

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RAPHAEL MASSI AND CATHERINE MASSI

V.

C.A. NO. 05-4499

LISA MASSI AND CHRISTOPHER MASSI

MEMORANDUM OPINION AND ORDER

RUFE, J.

JANUARY 27, 2006

This breach of contract matter was initially commenced by Plaintiffs in the Court of Common Pleas of Delaware County, then removed by defendants to this Court on the basis of diversity of citizenship. Presently before the Court is plaintiffs' motion to remand the matter to state court. For the reasons which follow, the motion is denied.

It appears from the Complaint filed in state court that Raphael and Catherine Massi (collectively "Plaintiffs") are citizens of New Jersey and that Lisa Massi and Christopher Massi (collectively "Defendants") are citizens of Pennsylvania. Plaintiffs are husband and wife. Defendants are the Plaintiffs' son and daughter-in-law.

The Complaint alleges that the Plaintiffs and Defendants agreed (apparently orally) to jointly purchase a home. Plaintiffs made a down payment of \$141,000 and defendants secured a mortgage representing the balance of the purchase price.¹ The deed title was taken as an undivided one-half to each married couple as tenants by the entirety to their respective halves.

Defendant Lisa Massi subsequently filed for divorce and Christopher and Lisa Massi are currently involved in divorce proceedings in Delaware County. As a result, the parties agreed (presumably orally) to set aside the purchase agreement and sell the home and distribute all net proceeds to Plaintiffs.² The total net proceeds received from the sale of the home were \$132,073.77. At settlement, Lisa Massi refused to authorize the distribution of the net proceeds to Plaintiffs, and the proceeds were placed in escrow. Lisa Massi demanded 25% of the sale proceeds before she would agree to release any monies from escrow.

Plaintiffs seek the proceeds (\$132,073.77) from defendant Lisa Massi as well as punitive damages, attorney fees and costs. The Complaint makes no claim against Defendant Christopher Massi and alleges that he agrees that all monies should be immediately

¹Complaint at paragraph 3.

²Complaint at paragraph 5.

released to Plaintiffs.³

Lisa Massi has filed a counterclaim against Plaintiffs in which she contends that the \$141,000 down payment was a gift to her.

Plaintiffs argue that this matter must be remanded because there is a lack of diversity of citizenship and because the actual amount in controversy is less than \$75,000. This Court disagrees.

It is undisputed that Plaintiffs are citizens of New Jersey and Defendants are citizens of Pennsylvania. Therefore, complete diversity exists among the parties. In addition, the amount in controversy is in excess of the \$75,000 jurisdictional limit. Plaintiffs seek the net proceeds from the sale of the home, which total \$132,073.77, to offset the down payment they alone made in the amount of \$140,000.

Alternatively, Plaintiffs argue that this case falls within the so-called “domestic relations” exception to the diversity requirement. The “domestic relations” exception is a judicially-created doctrine which provides that “federal courts do not have jurisdiction in domestic relations suits except where necessary to the effectuation of prior state court judgments involving the same matter or where

³Complaint at paragraph 8.

jurisdiction lies by dint of the participation and review of territorial courts.”⁴ The plaintiff in Solomon alleged that the defendant-husband breached their separation agreement by failing to pay child support. The defendant admitted that he did not pay child support, but claimed he did not pay because the plaintiff had already breached the agreement by failing to allow visitation rights. On these facts, the Court of Appeals found that the “domestic relations exception” applied and that it would decline to exercise diversity jurisdiction.

In the case sub judice, however, there are no allegations of a breach of any separation, custody or any other divorce court agreement between husband Christopher Massi and wife Lisa Massi. Nor would such allegations be relevant to this litigation. Rather, the subject of this litigation is the daughter-in-law’s alleged breach of the alleged agreement to release all net proceeds from the sale of the home to her in-laws. Therefore, while there are domestic overtones to this litigation, the claim before the Court is essentially a breach of contract action and the “domestic relations exception” does not apply.

For the foregoing reasons, the Court finds that it has diversity jurisdiction over this matter and therefore Plaintiffs’ motion to remand is denied.

⁴Solomon v. Solomon, 516 F.2d 1018, 1024 (3d Cir. 1975) (emphasis in original).

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RAPHAEL MASSI AND CATHERINE MASSI

V.

C.A. NO. 05-4499

LISA MASSI AND CHRISTOPHER MASSI

ORDER

The motion of the plaintiffs to dismiss or remand [Doc. #4]
is DENIED.

The motion of the plaintiffs to remand [Doc. #5] is
DENIED.

The Court will set a date for a Rule 16 conference.

IT IS SO ORDERED.

CYNTHIA M. RUFÉ, J.

