

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Schulcz v. Rocket Mortgage, LLC

Schulcz · No. 1:24-cv-00189-SAB · Decided March 27, 2025

SUMMARY

The United States District Court for the Eastern District of California denied Plaintiff Francis Schulcz’s motion to remand an action against Rocket Mortgage, LLC. The court concluded that complete diversity existed and that the amount in controversy exceeded \$75,000 based principally on potential treble damages under California Penal Code section 496(c). The court also denied Plaintiff’s request for attorney’s fees and costs and reset the mandatory scheduling conference for April 24, 2025.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Stanley A. Boone
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	March 27, 2025
DOCKET	1:24-cv-00189-SAB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to remand a removed state-law action for lack of subject-matter jurisdiction and requested attorney's fees and costs under 28 U.S.C. § 1447(c).
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal jurisdiction by a preponderance of the evidence. When the jurisdictional amount is not facially apparent from the complaint, the court determines whether it is more likely than not that the amount in controversy exceeds \$75,000.
PRECEDENTIAL VALUE	unpublished district court order; persuasive only
PARTIES	Francis Schulcz v. Rocket Mortgage, LLC

TOPICS

- subject matter jurisdiction
- civil procedure
- attorney fees
- insurance
- real estate

PRACTICE AREAS

civil procedure

remedies

insurance

real estate

QUESTIONS PRESENTED

1. Whether complete diversity of citizenship existed between the plaintiff and Rocket Mortgage, LLC.
2. Whether the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction based on the plaintiff's alleged actual damages and potentially recoverable treble damages.
3. Whether the plaintiff was entitled to attorney's fees and costs incurred in opposing removal under 28 U.S.C. § 1447(c).

HOLDINGS

1. Complete diversity existed because the plaintiff was a California citizen and the removing defendant sufficiently established that Rocket Mortgage, LLC was a citizen of Michigan and Delaware through the citizenship of its members.
2. The amount in controversy exceeded \$75,000 because the complaint alleged \$40,297.95 in actual damages and entitlement to treble damages under California Penal Code section 496(c), resulting in a potential recovery of \$120,893.85.
3. Attorney's fees and costs under 28 U.S.C. § 1447(c) were not warranted because Defendant had a reasonable basis for removal.

KEY QUOTATIONS

“The removal statute is strictly construed against removal jurisdiction, and the burden of establishing federal jurisdiction falls to the party invoking the statute.” (at 2)

“The amount in controversy reflects the maximum recovery the plaintiff could reasonably recover.” (at 6)

FACTUAL BACKGROUND

Francis Schulcz owns real property in Oakhurst, California, and Rocket Mortgage, LLC is a lienholder under the property's deed of trust. After property damage, a third party issued a \$40,297.95 insurance-proceeds check payable to Schulcz, who forwarded it to Rocket Mortgage for endorsement. Rocket Mortgage allegedly refused to endorse the check and withheld the funds, which Schulcz alleged constituted conversion, theft, and a violation of California Penal Code section 496(a), entitling him to treble damages under section 496(c).

PROCEDURAL HISTORY

Plaintiff filed the action in Madera County Superior Court on January 8, 2024. Defendant removed the action to the Eastern District of California on February 9, 2024, asserting diversity jurisdiction. Plaintiff moved to remand, arguing that the amount in controversy did not exceed \$75,000. The court denied the motion and the related request for attorney's fees and costs, and reset the mandatory scheduling conference.

DISPOSITION

other

REMAND INSTRUCTIONS

The motion to remand and request for attorney's fees and costs were denied. The mandatory scheduling conference was reset for April 24, 2025, and the parties were ordered to file an amended scheduling report seven days before the conference.

CASES CITED

- *Caterpillar, Inc. v. Williams*, 482 U.S. 386, 392 (1987)
- *Cal. ex rel. Lockyer v. Dynegy, Inc.*, 375 F.3d 831, 838 (9th Cir. 2004)
- *Provincial Gov't of Marinduque v. Placer Dome, Inc.*, 582 F.3d 1083, 1087 (9th Cir. 2009)
- *Matheson v. Progressive Specialty Ins. Co.*, 319 F.3d 1089, 1090 (9th Cir. 2003)
- *Abrego Abrego v. The Dow Chemical Co.*, 443 F.3d 676, 679 (9th Cir. 2006)
- *NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 612 (9th Cir. 2016)
- *Johnson v. Columbia Props. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006)
- *Lewis v. Verizon Commc'ns, Inc.*, 627 F.3d 395, 400 (9th Cir. 2010)
- *Gonzales v. CarMax Auto Superstores, LLC*, 840 F.3d 644, 648-49 (9th Cir. 2016)
- *Arias v. Residence Inn by Marriott*, 936 F.3d 920, 927-28 (9th Cir. 2019)
- *Theis Rsch., Inc. v. Brown & Bain*, 400 F.3d 659, 662 (9th Cir. 2005)
- *Singer v. State Farm Mut. Auto. Ins. Co.*, 116 F.3d 373, 377 (9th Cir. 1997)
- *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 404 (9th Cir. 1996)
- *Korn v. Polo Ralph Lauren Corp.*, 536 F. Supp. 2d 1199, 1204-05 (E.D. Cal. 2008)
- *Bolger-Linna v. Am. Stock Transfer & Tr. Co., LLC*, No. 3:24-CV-00539-RBM-VET, 2024 WL 4713905, at *7 (S.D. Cal. Nov. 7, 2024)
- *Pag-Daly City, LLC v. Quality Auto Locators, Inc.*, No. C 12-03907 WHA, 2013 WL 4510392, at *8 (N.D. Cal. Aug. 22, 2013)
- *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 840 (9th Cir. 2002)
- *Simmons v. PCR Tech.*, 209 F. Supp. 2d 1029, 1032-33 (N.D. Cal. 2002)
- *Eagle v. Am. Tel. & Tel. Co.*, 769 F.2d 541, 545 (9th Cir. 1985)
- *Galt G/S v. JSS Scandinavia*, 142 F.3d 1150, 1156 (9th Cir. 1998)
- *Fritsch v. Swift Transp. Co. of Arizona, LLC*, 899 F.3d 785, 794 (9th Cir. 2018)
- *Gibson v. Chrysler Corp.*, 261 F.3d 927, 945 (9th Cir. 2001)
- *May v. Google LLC*, No. 24-CV-01314-BLF, 2024 WL 4681604, at *8 (N.D. Cal. Nov. 4, 2024)
- *Gierke v. Allstate Prop. & Cas. Ins. Co.*, No. C19-0071JLR, 2019 WL 1434883, at *2 n.3 (W.D. Wash. Apr. 1, 2019)

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