

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Title: KAYLE FLORES v. LIFE INSURANCE COMPANY OF NORTH AMERICA

PRESENT:

THE HONORABLE DAVID O. CARTER, JUDGE

Karlen Dubon
Courtroom Clerk

Not Present
Court Reporter

ATTORNEYS PRESENT FOR
PLAINTIFF:
None Present

ATTORNEYS PRESENT FOR
DEFENDANT:
None Present

PROCEEDINGS (IN CHAMBERS): ORDER GRANTING MOTION TO DISMISS [14]

Before the Court is a Motion to Dismiss (“Motion” or “Mot.”) (Dkt. 14) brought by Defendant Life Insurance Company of North America (“Defendant” or “LINA”). The Court finds this matter appropriate for resolution without oral argument. *See* Fed. R. Civ. P. 78; C.D. Cal. R. 7-15. Having reviewed the moving papers submitted by the parties, the Court **GRANTS** Defendant’s Motion.

I. Background

A. Facts

This case arises out of a dispute surrounding qualification for disability insurance benefits. *See generally* Complaint (“Compl.”) (Dkt. 1). Plaintiff Kayle Flores (“Plaintiff”) originally brought an action in this Court against LINA in 2020 seeking both Short Term Disability (“STD”) benefits and Long Term Disability (“LTD”) benefits. *Flores v. Life Ins. Co. of N. Am.*, No. SA CV 20-00897-DOC-ADS (“*Flores I*”).

Plaintiff suffers from Cushing’s disease, which prevented her from working as a registered nurse. Compl. ¶ 1. She filed suit seeking both STD and LTD benefits and, after

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 2

a bench trial, the Court found that Plaintiff was entitled to STD benefits but that, because she failed to comply with a proof of loss provision in the policy, she was not entitled to LTD benefits. Findings of Fact and Conclusions of Law, Defendant’s Request for Judicial Notice (“RJN”) Ex. 6 (Dkt. 14-1) at 8-9. The Court confirmed its finding regarding LTD benefits after Plaintiff filed a request for clarification and motion for reconsideration, which the Court denied. Order in Response to Plaintiff’s Request for Clarification and Denying Plaintiff’s Motion for Reconsideration, RJN Ex. 9 at 6-8. Plaintiff then attempted to file an LTD claim with LINA in 2021 and was denied in April of 2022. Opp’n at 6-7. She then filed the instant action against LINA. *Id.* at 7.

B. Procedural History

On April 28, 2022, Plaintiff filed her Complaint in this Court. Defendant filed the present Motion to Dismiss on June 17, 2022. Plaintiff opposed the motion (“Opp’n”) on July 5 (Dkt. 17). Defendant filed its Reply on July 18 (Dkt. 18).

II. Legal Standard

Under Federal Rule of Civil Procedure 12(b)(6), a complaint must be dismissed when a plaintiff’s allegations fail to set forth a set of facts that, if true, would entitle the complainant to relief. *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009); *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (holding that a claim must be facially plausible in order to survive a motion to dismiss). The pleadings must raise the right to relief beyond the speculative level; a plaintiff must provide “more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S. at 555 (citing *Papasan v. Allain*, 478 U.S. 265, 286 (1986)). On a motion to dismiss, a court accepts as true a plaintiff’s well-pleaded factual allegations and construes all factual inferences in the light most favorable to the plaintiff. *See Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). A court is not required to accept as true legal conclusions couched as factual allegations. *Iqbal*, 556 U.S. at 678.

In evaluating a Rule 12(b)(6) motion, review is ordinarily limited to the contents of the complaint and material properly submitted with the complaint. *Van Buskirk v. Cable News Network, Inc.*, 284 F.3d 977, 980 (9th Cir. 2002); *Hal Roach Studios, Inc. v. Richard Feiner & Co., Inc.*, 896 F.2d 1542, 1555, n.19 (9th Cir. 1990). Under the incorporation by reference doctrine, the court may also consider documents “whose contents are alleged in a complaint and whose authenticity no party questions, but which

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 3

are not physically attached to the pleading.” *Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir. 1994), overruled on other grounds by *Galbraith v. Cty. of Santa Clara*, 307 F.3d 1119, 1121 (9th Cir. 2002). The court may treat such a document as “part of the complaint, and thus may assume that its contents are true for purposes of a motion to dismiss under Rule 12(b)(6).” *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003).

When a motion to dismiss is granted, the court must decide whether to grant leave to amend. The Ninth Circuit has a liberal policy favoring amendments, and thus leave to amend should be freely granted. *See, e.g., DeSoto v. Yellow Freight Sys., Inc.*, 957 F.2d 655, 658 (9th Cir. 1992). However, a court need not grant leave to amend when permitting a plaintiff to amend would be an exercise in futility. *See, e.g., Rutman Wine Co. v. E. & J. Gallo Winery*, 829 F.2d 729, 738 (9th Cir. 1987) (“Denial of leave to amend is not an abuse of discretion where the pleadings before the court demonstrate that further amendment would be futile.”).

III. Discussion

Defendant moves to dismiss this case under the doctrine of res judicata, arguing that Plaintiff’s claims are precluded by the decision in *Flores I*. *See generally* Mot.

A. Request for Judicial Notice

Defendant requests that the Court take judicial notice of nine documents from *Flores I*, including Plaintiff’s two complaints, the Court’s Findings of Fact and Conclusions of Law, and other documents related both to trial and to the Court’s denial of reconsideration. RJN at 2-3.

Under Federal Rule of Evidence 201, a court may take judicial notice of court filings and other matters of public record. *Harris v. Cnty. of Orange*, 682 F.3d 1126, 1132 (9th Cir. 2012); *see also Reyn’s Pasta Bell a, LLC v. Visa USA, Inc.*, 442 F.3d 741, 746 n.6 (9th Cir. 2006) (taking judicial notice of pleadings, memoranda, and other court filings). Additionally, the court may take judicial notice of certain items without converting the motion to dismiss into one for summary judgment. *Barron v. Reich*, 13 F.3d 1370, 1377 (9th Cir. 1994). Thus, because Defendants’ proffered documents are matters of public record filed in this Court, the Court GRANTS Defendants’ Request for Judicial Notice.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 4

B. Res Judicata

Defendant argues that Plaintiff's claims are precluded by the doctrine of res judicata. Mot. at 1. Specifically, Defendant argues that the Court's finding that Plaintiff was not entitled to LTD benefits precludes the current suit. *Id.* Plaintiff contends that Defendant cannot establish the elements of res judicata and that to do so would be unfair. Opp'n at 8. The Court agrees with Defendant. Because the res judicata issue is dispositive, the Court does not consider Defendant's other argument relating to contractual limitations.

Res judicata, or claim preclusion, bars litigation in a subsequent action of any claims that were raised or could have been raised in the prior action. *Federated Dep't Stores, Inc. v. Moitie*, 452 U.S. 394, 398 (1981); *Costantini v. Trans World Airlines*, 681 F.2d 1199, 1201–02 (9th Cir. 1982). "Res judicata applies where there is (1) an identity of claims, (2) a final judgment on the merits, and (3) identity or privity between parties." *Tritz v. U.S. Postal Serv.*, 721 F.3d 1133, 1141 (9th Cir. 2013), *cert. denied*, 134 S. Ct. 2692 (2014).

Here, Plaintiff clearly meets two of the three prongs. There is clear identity of parties, as *Flores I* was brought by Plaintiff against Defendant. *See generally* RJN. There was also not only a final judgement on the merits related to Plaintiff's entitlement to LTD benefits but also the Court's confirmation that this was the correct outcome following Plaintiff's request for clarification and motion for reconsideration. RJN Ex. 6. Plaintiff does not contest either of these prongs in her res judicata analysis. Opp'n at 7-16. Instead, Plaintiff contends that the claims are not identical and therefore her new claim is not barred by res judicata. *Id.* The Court disagrees.

In determining whether the same cause of action is brought in both lawsuits, the Court looks at "(1) whether rights or interests established in the prior judgment would be destroyed or impaired by prosecution of the second action; (2) whether substantially the same evidence is presented in the two actions; (3) whether the two suits involve infringement of the same right; and (4) whether the two suits arise out of the same transactional nucleus of facts." *Harris v. Jacobs*, 621 F.2d 341, 343 (9th Cir. 1980). Importantly, res judicata applies whether or not questions were actually litigated in the first action. Res judicata "bars all grounds for recovery which could have been asserted, whether they were or not, in a prior suit between the same parties . . . on the same cause

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 5

of action.” *Ross v. IBEW*, 634 F.2d 453, 457 (9th Cir. 1980). The Court considers the four factors in turn.

First, Defendant argues that its rights from the original suit would be impaired if the current suit were allowed to continue. Mot. at 6-7. LINA claims that, because the Court found that Plaintiff was not entitled to LTD benefits in *Flores I*, its rights would be impaired by any suit seeking a judgment asserting Plaintiff is entitled to LTD benefits. *Id.* Plaintiff rebuts this point by arguing that the previous judgment was not on the merits—confusing this issue somewhat with another element of res judicata—because the Court’s ruling was based on Plaintiff’s failure to provide the required proof of loss and not on any eligibility for LTD benefits. Opp’n at 11. Plaintiff believes that the fact that the Court did not expressly find that she was permanently barred from receiving LTD benefits means that she can bring a claim for LTD benefits now. *Id.* However, contrary to Plaintiff’s understanding, the Court’s original ruling was a decision on the merits based on her failure to timely comply with the proof of loss provision of the policy, and Defendant is correct that a new suit seeking entitlement to LTD benefits would impair the rights established in a suit that found Plaintiff was not entitled to LTD benefits.

Next, Defendant argues that substantially the same evidence would be presented here as in *Flores I* because the exact same medical evidence, employment history, and Administrative would be presented as in *Flores I*. Mot. at 7. Plaintiff admits that much of this evidence will be identical but responds that she will supplement this with new medical information from a recent brain surgery as well as records related to the denial of her claim. Opp’n at 13-14. However, Plaintiff’s contention that she is eligible for LTD benefits relates primarily to her disability, and therefore requires a rehashing of the same medical and employment history. Accordingly, the Court finds that the evidence presented is substantially similar to that from the first action despite the few additions Plaintiff puts forward.

Third, Defendant argues that this case involves the same right as *Flores I*, namely entitlement to LTD benefits. Mot. at 7. Plaintiff again argues that she is seeking redress for the denial of her claim and that this is distinct from the Court’s earlier decision that she was not entitled to LTD benefits because of failure to provide proof of loss. Opp’n at 11-12. She also once again claims that the Court’s original judgment was not on the merits as a result. *Id.* However, the distinction Plaintiff attempts to draw does not exist. The Court’s original decision denying her entitlement to LTD benefits was made on the

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 6

merits and LINA’s denial of her LTD claim in the interim does not change the fact that the same right is at issue in both suits.

Finally, Defendant argues that the new claim arises out of the same nucleus of facts because the case involves Plaintiff’s same disability—Cushing’s disease—and the same LTD policy. Mot. at 5-6. Plaintiff counters that the denial of her April 2022 claim occurred after the filing of the original complaint and therefore raises a different set of facts from the original suit. Opp’n at 11. However, this reasoning ignores the fact that Plaintiff’s failure to properly and timely file her LTD claim in compliance with her policy was what barred her LTD claim in the original suit. RJN Ex. 6 at 9-11. Her attempt to file an LTD claim after a judgment on the merits in the original case therefore neither helps her nor creates a new nucleus of facts here.

Based on Defendant’s arguments on each of the above factors and Plaintiff’s failure to convincingly oppose them, Defendant has established that there is identity of claims between *Flores I* and the current suit. This fact, combined with the identity of parties and the final judgment on the merits, establishes that res judicata applies in this case.

Finally, Plaintiff argues that it would be fundamentally unfair to apply res judicata to her new claim for denial of LTD benefits. Opp’n at 14-17. She contends that she has not had a chance to fully and fairly argue her eligibility for disability benefits under the LTD policy. *Id.* However, as Defendant points out, Plaintiff had the opportunity to bring an LTD claim before commencing the litigation in *Flores I* and chose not to when offered by Defendant. Reply at 7-8; RJN Ex. 6 at 7 (“After Plaintiff left work in January 2018, she did not submit a separate LTD claim to LINA . . . Though LINA offered to evaluate whether Plaintiff was entitled to LTD benefits, Plaintiff declined to allow LINA to consider her claim”). Plaintiff also argues that the denial of her LTD claim was unfair because Defendant could only deny her claim for breach of the policy if it had been substantially prejudiced by the breach. Opp’n at 16. The Court explicitly found such prejudice was created by Plaintiff’s failure to timely file proof of loss in its original judgment. RJN Ex. 6 at 9-10. As a result, the Court does not consider the application of res judicata to be fundamentally unfair and believes that Plaintiff had the chance to fully argue her claims for LTD benefits in *Flores I*. That she did not do so is not grounds for denying the application of res judicata.

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CIVIL MINUTES – GENERAL

Case No. SA CV 22-00897-DOC-JDE

Date: August 1, 2022

Page 7

Plaintiff's claim is thus precluded and the Court **GRANTS** Defendant's Motion to Dismiss.

IV. Disposition

For the reasons set forth above, the Court **GRANTS** Defendant's Motion to Dismiss and **DISMISSES WITH PREJUDICE** Plaintiffs' Complaint.

The Clerk shall serve this minute order on the parties.

MINUTES FORM 11

Initials of Deputy Clerk: kdu

CIVIL-GEN