UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

LAVONNA BERVEN,

Plaintiff,

v.

STURGIS HOSPITAL, INC.,

Defendant.
_____/

Case No. 1:25-cv-1142

HON. ROBERT J. JONKER

PAUL MINOR,

Plaintiff,

v.

STURGIS HOSPITAL, INC.,

Defendant.
_____/

Case No. 1:25-cv-1233

OPINION AND ORDER

Sturgis Hospital, Inc. ("Sturgis") operates a hospital in a rural community in southern-Michigan. In 2024 and 2025, hackers breached Sturgis's security system, opening access to thousands of patients' and employees' health records and personal information. The Plaintiffs in these two related cases are former patients who wish to bring a class action against Sturgis on behalf of everyone in the United States whose data was compromised in the breach. They think that, under the Class Action Fairness Act (CAFA), their state-law claims may proceed in federal court. But CAFA, in fact, requires dismissal. The record shows that, contrary to the Plaintiffs' position, the vast majority of individuals affected by the data breach reside in Michigan. And in cases like this, where both the defendant and more than two-thirds of the proposed class are citizens

of the state where the action was filed, CAFA deprives federal courts of subject-matter jurisdiction. Accordingly, because the Cout must decline jurisdiction over these cases, both are dismissed.

BACKGROUND

Sturgis is a nonprofit hospital with its principal place of business in Sturgis, Michigan. (No. 1:25-cv-01142, ECF No. 1, PageID.5). In Sturgis's own words, it is a "hometown" healthcare service. STURGIS HOSPITAL, https://sturgishospital.com/. Although Sturgis is located near the Indiana border, it primarily employs and serves Michigan residents.[1] Roughly 90% of Sturgis's employees reside in Michigan. (No. 1:25-cv-01142, ECF No. 10-1, PageID.79). And, since 2010, at least 90% of all patient visits to Sturgis were from individuals with a Michigan home address. (*Id.*).

In December 2024 and June 2025, Sturgis detected unauthorized activity in a portion of its computer network. (No. 1:25-cv-01233, ECF No. 17, PageID.125). According to Plaintiffs, an unauthorized third party gained access to the system and acquired the Personal Identifying Information (PII) and Private Health Information (PHI) of current and former Sturgis Hospital patients and employees. (ECF No. 1). Plaintiffs allege that approximately 77,771 individuals were affected by the breach. (*Id.*). On September 25, 2025, Sturgis Hospital issued notice letters to former patients and employees with known addresses that were potentially affected by the data breach. (No. 1:25-cv-1233, ECF No. 1, PageID.7; ECF No. 17-1, PageID.140). Approximately 21,379 notice letters were issued. (No. 1:25-cv-01233, ECF No. 17-1, PageID.140). Of those 21,379 notices, 19,412—or 90.80%—were sent to individuals with Michigan addresses. (*Id.*).

Plaintiffs Berven and Minor, and the proposed class members that they hope to represent, are current and former patients and employees whose PII/PHI was accessed in the breach. They

[1] During the regular course of business, Sturgis collects "a home address" from every employee and every patient that uses its services. (No. 1:25-cv-1142; ECF No. 25-1, PageID.252, 256).

bring multiple state law claims—negligence, negligence per se, breach of implied contract, unjust enrichment, and violations of the Michigan Consumer's Protection Act—against Sturgis. (ECF No. 1). Because Plaintiffs' claims are based on state law, they allege subject-matter jurisdiction under 28 U.S.C. 1332(d)(2), the CAFA provisions of the diversity jurisdiction statute. (*Id.*).

Sturgis moved to dismiss both cases. (No. 1:25-cv-1142, ECF No. 10; No. 1:25-cv-1233, ECF No. 17). At the Rule 16 conference, the Court allowed limited discovery into whether this Court has jurisdiction under the CAFA statutes. (*See* No. 1:25-cv-1142, ECF No.18, PageID.206). In each case, both parties have submitted additional briefing addressing that jurisdictional issue. (No. 1:25-cv-1142, ECF Nos. 24-25, 27-28; No. 1:25-cv-1233, ECF Nos. 29-32).

DISCUSSION

Sturgis argues that CAFA requires the Court to dismiss both cases. In Sturgis's view, the CAFA's home-state exception to jurisdiction applies here. Because Sturgis has shown by a preponderance of evidence that the home-state exception applies, the Court agrees and grants Sturgis's motion to dismiss in each case.[2]

Through CAFA, Congress amended the diversity statute to extend federal jurisdiction over class actions that meet special relaxed diversity and amount in controversy requirements. *See* § 28 U.S.C. 1332(d). Traditionally, diversity jurisdiction is only met when all plaintiffs are citizens of different states. But under CAFA, federal courts have jurisdiction over class actions where (1) *any* member of the class of Plaintiffs is a citizen of a different state than *any* defendant; (2) the class

[2] Sturgis also argues that the Court should dismiss the case because the Plaintiffs do not have Article III standing. Because the Court finds that dismissal is warranted under CAFA, the Court presumes, without deciding, that Plaintiffs have standing to bring their claims. Sturgis also argued that, as an alternative to dismissal, the Court should abstain under the *Colorado River* doctrine because at least 10 similar class actions against Sturgis, which have now been consolidated, are pending in state court. But because dismissal is warranted here, the Court need not address whether abstention is appropriate.

includes more than 100 putative members: and (3) the aggregate amount in controversy exceeds $5,000,000. §§ 1332(d)(2), (d)(5), (d)(6); *Roberts v. Mars Petcare US, Inc.*, 874 F.3d 953, 955 (6th Cir. 2017). In these cases, Sturgis does not argue that the Plaintiffs have failed to plead these basic requirements.

Even when these basic requirements are met, CAFA dictates that federal courts do not have jurisdiction over class actions in limited circumstances. Under the "home-state" exception, federal courts *must* decline jurisdiction if "two-thirds or more of the members of all proposed plaintiff classes in the aggregate," and the primary defendants, "are citizens of the State in which the action was originally filed." 28 U.S.C. § 1332(d)(4)(B); *Clark v. Lender Processing Servs.*, 562 F. App'x 460, 465 (6th Cir. 2014). Here, the parties do not dispute that Sturgis hospital is a citizen of Michigan, where this case was filed. The only dispute between the parties is whether more than two-thirds of the proposed class are citizens of Michigan.

The party invoking the home-state exception to CAFA—here, Defendant Sturgis—bears the burden of proving the exception by a preponderance of evidence. *See Mason v. Lockwood, Andrews & Newnam, P.C.*, 842 F.3d 383, 389 (6th Cir. 2016); *Christensen v. Saint Elizabeth Med. Ctr., Inc.*, No. 219CV0043WOBCJS, 2020 WL 3491371, at *6 (E.D. Ky. June 26, 2020). As such, Sturgis must show that it is more likely than not that more than two-thirds of the class members are citizens of Michigan.

Although CAFA speaks of "citizenship," Sturgis need not prove the actual citizenship of the class members. Under CAFA, citizenship is equivalent to domicile. *See Mason*, 842 F.3d at 389. Typically, domicile requires proof of "(1) residence and (2) and intent to remain there." *Id.* In the Sixth Circuit, however, the domicile inquiry for CAFA purposes is not "exceptionally difficult." *Id.* at 392. Rather, it is "practical and reasonable." *Id.*; *Owens v. Crestwyn Health Grp., LLC*, No.

2:24-CV-02853-MSN-ATC, 2025 WL 2419273, at *2 (W.D. Tenn. Aug. 21, 2025). In the CAFA context, this "practical" domicile inquiry "fits particularly well" because "the moving party is tasked with demonstrating a fact-centered proposition about a mass of individuals." *Mason*, 842 F.3d at 392; *see also Adams v. W. Marine Prods., Inc.*, 958 F.3d 1216, 1223 (9th Cir. 2020) ("Requiring a district court to examine the domicile of every proposed class member before ruling on the citizenship requirement would render class actions totally unworkable." (citation modified)). Because the domicile inquiry is reasonable, the Sixth Circuit has instructed that evidence of residence *alone* creates a rebuttable presumption of domicile. *Mason*, 842 F.3d at 390. As such, if Sturgis can show evidence of the class members' residency, and if the Plaintiffs do not sufficiently show why that evidence fails to prove residence, the Court can presume that those residences establish citizenship.

Originally, Sturgis relied solely on the declaration of Robert Morin, Sturgis's CFO and COO, to prove that most of the class are Michigan residents, and thus, Michigan citizens for CAFA purposes. *Cf. ORG Holdings Ltd. v. BMW Fin. Servs. NA, LLC*, 753 F. Supp. 3d 590 (N.D. Ohio 2024) (noting that declarations may be used as evidence of CAFA jurisdiction), *aff'd*, No. 24-3929, 2025 WL 2419621 (6th Cir. Aug. 21, 2025). But Sturgis has since supplied the Court with over ten thousand pages of hospital records that Morin relied on when making his declaration. (ECF Nos. 30-2 to 30-6). Considered together, these exhibits show that it is more likely than not that over two-thirds of the proposed class resides in Michigan.

On the whole, Sturgis's records consistently suggest that roughly 90% of its employees and former patients—the only two populations affect by the data breach—reside in Michigan. Morin testified, and the supporting documents show, that between 2010 to 2025—a fifteen-year span—

the percent of Sturgis employees that resided in Michigan ranged from 89.55% to 92.15%.[3] (No. 1:25-cv-1142; ECF No. 10-1, PageID.79). Morin again testified, and the supporting documents again show, that over that same fifteen-year span, the percent of patient visits from individuals with home addresses in Michigan ranged from 93.96% to 95.80%.[4] (*Id.*; ECF No. 25-1, PageID.252). According to Morin, the employee population and percentage of patient visits to Sturgis "has never, in any given year, been comprised of less than 67% of [individuals] residing in Michigan." (No. 1:25-cv-1233, ECF No. 17-1, PageID.141).

Together, this evidence strongly suggests that far more than two-thirds of the people who work at Sturgis or have used its services—the two populations affected by the data breach—resided, and were therefore presumptively domiciled, in Michigan. Even more persuasively, Morin testified that when Sturgis mailed approximately 21,379 notice letters to potential class members, 19,412 of those letters—or 90.8%, a fraction consistent with the forementioned residency data—were sent to individuals with Michigan home-addresses. (*Id.*). The near unanimity of these numbers, all of which are far greater than 67%, make it easy for the Court to find that Sturgis has shown that it is more likely than not that over two-thirds of the proposed class members are

[3] More specifically, the numbers of employees per year from 2010 to 2025 that resided in Michigan were: 2010: 389/424 (91.75%); 2011: 381/421 (90.50%); 2012: 382/424 (90.09%); 2013: 378/422 (89.57%); 2014: 382/425 (89.88%); 2015: 394/440 (89.55%); 2016: 395/440 (89.77%); 2017: 393/441 (89.12%); 2018: 377/419 (89.98%); 2019: 321/357 (89.92%); 2020: 217/239 (90.79%); 2021: 201/223 (90.13%); 2022: 200/217 (92.17%); 2023: 196/213 (92.02%); 2024: 176/191 (92.15%); 2025: 170/185 (91.89%). (No. 1:25-cv-1142, ECF No. 10-1, PageID.79; *see generally* ECF No. 25-7)

[4] More specifically, the number of visits per year from 2010 to 2025 from patients with Michigan addresses were: 2010: 54,571/57,459 (94.97%); 2011: 55,069/57,902 (95.11%); 2012: 55,507/58,532 (94.83%); 2013: 57,210/60,825 (94.06%); 2014: 63,611167,530 (94.20%); 2015: 66,532170,812 (93.96%); 2016: 64,464/68,426 (94.21%); 2017: 65,026/68,656 (94.71 %); 2018: 54,578/57,223 (95.38%); 2019: 44,711/46,916 (95.30%); 2020: 42,624/45,050 (94.61 %); 2021: 42,127/44,377 (94.93%); 2022: 35,545/37,488 (94.82%); 2023: 31,199/32,690 (95.44%); 2024: 29,117/30,438 (95.66%); 2025: 25,656/26,782 (95.80%). (No. 1:25-cv-1142, ECF No. 10-1, PageID.79; *see generally* ECF No. 25-2 to 25-6)

residents, and therefore citizens, of Michigan. *Cf. Adams*, 958 F.3d at 1222-23 (concluding that the plaintiff "readily met her burden" through "evidence showing that more than 90% of class members had last known mailing addresses" in the home state); *Owens*, 2025 WL 2419273, at *2 (finding home-state exception where "evidence shows that 72% of all individuals who received notification letters" of a data breach were citizens of the home-state); *Christensen*, 2020 WL 3491371, at *7 (finding home-state exception based only on a "declaration" which showed that "over eighty percent" of notice letters were sent to individuals with an address in the home state).

Plaintiffs do not provide any evidence that contradicts Sturgis's records; in fact, they seemingly acknowledge that the numerical address data accurately represents the information that Sturgis had on file.[5] Instead, Plaintiffs attempt to poke holes into Sturgis's records and speculate that, overall, they are unreliable indicators of residence and citizenship. But none of Plaintiffs' arguments are persuasive.

Plaintiffs primarily speculate about the validity and reliability of Sturgis's residency data. For example, in the Plaintiffs' view, the addresses for former patients may be faulty because the Defendants never confirmed whether the home addresses provided were, in fact, "home" addresses. Nor, according to Plaintiffs, does Sturgis explain how current the data is. (No. 1:25-cv-1233, ECF No. 18, PageID.246; ECF No. 31, PageID.10599; *see also* ECF No. 29, PageID.403-06). And, according to Plaintiffs, the patient-visit data that Sturgis submits does not fairly represent the class because it includes "repeat patients" that may have sought care from Sturgis multiple times and other individuals that may not have been affected by the breach. (*Id.*). All of these speculations, and others like them, miss the mark.

[5] Lack of contradictory evidence, alone, may be enough to find that Plaintiffs failed to rebut the domicile presumption. *See Mason*, 842 F.3d at 395 (finding home-state exception after noting the "complete absence of any evidence tending to rebut" residency data); *Christensen*, 2020 WL 3491371, at *7 (same).

For one, the record indicates that Sturgis took steps to ensure that its address residence data was accurate. Sturgis required their employees to provide a home address. (ECF No. 25-1, PageID.256). Sturgis also asked patients to provide a home address at every visit. (*Id.* at PageID.252). If patients visited multiple times, Sturgis would only use the most recent address provided. (*Id.* at PageID.254). And, before sending out notice letters to individuals affected by the breach, Sturgis used a third-party vendor to check for address changes for *everyone* that had been identified as involved in the data breach. (*Id.* at PageID.254, 264). In the Court's view, these procedures work together to ensure that residence data is reasonably accurate. Indeed, courts have found similar kinds of address information, with presumably similar record keeping procedures, to be persuasive evidence of residence. *Cf. Christensen,* 2020 WL 3491371, at *7 (crediting notice letters mailed to current and former employees of a medical center with a home-state address listed, despite the plaintiff's "speculat[ions] that such parties may have moved out-of-state"); *Owens*, 2025 WL 2419273, at *2 (finding home-state exception even where many notice letters came back as "undeliverable").

Further, Plaintiffs may be correct that the patient-visit data overrepresents the number of Michigan residents affected by the breach because the "visits" includes repeat patients. But they do not explain, nor do they provide any evidence to show, how that sort of "double counting" would overstate the number of Michigan patients by roughly 30 percent. Rather, it seems more likely to the Court double counting would only marginally inflate the percentage of patients from Michigan. Indeed, the percentage of patients visits from individuals with a Michigan address—

roughly 90%—is consistent with the percentage of notice letters that were sent to *actual* individuals—also roughly 90%[6]—suggesting that double counting had a negligible impact.[7]

Plaintiff also speculates that because Sturgis Hospital is located only a few miles from the Indiana border, the number of out-of-state patients must be higher than Sturgis reports. True, location may be a factor in the citizenship analysis. *See Mason*, 842 F.3d at 395. And true, Sturgis is close to the Indiana border, which may suggest that it serves more than just Michigan population. But even so, circumstantial geographic evidence, such as this, is far less probative of residency than Sturgis's direct evidence, which overwhelmingly shows that Sturgis primarily serves and employs Michigan residents. As such, the mere fact that Sturgis may be close to Indiana does not rebut the presumption of domicile here. In fact, other attributes of Sturgis—that is located "exclusively" in Sturgis, Michigan, and markets itself as a "hometown" medical service—weigh in favor of applying the home-state exception. *Owens*, 2025 WL 2419273, at *2 (finding the same factors "bolster the inference" of citizenship).

[6] Plaintiffs also argues that Sturgis's notice letter data is not persuasive evidence. According to the Plaintiffs, because only 19,412 notices were sent to individuals with Michigan addresses, that shows, at best, "24.97% of the alleged class . . . are domiciled in Michigan," which is "far below" two-thirds of the class. (No. 1:25-cv-1233, ECF No. 18, PageID.245). But this argument is specious. Even if the number of individuals affected by the breach amounts to roughly 77,000 individuals, as Plaintiffs allege, Sturgis sent out notice letters to 21,379 individuals—a large sample size of the alleged population affected by the breach. Of those 21,379 notice letters, 90.8% were sent to Michigan addresses. It is reasonable for the Court to infer that the 90.8% figure, taken from the 21,379 notice-letter sample, accurately represents the entire 77,000 population. Plaintiffs offer no plausible hypothesis for why the rate of Michigan residents for the rest of the 77,000 individuals affected by the breach would be any different. To the contrary, the fact that the percent of letters sent to Michigan residents is consistent with Sturgis's employee and patient residency data indicates that it accurately represents the residency data of the proposed class. As such, the 90% figure is more likely than not consistent throughout all 77,000 people affected by the breach.

[7] In fact, the percent of patient visits from people from Michigan is, in general, only a few percentage points higher than the percent of notice letters sent to Michigan addresses, supporting the Court's theory that any double counting in the patient data would only marginally inflate the percentage of patients that were Michigan residents.

In general, all of Plaintiffs' speculations miss the broader point. Under the applicable preponderance of evidence standard of review, all Sturgis needs to show is that it is more likely than not that two-thirds of the proposed class are citizens of Michigan. This relaxed standard means that even if Plaintiffs are correct that Sturgis's residency data is not the most reliable or accurate measure of citizenship, Sturgis's home-state exception argument does not necessarily fail. The standard is preponderance, not certainty. And in cases like this, where *all* the evidence consistently shows that the percent of proposed class members from Michigan greatly exceeds the 67% threshold, the preponderance standard is easily surpassed. If Sturgis's residency data showed a Michigan population closer to the two-thirds threshold (say, 70%), then Plaintiffs' speculations might bear further analysis. Under these circumstances, however, nothing of record suggests a reasonable basis for thinking the data overstates Michigan residency by roughly 25%. Rather, the consistency of the data suggests that Sturgis's information easily meets the preponderance standard.

The Court finds that the home-state exception to CAFA applies. Therefore, the Court cannot exercise jurisdiction over this case. *See* 28 U.S.C. § 1332(d)(4)(B). Plaintiffs will be able to participate in one or more of the ten other now-consolidated class actions addressing the same data breach in Michigan state court. But this federal action must be dismissed for lack of jurisdiction.

ACCORDINGLY, IT IS SO ORDERED that, in each case, Sturgis's Motion to Dismiss (No. 1:25-cv-1142, ECF No. 10; No. 1:25-cv-1233, ECF No. 17) is **GRANTED**.

Dated: May 26, 2026

/s/ Robert J. Jonker
ROBERT J. JONKER
UNITED STATES DISTRICT JUDGE.