

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Onisko & Scholz, LLP, Paul Scholz, and Cindy Schoelen, on behalf of
themselves and all others similarly situated v. B.S.D. Capital, Inc.,
d/b/a Lendistry

Onisko & Scholz, LLP v. B.S.D. Capital, Inc., No. 2:24-cv-10314-MEMF-SK (C.D. Cal. Oct. 27, 2025) · No.
2:24-cv-10314-MEMF-SK · Decided October 27, 2025

SUMMARY

The United States District Court for the Central District of California granted Plaintiffs’ motion for attorneys’ fees and costs under 28 U.S.C. § 1447(c) after remanding the putative class action to state court. The Court held that Defendant lacked an objectively reasonable basis for removal under the Class Action Fairness Act because it failed to provide evidence establishing minimal diversity. The Court also found the fee motion timely and determined that Plaintiffs’ counsel’s requested hourly rates were reasonable.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Maame Ewusi-Mensah Frimpong
JURISDICTION	United States District Court for the Central District of California
DECIDED	October 27, 2025
DOCKET	2:24-cv-10314-MEMF-SK
DISPOSITION	other
PROCEDURAL POSTURE	After the Court remanded Plaintiffs' putative class action to state court, Plaintiffs moved under 28 U.S.C. § 1447(c) for attorneys' fees and costs incurred in connection with the removal and remand proceedings.
STANDARD OF REVIEW	The award of fees under 28 U.S.C. § 1447(c) is committed to the district court's discretion. The Court applies the objectively reasonable basis standard for determining entitlement to fees and the lodestar method for calculating a reasonable award.
PRECEDENTIAL VALUE	unpublished district court order; nonprecedential

PARTIES

B.S.D. Capital, Inc., d/b/a Lendistry v. Onisko & Scholz, LLP, Paul Scholz, Cindy Schoelen, the putative class

TOPICS

attorney fees civil procedure class actions commercial litigation remedies

PRACTICE AREAS

civil procedure removal and remand attorneys' fees class actions commercial litigation

QUESTIONS PRESENTED

1. Whether Plaintiffs' motion for attorneys' fees was an improper motion for reconsideration of the remand order.
2. Whether Plaintiffs' motion for attorneys' fees was timely under the applicable federal rules, local rules, and the Court's Civil Standing Order.
3. Whether Lendistry lacked an objectively reasonable basis for removing the action under CAFA, thereby entitling Plaintiffs to fees under 28 U.S.C. § 1447(c).
4. What amount of attorneys' fees was reasonable under the lodestar method.

HOLDINGS

1. The motion was not a motion for reconsideration because the Court had not previously expressly ruled on Plaintiffs' request for attorneys' fees.
2. The motion was timely.
3. Plaintiffs were entitled to attorneys' fees because Lendistry lacked an objectively reasonable basis for removal.
4. Plaintiffs were entitled to \$26,520 in attorneys' fees, calculated using 31.2 attorney hours and no paralegal hours.

KEY QUOTATIONS

“The party seeking to invoke the district court’s diversity jurisdiction always bears the burden of both pleading and proving diversity jurisdiction” (at 7)

“There is no basis, in short, to accept part of the Complaint and reject the other in making allegations of minimal diversity.” (at 8)

“This Court believes that this calculation fairly strikes the balance between “the desire to deter removals sought for the purpose of prolonging litigation and imposing costs on the opposing party” and “not undermining Congress’s basic decision to afford defendants a right to remove . . . when the statutory criteria are satisfied.”” (at 10)

FACTUAL BACKGROUND

Lendistry administered California's Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program and operated a website through which applicants applied for grants and verified bank accounts. Plaintiffs alleged that a third-party bank-verification partner intercepted communications and accessed applicants' bank-account information without consent. Plaintiffs filed a putative class action asserting sixteen California-law claims, and Lendistry removed based on CAFA, arguing that the class definition necessarily included non-California citizens.

PROCEDURAL HISTORY

Plaintiffs filed a class action in Los Angeles County Superior Court on October 28, 2024. Lendistry removed the action under the Class Action Fairness Act on November 27, 2024. The Court granted Plaintiffs' motion to remand on June 24, 2025, and Plaintiffs then moved for attorneys' fees. Following briefing and oral argument, the Court granted the motion in part and awarded \$26,520.

DISPOSITION

other

CASES CITED

- Martin v. Franklin Capital Corp., 546 U.S. 132, 140-41 (2005)
- Lussier v. Dollar Tree Stores, Inc., 518 F.3d 1062, 1065-66 (9th Cir. 2008)
- Grancare, LLC v. Thrower ex rel. Mills, 889 F.3d 543, 552 (9th Cir. 2018)
- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 613-14 (9th Cir. 2016)
- DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n.3 (2006)
- Broadway Grill, Inc. v. Visa Inc., 856 F.3d 1274, 1276 (9th Cir. 2017)
- Mondragon v. Capital One Auto Finance, 736 F.3d 880, 884 (9th Cir. 2013)
- Ehrman v. Cox Communications, Inc., 932 F.3d 1223, 1225 (9th Cir. 2019)
- Brinkley v. Monterey Financial Services, Inc., 873 F.3d 1118, 1122 (9th Cir. 2017)
- Harris v. Bankers Life & Casualty Co., 425 F.3d 689, 695-96 (9th Cir. 2005)
- Camacho v. Bridgeport Financial, Inc., 523 F.3d 973, 982-83 (9th Cir. 2008)
- Ferland v. Conrad Credit Corp., 244 F.3d 1145, 1147-49 & n.4 (9th Cir. 2001)
- Blum v. Stenson, 465 U.S. 886, 895 n.11 (1984)
- United Steelworkers of America v. Phelps Dodge Corp., 896 F.2d 403, 406-07 (9th Cir. 1990)
- Gates v. Deukmejian, 987 F.2d 1392, 1397-98 (9th Cir. 1993)
- Van Gerwen v. Guarantee Mutual Life Co., 214 F.3d 1041, 1048 (9th Cir. 2000)
- Moore v. Permanente Medical Group, Inc., 981 F.2d 443, 447 (9th Cir. 1992)
- Gotro v. R&B Realty Group, 69 F.3d 1485, 1488 (9th Cir. 1995)
- Clemons v. Mississippi, 494 U.S. 738 (1990)
- Roy v. County of Los Angeles, No. CV 12-09012-AB (FFMx), 2018 WL 3439168, at *1, *4 (C.D. Cal. July 11, 2018)

- Houden v. Todd, 348 F. App'x 221, 223 (9th Cir. 2009)

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