areas of the home.
9 (PAMF Nos. 2, 6–7, 14–15.) Plaintiff testified that prior to the incident the
10 dishwasher had functioned normally and that she had never experienced any prior
11 water leakage or recurring moisture issues in the kitchen area as a result of the
12 subject dishwasher. (Hampartsoumian Decl. ¶¶ 3–5, 9; PAMF Nos. 3–4, 20.) The
13 loss was discovered only after Plaintiff left the home and later returned to find
14 substantial water on the floor originating from the dishwasher area.
15 (Hampartsoumian Decl. ¶¶ 6–8; PAMF Nos. 5–7, 21.)

16 A plumber from Roto-Rooter inspected the dishwasher that same day and
17 documented in a contemporaneous invoice that the “dishwasher discharge hose
18 burst / had come apart.” (PAMF No. 14.) The plumber reattached the hose and
19 secured it with a clamp. (PAMF No. 15.) The mitigation contractor who
20 responded to the property likewise observed conditions consistent with a sudden
21 water intrusion event rather than prolonged seepage and reported the absence of
22 mold or other indicators of chronic moisture exposure. (Gevondyan Decl. ¶¶ 6–11;
23 PAMF Nos. 10–12.)

24 State Farm adjuster Galvis Watkins testified that he remembered the
25 plumber’s report stating that the loss involved a dishwasher leak. (PAMF Nos. 16)
26 Watkins testified that he was not familiar with what was observed during State
27 Farm’s initial inspection of the property. (PAMF No. 17) Watkins further testified
28

1 that his inspections are limited to visual surface inspections and do not involve
2 destructive or intrusive testing. (PAMF No. 18) Watkins also testified that he did
3 not recall whether State Farm authorized moisture testing following the initial
4 inspection. (PAMF No. 19)

5 Defendant's engineer, by contrast, did not inspect the dishwasher, did not
6 examine the hose that allegedly failed, and performed no testing or reconstruction
7 of the appliance. (PAMF Nos. 22–27.) Instead, his declaration merely
8 hypothesizes that a gradual leak “may” have occurred.

9 The existence of this competing evidence is fatal to Defendant's motion.
10 Summary judgment may not be granted where the record permits a reasonable
11 jury to conclude that the loss resulted from a sudden discharge of water rather than
12 gradual seepage. Because the evidence permits competing reasonable inferences
13 regarding the cause of the water intrusion, summary judgment cannot be granted.

14 II. LEGAL STANDARD

15 Summary judgment is appropriate only when the moving party
16 demonstrates that there is no genuine dispute as to any material fact and that the
17 moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The
18 purpose of summary judgment is not to resolve disputed factual issues but rather
19 to determine whether any such disputes exist that must be resolved at trial. A
20 factual dispute is considered genuine if the evidence is such that a reasonable jury
21 could return a verdict for the non-moving party. *Anderson v. Liberty Lobby, Inc.*,
22 477 U.S. 242, 248 (1986).

23 The court must view the evidence in the light most favorable to the non-
24 moving party and draw all reasonable inferences in that party's favor. *Tolan v.*
25 *Cotton*, 572 U.S. 650, 657 (2014). Courts may not weigh evidence or make
26 credibility determinations at the summary judgment stage, as those functions are
27 reserved for the trier of fact. *Anderson*, 477 U.S. at 255. The moving party bears
28 the initial burden of demonstrating the absence of a genuine issue of material fact.

1 *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). If that burden is met, the
2 burden shifts to the non-moving party to present evidence demonstrating the
3 existence of a genuine dispute for trial. *Id.* at 324.

4 Where the evidentiary record permits competing reasonable inferences
5 regarding causation, summary judgment is inappropriate because the weighing of
6 those competing inferences is reserved for the trier of fact. *Aguilar v. Atlantic*
7 *Richfield Co.* (2001) 25 Cal.4th 826, 856–857; *Binder v. Aetna Life Ins. Co.*
8 (1999) 75 Cal.App.4th 832, 839. At the summary judgment stage, the Court’s role
9 is limited to determining whether genuine disputes exist, not resolving them.

10 Where the record contains competing testimony, contemporaneous
11 documentation, and conflicting expert interpretations regarding the cause of a loss,
12 the Court must refrain from weighing that evidence or choosing between
13 competing factual inferences. The Ninth Circuit has repeatedly emphasized that
14 such determinations are reserved for the trier of fact because Rule 56 does not
15 permit the Court to decide which side’s evidence is more persuasive. When the
16 evidence allows reasonable jurors to draw different conclusions, the dispute must
17 proceed to trial.

18 **III. DEFENDANT CANNOT ESTABLISH AS A MATTER OF LAW THAT**
19 **THE LOSS RESULTED FROM GRADUAL SEEPAGE**

20 State Farm’s motion rests on the assertion that the water damage was
21 caused by repeated seepage or leakage occurring over a period of time. The record
22 evidence directly contradicts that premise. Plaintiff testified that the dishwasher
23 had never previously leaked and had functioned normally before the incident
24 occurred. (Hampartsoumian Decl. ¶¶ 3–5, 9; PAMF Nos. 3–4, 20.) She further
25 testified that the water damage was discovered suddenly after she returned home
26 and observed water covering the kitchen floor and surrounding areas.

27 (Hampartsoumian Decl. ¶¶ 6–8; PAMF Nos. 6–7, 21.) This testimony alone
28 creates a factual dispute as to whether the loss occurred suddenly rather than

1 gradually.

2 The plumber who inspected the dishwasher on the day of the incident
3 documented in a contemporaneous invoice that the dishwasher discharge hose had
4 “burst / had come apart.” (PAMF No. 14.) The plumber reattached the hose and
5 secured it with a clamp, resolving the problem. (PAMF No. 15.) This
6 documentation was created at the time of the repair and therefore constitutes direct
7 evidence regarding the condition of the hose immediately following the water
8 intrusion event.

9 Defendant attempts to infer that no sudden failure occurred because the
10 Roto-Rooter invoice did not charge for replacement parts and did not state that the
11 discharge hose was replaced. That argument mischaracterizes the evidence. The
12 plumber documented that the dishwasher discharge hose had “burst / had come
13 apart” and then resolved the problem by reattaching the hose and securing it with
14 a clamp. (PAMF Nos. 14–15.) A hose that separates from its connection point
15 does not necessarily require replacement parts in order to produce a sudden
16 discharge of water and reattachment with a clamp may resolve the issue. The
17 absence of a parts charge does not establish that the water damage resulted from
18 long-term seepage, and it does not eliminate the contemporaneous documentation
19 describing the hose failure observed during the inspection. At most, Defendant’s
20 argument reflects a competing interpretation of the repair invoice and that cannot
21 be resolved on summary judgment.

22 The mitigation contractor who responded to the property likewise observed
23 conditions consistent with a sudden water discharge event rather than long-term
24 seepage. (Gevondyan Decl. ¶¶ 6–11; PAMF Nos. 10–12.) The contractor
25 specifically noted that there was no visible mold or mildew that would indicate
26 chronic or long-standing moisture exposure. (Id.)

27 Defendant relies on its review of Plaintiff’s water bills to argue that a
28 sudden discharge of water could not have occurred because the bills did not show

1 an isolated spike in water consumption. That argument is speculative and
2 unsupported by competent evidence. Defendant has offered no testimony
3 establishing that a single dishwasher discharge event would necessarily produce a
4 measurable change in monthly water billing data. Moreover, Defendant’s own
5 corporate representative acknowledged that he did not recall reviewing all of the
6 water bills produced during the claim investigation. (PAMF Nos. 18–19.) A jury
7 could reasonably conclude that Defendant’s reliance on billing records that were
8 not meaningfully analyzed does not establish the absence of a sudden water
9 intrusion event.

10 Defendant further attempts to cast doubt on Plaintiff’s evidence by pointing
11 to a later communication in which the plumber was allegedly asked to revise the
12 wording of his report from “leak” to “burst.” Even accepting Defendant’s
13 characterization of that communication, it does not eliminate the contemporaneous
14 documentation created on the day of the incident. The Roto-Rooter invoice
15 prepared at the time of the repair independently documents that the discharge hose
16 had “burst / had come apart.” (PAMF No. 14.) That contemporaneous record
17 exists regardless of any subsequent revisions to narrative wording. Again, at
18 minimum, the competing interpretations of the plumber’s documentation create a
19 credibility question that cannot be resolved on summary judgment.

20 All of the above referenced evidence stands in direct contrast to
21 Defendant’s characterization of the loss as a gradual leak. At minimum, the
22 competing evidence creates a genuine dispute of material fact regarding whether
23 the loss resulted from a sudden hose failure. Where the record permits more than
24 one reasonable inference regarding the cause of the damage, summary judgment
25 must be denied. *Anderson*, 477 U.S. at 248.

26 **IV. DEFENDANT’S EXPERT OPINION DOES NOT ELIMINATE THE**
27 **FACTUAL DISPUTE**

28 Defendant relies heavily on the declaration of engineer Robert Carnahan to

1 argue that the loss must have resulted from gradual leakage rather than a sudden
2 failure of the discharge hose. Carnahan’s opinions do not eliminate the factual
3 dispute created by Plaintiff’s evidence. Carnahan did not inspect the dishwasher
4 that allegedly caused the loss, did not examine the discharge hose, and did not
5 conduct any testing of the appliance or plumbing components. (PAMF Nos. 22–
6 24.) His opinions are based solely on photographs and documents rather than
7 direct examination of the physical evidence. (PAMF No. 25.) Carnahan also
8 performed no reconstruction or simulation of the alleged dishwasher failure.
9 (PAMF Nos. 26–27.)

10 Defendant also relies on photographs produced during discovery to argue
11 that the discharge hose simply detached from the air-gap connection rather than
12 bursting. Those photographs, however, do not conclusively establish the cause of
13 the failure. At most, they provide one possible interpretation of the physical
14 configuration of the hose after the incident occurred. Plaintiff, by contrast, relies
15 on contemporaneous repair documentation, eyewitness observations, and
16 mitigation findings indicating that the hose failure produced a sudden discharge of
17 water into the kitchen area. (PAMF Nos. 10–15.) Determining which
18 interpretation of the physical evidence is more persuasive requires the weighing of
19 competing inferences, a task that is reserved for the trier of fact rather than the
20 Court on summary judgment.

21 Defendant further relies on its expert’s assertion that the dishwasher model
22 at issue uses approximately 3.2 gallons of water per cycle and therefore could not
23 have produced the damage observed at the property absent gradual leakage over
24 time. This theory is speculative. Carnahan did not inspect the dishwasher, did not
25 examine the discharge hose, and did not conduct any testing or reconstruction of
26 the appliance to determine how water may have escaped during the failure event.
27 (PAMF Nos. 22–27.) Instead, he offers a theoretical calculation based on
28 manufacturer specifications rather than direct examination of the appliance

1 involved in the loss. A jury could reasonably conclude that the observed damage
2 conditions and contemporaneous repair documentation provide more reliable
3 evidence of the cause of the water intrusion than a retrospective theoretical
4 estimate based on product specifications.

5 Instead of identifying evidence demonstrating gradual seepage, Carnahan
6 merely hypothesizes that the discharge hose “may have loosened over time.” At
7 summary judgment, a moving party must present evidence sufficient to
8 demonstrate that no reasonable jury could find otherwise. *Celotex Corp. v.*
9 *Catrett*, 477 U.S. 317, 323 (1986). Speculative expert opinions that are
10 unsupported by testing or physical inspection do not eliminate competing
11 evidence in the record. Expert testimony that rests on assumptions rather than
12 evidence does not entitle a moving party to summary judgment. Moreover, the
13 Ninth Circuit has repeatedly emphasized that summary judgment is inappropriate
14 where the parties present competing expert interpretations of the same events.
15 Determining which interpretation is more credible is a function reserved for the
16 jury rather than the court. Because Carnahan’s opinions are speculative and
17 directly contradicted by other evidence in the record, they do not eliminate the
18 factual dispute regarding the cause of the water intrusion.

19 **V. DEFENDANT BEARS THE BURDEN OF PROVING THE**
20 **APPLICABILITY OF THE POLICY EXCLUSION**

21 Even if Defendant’s theory were plausible, the motion fails because
22 Defendant bears the burden of proving that the policy exclusion applies. Under
23 California law, an insurer has the burden of establishing that a claim falls within a
24 policy exclusion. *MacKinnon v. Truck Ins. Exchange*, 31 Cal.4th 635, 648 (2003).
25 Exclusions are interpreted narrowly, and any ambiguity regarding their application
26 must be resolved in favor of coverage. *Id.* Here, the exclusion relied upon by State
27 Farm applies only where the damage results from *repeated* seepage or leakage
28 occurring over a period of time. The evidence summarized above permits a

1 **reasonable inference** that the water damage instead resulted from a sudden
2 discharge caused by the failure of the dishwasher hose. Because Defendant cannot
3 establish the applicability of the exclusion as a matter of law, summary judgment
4 is improper.

5 The California Supreme Court has also recognized that causation questions
6 under insurance policies frequently involve factual determinations that must be
7 resolved by the trier of fact. *Garvey v. State Farm Fire & Cas. Co.*, 48 Cal.3d 395,
8 412 (1989). When the evidence supports competing inferences regarding the cause
9 of the damage, the issue must be decided by the jury rather than on summary
10 judgment. This principle is particularly important in insurance coverage disputes
11 because determining the operative cause of a loss often requires the trier of fact to
12 evaluate competing explanations for the event and decide which account of the
13 evidence is more credible.

14 Finally, the policy language quoted by Defendant itself confirms that
15 coverage cannot be resolved as a matter of law on this record. The policy provides
16 that State Farm will pay for “any resulting loss” from certain excluded conditions
17 unless the resulting loss is itself excluded. (PAMF No. 1.) Even if Defendant were
18 correct that a component failure occurred at the dishwasher hose connection, the
19 resulting water damage to the surrounding flooring and interior areas constitutes a
20 separate loss that cannot be excluded without a factual determination regarding
21 the cause and sequence of events. Because the evidence permits competing
22 interpretations of how the water intrusion occurred and what damage resulted
23 from that event, the applicability of the policy exclusion cannot be determined on
24 summary judgment.

25 **VI. CREDIBILITY AND CAUSATION DETERMINATIONS MUST BE**
26 **RESOLVED BY A JURY**

27 Defendant’s motion ultimately asks the Court to resolve conflicting
28 evidence regarding the cause of the water loss. Plaintiff relies on her own

1 testimony regarding the sudden discovery of the water damage, the plumber’s
2 contemporaneous invoice documenting a burst hose, and the mitigation
3 contractor’s observations that the damage was consistent with a sudden discharge
4 event. (Hampartsoumian Decl. ¶¶ 3–8; Gevondyan Decl. ¶¶ 6–11; PAMF Nos. 2–
5 15.) Defendant, by contrast, relies on a retrospective interpretation of photographs
6 and the speculative opinions of an expert who never inspected the appliance that
7 allegedly failed. (PAMF Nos. 22–27.)

8 Resolving these competing accounts necessarily involves evaluating
9 witness credibility and weighing the relative persuasiveness of the evidence. The
10 Supreme Court has made clear that such determinations may not be made at the
11 summary judgment stage. *Anderson*, 477 U.S. at 255. Where the evidence
12 supports more than one reasonable interpretation, the dispute must be resolved by
13 the jury.

14 **VII. SUMMARY ADJUDICATION OF THE BAD FAITH CLAIM IS**
15 **IMPROPER**

16 Defendant also seeks summary adjudication of Plaintiff’s claim for breach
17 of the implied covenant of good faith and fair dealing based on the “genuine
18 dispute doctrine.” That argument fails because the reasonableness of State Farm’s
19 investigation and claim handling remains genuinely disputed. Under California
20 law, an insurer may not escape bad-faith liability merely by producing an expert
21 opinion supporting its coverage position. The insurer must demonstrate that its
22 claim handling and investigation were reasonable under the circumstances. When
23 the adequacy of the investigation itself is disputed, summary judgment on the bad-
24 faith claim is inappropriate.

25 The California Supreme Court has explained that the genuine dispute
26 doctrine does not relieve an insurer of liability where the insurer’s investigation
27 was inadequate or biased. *Wilson v. 21st Century Ins. Co.*, 42 Cal.4th 713, 723–
28 724 (2007). In *Wilson*, the Court held that an insurer cannot rely on the genuine

1 dispute doctrine where its coverage determination rests on an unreasonable
2 investigation or where the insurer ignores evidence supporting coverage. The
3 Ninth Circuit has similarly recognized that an insurer's reliance on expert
4 opinions does not automatically establish a genuine dispute where the
5 investigation itself may have been unreasonable. *Amadeo v. Principal Mut. Life*
6 *Ins. Co.*, 290 F.3d 1152, 1163–1164 (9th Cir. 2002). The Ninth Circuit likewise
7 recognizes that the genuine dispute doctrine does not apply where the insurer's
8 investigation was unreasonable or where the insurer ignored evidence supporting
9 coverage. *Guebara v. Allstate Ins. Co.*, 237 F.3d 987, 994 (9th Cir. 2001). When
10 the evidence supports competing inferences regarding whether the insurer
11 conducted a fair and objective investigation, the issue must be resolved by a jury.

12 Here, the record contains substantial evidence that State Farm's
13 investigation was incomplete and one-sided. Defendant's expert, Robert
14 Carnahan, did not inspect the dishwasher that allegedly caused the loss, did not
15 examine the discharge hose that failed, and performed no testing or reconstruction
16 of the appliance. (PAMF Nos. 22–27.) Instead, Carnahan formed his opinions
17 based solely on photographs and documents rather than a physical inspection of
18 the plumbing components involved in the loss. (PAMF No. 25.) A jury could
19 reasonably conclude that forming a causation opinion without examining the
20 appliance or the allegedly defective component reflects an inadequate
21 investigation rather than a reasonable basis for denial.

22 State Farm's own adjuster testimony further reflects the limited nature of
23 Defendant's investigation. State Farm adjuster Galvis Watkins testified that he
24 remembered the plumber's report stating that the loss involved a dishwasher leak.
25 (PAMF No. 16.) Watkins testified that he was not familiar with what was
26 observed during State Farm's initial inspection of the property. (PAMF No. 17.)
27 Watkins further testified that his inspections are limited to visual surface
28 inspections and do not involve destructive or intrusive testing. (PAMF No. 18.)

1 Watkins also testified that he did not recall whether State Farm authorized
2 moisture testing following the initial inspection. (PAMF No. 19.)

3 The contemporaneous evidence available to State Farm also supported a
4 sudden water discharge rather than gradual seepage. Plaintiff reported that the
5 water damage was discovered suddenly on September 1, 2023 after returning
6 home to find water covering the kitchen floor and adjacent areas.

7 (Hampartsoumian Decl. ¶¶ 6–8; PAMF Nos. 6–7.) The plumber who inspected the
8 dishwasher that same day documented that the dishwasher discharge hose had
9 “burst / had come apart,” and he resolved the issue by reattaching the hose and
10 securing it with a clamp. (PAMF Nos. 14–15.) The mitigation contractor likewise
11 observed damage consistent with a sudden water release and reported the absence
12 of mold or other indicators of chronic leakage. (Gevondyan Decl. ¶¶ 6–11; PAMF
13 Nos. 10–12.)

14 Despite this evidence, State Farm denied coverage based on its assumption
15 that the damage must have resulted from long-term seepage or leakage. A
16 reasonable jury could conclude that the insurer discounted or ignored evidence
17 supporting a sudden discharge in favor of a speculative causation theory
18 developed after the fact. Under California law, such conduct may support a
19 finding of bad faith because insurers have a duty to fully and fairly investigate
20 claims before denying coverage. *Wilson*, 42 Cal.4th at 723.

21 Moreover, the Ninth Circuit has made clear that the genuine dispute
22 doctrine does not apply where the insurer’s position is based on speculation rather
23 than objective evidence. *Amadeo*, 290 F.3d at 1163. Here, Carnahan’s declaration
24 merely hypothesizes that the discharge hose “may have loosened over time,” even
25 though he never inspected the appliance or the failed hose. (PAMF No. 26.) A
26 jury could reasonably find that this speculative theory does not constitute a
27 reasonable basis for denying coverage, particularly in light of the
28 contemporaneous plumber documentation describing a sudden failure of the hose.

1 Because the adequacy and objectivity of State Farm’s investigation are
2 genuinely disputed, summary adjudication of the bad-faith claim would be
3 improper. Determining whether the insurer acted reasonably requires the trier of
4 fact to evaluate the credibility of witnesses and weigh competing evidence
5 regarding the cause of the loss and the sufficiency of the investigation. Those
6 determinations cannot be made on summary judgment.

7 **VIII. PLAINTIFF’S DECLARATORY RELIEF CLAIM PRESENTS A**
8 **LIVE COVERAGE CONTROVERSY**

9 Defendant also seeks summary adjudication of Plaintiff’s declaratory relief
10 claim on the ground that it purportedly seeks only a retrospective determination
11 regarding past claim handling. That argument mischaracterizes the nature of the
12 claim. Plaintiff seeks a declaration regarding the parties’ rights and obligations
13 under the insurance policy, including whether the loss at issue is covered under
14 the policy’s terms. Declaratory relief remains appropriate where, as here, the
15 parties dispute the scope of coverage and the insurer continues to maintain that the
16 loss falls within a policy exclusion.

17 Declaratory relief is appropriate where parties dispute their respective rights
18 and obligations under a written contract. California courts have repeatedly
19 recognized that insurance coverage disputes are particularly well suited for
20 declaratory adjudication because the parties require a judicial determination
21 regarding the interpretation and application of policy provisions. *McClain v.*
22 *Octagon Plaza, LLC*, 159 Cal.App.4th 784, 800 (2008). The purpose of
23 declaratory relief is to resolve such controversies and clarify the legal relationship
24 between the parties before additional disputes arise.

25 In this case, the parties sharply dispute whether the homeowner’s policy
26 provides coverage for the water damage that occurred at Plaintiff’s property.
27 Defendant contends that the loss falls within the policy’s seepage exclusion, while
28 Plaintiff contends that the loss resulted from a sudden discharge of water and is

1 therefore covered. The resolution of this dispute necessarily requires interpretation
2 of the policy provisions governing water damage and the applicability of the
3 exclusion relied upon by State Farm. Because the parties continue to disagree
4 regarding the scope of coverage under the policy, an actual and present
5 controversy exists that is properly resolved through declaratory relief.

6 Furthermore, courts routinely allow declaratory relief claims to proceed
7 alongside breach of contract and bad-faith claims in insurance litigation because
8 the declaratory claim provides a mechanism for determining coverage obligations
9 under the policy. The fact that the declaratory claim overlaps with the breach of
10 contract claim does not render it improper; rather, it reflects the reality that
11 insurance coverage disputes often involve both contractual damages and judicial
12 clarification of policy rights.

13 Here, the evidence discussed above demonstrates that genuine disputes
14 exist regarding the cause of the water damage and the applicability of the policy
15 exclusion relied upon by Defendant. Those disputes directly affect the parties'
16 rights and obligations under the insurance contract. Because an actual controversy
17 regarding coverage plainly exists, Defendant cannot establish as a matter of law
18 that Plaintiff's declaratory relief claim fails. Accordingly, summary adjudication
19 of the declaratory relief claim should be denied. Even if the Court were to
20 disagree on one issue, summary adjudication is still improper because factual
21 disputes remain regarding causation and claim handling.

22 **IX. DEFENDANT'S AUTHORITIES DO NOT SUPPORT SUMMARY**
23 **JUDGMENT**

24 Defendant relies on several authorities addressing insurance coverage
25 disputes and the genuine dispute doctrine. Those cases do not compel summary
26 judgment here because they involve materially different factual circumstances,
27 most notably situations in which the evidentiary record did not contain competing
28 evidence regarding the cause of the loss or the adequacy of the insurer's

1 investigation.

2 First, Defendant’s reliance on cases applying policy exclusions for long-
3 term seepage or gradual leakage is misplaced because those decisions typically
4 involve situations in which the insured failed to present evidence contradicting the
5 insurer’s determination that the damage occurred over time. Here, by contrast,
6 Plaintiff has presented direct evidence demonstrating that the water intrusion
7 occurred suddenly when the dishwasher discharge hose failed. Plaintiff testified
8 that the dishwasher had never previously leaked and that the water damage was
9 discovered abruptly after she returned home. (Hampartsoumian Decl. ¶¶ 3–8;
10 PAMF Nos. 3–7.) The plumber who inspected the appliance on the day of the loss
11 likewise documented that the discharge hose had “burst / had come apart” and
12 repaired the problem by reattaching the hose with a clamp. (PAMF Nos. 14–15.)
13 This contemporaneous documentation directly contradicts Defendant’s
14 characterization of the loss as gradual seepage.

15 Second, Defendant’s reliance on authorities addressing the genuine dispute
16 doctrine does not entitle it to summary adjudication of the bad-faith claim. The
17 Ninth Circuit has made clear that the doctrine applies only where the insurer’s
18 coverage position is based on a reasonable investigation and an objectively
19 reasonable evaluation of the available evidence. *Guebara v. Allstate Ins. Co.*, 237
20 F.3d 987, 994 (9th Cir. 2001). The doctrine does not apply where the adequacy of
21 the insurer’s investigation is itself disputed. *Wilson v. 21st Century Ins. Co.*, 42
22 Cal.4th 713, 723–724 (2007). In this case, Defendant’s expert did not inspect the
23 dishwasher that allegedly caused the loss, did not examine the discharge hose that
24 failed, and performed no testing or reconstruction of the appliance. (PAMF Nos.
25 22–27.) A reasonable jury could conclude that forming a causation opinion
26 without examining the allegedly defective component reflects an incomplete
27 investigation rather than a reasonable basis for denying coverage.

28 Third, the authorities cited by Defendant do not address circumstances in

1 which competing expert opinions and contemporaneous repair documentation
2 create a factual dispute regarding the cause of the loss. Courts have repeatedly
3 recognized that summary judgment is inappropriate where the record contains
4 competing evidence regarding causation. See *Anderson v. Liberty Lobby, Inc.*, 477
5 U.S. 242, 248 (1986) (summary judgment improper where evidence permits a
6 reasonable jury to return a verdict for the non-moving party). Here, Defendant’s
7 expert merely hypothesizes that the discharge hose “may have loosened over
8 time,” while the plumber who inspected the appliance contemporaneously
9 documented that the hose had burst or come apart. (PAMF Nos. 14–15, 26.)
10 Resolving that conflict requires evaluating the credibility and weight of the
11 competing evidence, which is a function reserved for the jury rather than the
12 court.

13 Accordingly, the authorities cited by Defendant do not eliminate the
14 genuine disputes of material fact present in this case. At most, they demonstrate
15 that courts may grant summary judgment where the evidentiary record contains no
16 conflicting evidence regarding causation or claim handling. Because the record
17 here contains substantial evidence supporting Plaintiff’s theory of a sudden water
18 discharge and raising questions regarding the adequacy of Defendant’s
19 investigation, those authorities do not support summary judgment.

20 **X.CONCLUSION**

21 The record contains substantial evidence demonstrating that the water
22 damage resulted from a sudden discharge caused by the failure of a dishwasher
23 discharge hose. At a minimum, the record presents competing evidence regarding
24 the cause of the loss, including Plaintiff’s testimony, contemporaneous repair
25 documentation, mitigation observations, and Defendant’s speculative expert
26 opinions. Because Rule 56 does not permit the Court to resolve such competing
27 factual narratives or determine which interpretation of the evidence is more
28 credible, the dispute must be resolved by the trier of fact rather than on summary

1 judgment.

2 Because Defendant cannot establish the absence of a genuine factual
3 dispute regarding these issues, summary judgment is inappropriate. Defendant's
4 motion for summary judgment should therefore be denied in its entirety

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6 Date: March 13, 2026

PDS LAW OFFICES APC

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Vince Bakhdanyan, Esq.,
Attorney for Plaintiff

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