

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Jake Pehrson v. Home Depot U.S.A., Inc. et al.

Pehrson · No. 8:25-cv-00823-DOC-DFM · Decided April 23, 2025

SUMMARY

The United States District Court for the Central District of California sua sponte remands this personal injury action to California state court. The court concludes that Home Depot failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, and therefore diversity jurisdiction was lacking.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	David O. Carter
JURISDICTION	United States District Court for the Central District of California
DECIDED	April 23, 2025
DOCKET	8:25-cv-00823-DOC-DFM
DISPOSITION	remanded
PROCEDURAL POSTURE	Home Depot removed a California personal-injury action from the Superior Court of California, County of Orange, asserting diversity jurisdiction. The district court sua sponte remanded the case for lack of subject matter jurisdiction because the removing defendant did not establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject matter jurisdiction. When the complaint does not clearly or unambiguously allege more than \$75,000, the defendant must show by a preponderance of the evidence that the amount in controversy exceeds the jurisdictional threshold. Subject matter jurisdiction may be considered sua sponte at any time before final judgment.
PRECEDENTIAL VALUE	Unknown; district-court civil minute order with no reported citation or stated precedential designation.
PARTIES	Home Depot U.S.A., Inc. v. Jake Pehrson

TOPICS

subject matter jurisdiction

civil procedure

premises liability

negligence

personal injury

PRACTICE AREAS

civil procedure

federal jurisdiction

personal injury

premises liability

QUESTIONS PRESENTED

1. Whether the district court had diversity subject matter jurisdiction when the complaint did not specify a damages amount and the notice of removal relied principally on a statement of damages listing \$1,000,000 for pain, suffering, and inconvenience.
2. Whether the case had to be remanded sua sponte because Home Depot failed to show by a preponderance of the evidence that the amount in controversy exceeded \$75,000.

HOLDINGS

1. Home Depot failed to establish by a preponderance of the evidence that more than \$75,000 was in controversy because its assertion was unsupported by underlying facts, the complaint alleged no numerical damages, and the statement of damages provided a speculative pain-and-suffering figure while leaving other damages as 'TBD.'
2. The court was required to remand the action to state court because it lacked diversity subject matter jurisdiction.
3. The court would not include speculative civil penalties or attorney fees in the amount in controversy calculation.

KEY QUOTATIONS

“If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded.” (2)

“Removal of a case from state court to federal court is governed by 28 U.S.C. § 1441” (2)

“A removing defendant “may not meet [its] burden by simply reciting some ‘magical incantation’ to the effect that ‘the matter in controversy exceeds the sum of [\$75,000],’ but instead, must set forth in the removal petition the underlying facts supporting its assertion that the amount in controversy exceeds [\$75,000].”” (3)

FACTUAL BACKGROUND

Pehrson alleged that on March 9, 2023, while browsing at a Home Depot store in Santa Ana, California, a 50-pound bag of wet concrete mix fell from a display shelf and struck his spine, causing serious bodily injuries. He asserted negligence and premises-liability claims against Home Depot and Doe defendants. Although Pehrson's statement of damages listed \$1,000,000 for pain, suffering, and inconvenience, it provided no amount for medical expenses or lost wages and the complaint alleged no numerical amount of damages.

PROCEDURAL HISTORY

Pehrson filed suit in Orange County Superior Court on March 3, 2025, alleging negligence and premises liability arising from injuries allegedly caused by a falling bag of concrete mix. Home Depot was served on March 19, 2025, and removed the action on April 18, 2025. On April 23, 2025, the district court determined that the amount-in-controversy requirement for diversity jurisdiction was not established and remanded the action sua sponte.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk was directed to serve the minute order on the parties. The action was remanded to the Superior Court of Orange County.

CASES CITED

- Ethridge v. Harbor House Rest., 861 F.2d 1389, 1393 (9th Cir. 1988)
- Exxon Mobil Corp. v. Allapattah Servs., Inc., 545 U.S. 546, 553 (2005)
- Guglielmino v. McKee Foods Corp., 506 F.3d 696, 699 (9th Cir. 2007)
- St. Paul Mercury Indem. Co. v. Red Cab Co., 303 U.S. 283, 288-89 (1938)
- Crum v. Circus Enters., 231 F.3d 1129, 1131 (9th Cir. 2000)
- Gaus v. Miles, Inc., 980 F.2d 564, 567 (9th Cir. 1992)
- Sanchez v. Monumental Life Ins. Co., 102 F.3d 398, 403-04 (9th Cir. 1996)
- Richmond v. Allstate Ins. Co., 897 F. Supp. 447, 450 (S.D. Cal. 1995)
- Coleman v. Estes Express Lines, Inc., 730 F. Supp. 2d 1141, 1148-49 (C.D. Cal. 2010)
- Matheson v. Progressive Specialty Ins. Co., 319 F.3d 1089, 1090-91 (9th Cir. 2003)
- Singer v. State Farm Mut. Auto. Ins. Co., 116 F.3d 373, 377 (9th Cir. 1997)
- Gonzalez v. Crosby, 545 U.S. 524, 534 (2005)
- Steel Co. v. Citizens for a Better Env't, 523 U.S. 83, 94, 101-02 (1998)
- Snell v. Cleveland, Inc., 316 F.3d 822, 826 (9th Cir. 2002)
- Galt G/S v. JSS Scandinavia, 142 F.3d 1150, 1156 (9th Cir. 1998)