

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Paradise Service, LLC v. Mercedes-Benz USA, LLC

No. CV 25-1462-DMG (DTBx) (C.D. Cal. June 16, 2025) (not reported) · No. CV 25-1462-DMG (DTBx) ·
Decided June 16, 2025

SUMMARY

The United States District Court for the Central District of California ordered Mercedes-Benz USA, LLC to show cause why this Song-Beverly Act action should not be remanded to Riverside County Superior Court. The court questioned whether diversity jurisdiction was established because the defendant had not alleged the citizenship of each owner or member of the plaintiff LLC.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Dolly M. Gee, Chief United States District Judge
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 16, 2025
DOCKET	CV 25-1462-DMG (DTBx)
DISPOSITION	other
PROCEDURAL POSTURE	Defendant removed a California state-law action from Riverside County Superior Court to federal court based on diversity jurisdiction. The district court issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal subject matter jurisdiction, and doubts concerning the right of removal are resolved against removal.
PRECEDENTIAL VALUE	unpublished and unreported district court order

TOPICS

- subject matter jurisdiction
- civil procedure

PRACTICE AREAS

- civil procedure
- removal jurisdiction
- diversity jurisdiction
- consumer protection

QUESTIONS PRESENTED

1. Whether the removing defendant adequately established complete diversity for purposes of federal diversity jurisdiction when it failed to allege the citizenship of each owner or member of the plaintiff LLC.
2. Whether the defendant should be required to show cause why the action should not be remanded for lack of subject matter jurisdiction.

HOLDINGS

1. A party invoking removal based on diversity jurisdiction must establish the citizenship of every member or owner of an LLC; merely asserting the LLC's state citizenship is insufficient.
2. Because the removal papers failed to establish complete diversity, the defendant was ordered to show cause why the action should not be remanded for lack of subject matter jurisdiction.

KEY QUOTATIONS

“The burden of establishing federal subject matter jurisdiction falls on the party invoking removal.” (1)

“As there is a “‘strong presumption’ against removal jurisdiction[,]” an action should be remanded “if there is any doubt as to the right of removal” (1)

“an LLC is a citizen of every state of which its owners/members are citizens.” (1)

FACTUAL BACKGROUND

Paradise Service, LLC brought state-law claims under California's Song-Beverly Act against Mercedes-Benz USA, LLC in California state court. Mercedes-Benz removed the case, asserting diversity jurisdiction. Although Mercedes-Benz asserted that Paradise Service was a California citizen, it did not allege the citizenship of each owner or member of the LLC.

PROCEDURAL HISTORY

On May 1, 2025, Paradise Service, LLC filed a complaint against Mercedes-Benz USA, LLC in Riverside County Superior Court, asserting claims under California's Song-Beverly Act. Mercedes-Benz removed the action to the Central District of California on June 11, 2025, invoking diversity jurisdiction under 28 U.S.C. § 1332(a). The district court found that the removal papers did not allege the citizenship of each owner or member of the plaintiff LLC and ordered Mercedes-Benz to show cause by June 26, 2025, why the case should not be remanded.

DISPOSITION

other

REMAND INSTRUCTIONS

Defendant was ordered to file a written response by June 26, 2025 explaining why the action should not be remanded to Riverside County Superior Court for lack of subject matter jurisdiction. Failure to timely file a satisfactory response would result in remand.

CASES CITED

- *Marin Gen. Hosp. v. Modesto & Empire Traction Co.*, 581 F.3d 941, 944 (9th Cir. 2009)
- *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992)
- *Johnson v. Columbia Props. Anchorage LP*, 437 F.3d 894, 899 (9th Cir. 2006)
- *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001)

OPINION

Paradise Service, LLC v. Mercedes-Benz USA, LLC

PER CURIAM.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES—GENERAL

Case No. CV 25-1462-DMG (DTBx) Date June 16, 2025 Title Paradise Service, LLC v. Mercedes-Benz USA, LLC Page 1 of 2 Present: The Honorable DOLLY M. GEE, CHIEF UNITED STATES DISTRICT JUDGE

DEREK DAVIS NOT REPORTED

Deputy Clerk Court Reporter Attorneys Present for Plaintiff(s) Attorneys Present for Defendant(s) None Present None Present Proceedings: IN CHAMBERS—ORDER TO SHOW CAUSE WHY THIS CASE

SHOULD NOT BE REMANDED TO RIVERSIDE COUNTY SUPERIOR COURT

On May 1, 2025 Plaintiff Paradise Service, LLC filed a Complaint in Riverside County Superior Court against Defendant Mercedes-Benz USA, LLC, alleging state-law causes of action under California’s Song-Beverly Act. See Notice of Removal (“NOR”), Ex. A (“Compl.”) [Doc. # 1-1].¹ On June 11, 2025, Defendant removed the action to federal court, invoking this Court’s diversity jurisdiction under 28 U.S.C. section 1332(a). [Doc. # 1.] Under 28 U.S.C. section 1441(a), an action may be removed from a state court to a federal district court if the latter would have had original jurisdiction over the action had it been filed in that court. Pursuant to 28 U.S.C. section 1332(a)(2), a district court shall have jurisdiction over a civil action between citizens of a state and citizens or subjects of a foreign state in which the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs. “The burden of establishing federal subject matter jurisdiction falls on the party invoking removal.” *Marin Gen. Hosp. v. Modesto & Empire Traction Co.*, 581 F.3d 941, 944 (9th Cir. 2009). As there is a “‘strong presumption’ against removal jurisdiction[,]” an action should be remanded “if there is any doubt as to the right of removal” See *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). Plaintiff is an LLC, and Defendant has

not alleged the citizenship of each of Plaintiff's owners or members. See *Johnson v. Columbia Props. Anchorage LP*, 437 F.3d 894, 899 (9th Cir. 2006) (“[A]n LLC is a citizen of every state of which its owners/members are citizens.”); *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001) (“The natural person's state citizenship is . . . determined by [his or] her state of domicile”). Despite its assertion that Plaintiff is a California citizen, without further information about the citizenship of its owners or 1 All page references herein are to page numbers inserted by the CM/ECF system.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES—GENERAL

Case No. CV 25-1462-DMG (DTBx) Date June 16, 2025 Title Paradise Service, LLC v. Mercedes-Benz USA, LLC Page 2 of 2 members, Defendant has not demonstrated that Plaintiff is completely diverse from Defendant and that this Court has diversity jurisdiction over this case. In light of the foregoing, Defendant is ORDERED TO SHOW CAUSE in writing by June 26, 2025 why this action should not be remanded to Riverside County Superior Court for lack of subject matter jurisdiction. Failure to timely file a satisfactory response will result in the remand of this action. IT IS SO ORDERED.