

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Theodora Morris v. Data Media Associates, LLC

Morris · No. 8:25-cv-00398-FWS-KES · Decided April 1, 2025

SUMMARY

The United States District Court for the Central District of California granted Theodora Morris’s motion to remand a data-breach action to state court and denied her request for costs and attorney fees. The court held that Morris’s binding stipulation limiting damages to less than the federal diversity-jurisdiction threshold defeated removal jurisdiction, notwithstanding her prior, voluntarily dismissed action involving the same claims. The court found that the defendant had an objectively reasonable basis for removal and therefore declined to award sanctions.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fred W. Slaughter
JURISDICTION	United States District Court for the Central District of California
DECIDED	April 1, 2025
DOCKET	8:25-cv-00398-FWS-KES
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand a removed diversity action to state court and sought costs and attorney fees under 28 U.S.C. § 1447(c).
STANDARD OF REVIEW	The court applied de novo principles to the question of subject-matter jurisdiction and exercised discretion in deciding whether to award costs and attorney fees under 28 U.S.C. § 1447(c).
PRECEDENTIAL VALUE	unpublished

TOPICS

- subject matter jurisdiction
- civil procedure
- costs
- sanctions
- commercial litigation

PRACTICE AREAS

- Civil procedure
- Federal jurisdiction
- Removal and remand
- Attorney fees and costs

QUESTIONS PRESENTED

1. Whether the plaintiff's binding stipulation limiting damages to less than \$75,000 defeated the amount-in-controversy requirement for diversity jurisdiction and required remand.
2. Whether the plaintiff was entitled to costs and attorney fees under 28 U.S.C. § 1447(c) because the defendant lacked an objectively reasonable basis for removal.
3. Whether the court should defer ruling on the remand motion because of a potential transfer to an MDL proceeding.

HOLDINGS

1. A plaintiff may avoid removal by filing a state-court complaint containing a binding stipulation that limits the amount recoverable to below the federal diversity-jurisdiction threshold. Morris's stipulation limited the amount in controversy to less than \$75,000, so DMA failed to establish the jurisdictional threshold and remand was required.
2. The court was not required to defer ruling on the remand motion because the preliminary merits inquiry showed that removal was improper.
3. Morris was not entitled to costs or attorney fees because DMA had an objectively reasonable basis for seeking removal, even though the removal ultimately failed.

KEY QUOTATIONS

“Plaintiffs are ‘the masters of their complaints.’”

“Because Morris chose to file her Complaint in state court with a binding cap on damages below the statutory threshold, DMA ‘cannot show with legal certainty that the amount in controversy is satisfied.’”

“Absent unusual circumstances, courts may award attorney’s fees under § 1447(c) only where the removing party lacked an objectively reasonable basis for seeking removal.”

FACTUAL BACKGROUND

Morris alleged that DMA compromised the security of her private information through a data breach. She filed the action in California state court with a stipulation that she would not seek or recover more than \$74,000, including damages and attorney fees, and would not seek declaratory, injunctive, or other equitable relief. DMA removed the case on diversity grounds, relying in part on Morris's earlier, voluntarily dismissed action involving the same claims and an MDL proceeding.

PROCEDURAL HISTORY

Morris filed the action in the Superior Court of Orange County, California, and DMA removed it based on diversity jurisdiction. Morris's complaint included a binding stipulation limiting her recovery to less than \$75,000 and waiving declaratory, injunctive, and other equitable relief. The court granted the motion to remand and denied the request for costs and attorney fees, returning the matter to the Orange County Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The matter was remanded to the Superior Court of Orange County, California, case number 30-2025-01454345-CU-BT-CJC. The court denied the request for costs and attorney fees.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375, 377 (1994)
- Peralta v. Hisp. Bus., Inc., 419 F.3d 1064, 1069 (9th Cir. 2005)
- Strawbridge v. Curtiss, 7 U.S. (3 Cranch) 267, 267 (1806)
- Owen Equip. & Erection Co. v. Kroger, 437 U.S. 365, 373 (1978)
- Matheson v. Progressive Specialty Ins. Co., 319 F.3d 1089, 1090 (9th Cir. 2003)
- Lee v. Am. Nat. Ins. Co., 260 F.3d 997, 1004 (9th Cir. 2001)
- Theis Research, Inc. v. Brown & Bain, 400 F.3d 659, 662 (9th Cir. 2005)
- Kenneth Rothschild Tr. v. Morgan Stanley Dean Witter, 199 F. Supp. 2d 993, 1001 (C.D. Cal. 2002)
- LaCross v. Knight Transp. Inc., 775 F.3d 1200, 1202 (9th Cir. 2015)
- Fritsch v. Swift Transp. Co. of Ariz., LLC, 899 F.3d 785, 794-95 (9th Cir. 2018)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 135 S. Ct. 547, 554 (2014)
- California ex rel. Lockyer v. Dynegy, Inc., 375 F.3d 831, 838 (9th Cir. 2004)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Conroy v. Fresh Del Monte Produce Inc., 325 F. Supp. 2d 1049, 1053 (N.D. Cal. 2024)
- Acosta-Smith v. Equifax Inc., 2018 WL 1155981, at *2 (C.D. Cal. Mar. 5, 2018)
- Blood v. Equifax, Inc., 2018 WL 3636960, at *2-3 (C.D. Cal. July 30, 2018)
- Standard Fire Ins. Co. v. Knowles, 568 U.S. 588, 595 (2013)
- Royal Canin U.S.A., Inc. v. Wulschleger, 604 U.S. 22, 38 n.8 (2025)
- Aetna Inc. v. Gilead Scis., Inc., 599 F. Supp. 3d 913, 919 (N.D. Cal. 2022)
- Katzman v. American Airlines, Inc., 1997 WL 752730, at *1-2 (S.D.N.Y. Dec. 4, 1997)
- Martinez v. Sunnova Energy Corporation, 2025 WL 732350, at *2, *6-7 (C.D. Cal. Mar. 7, 2025)
- St. Paul Mercury Indem. Co. v. Red Cab Co., 303 U.S. 283, 288-89 (1938)
- Navellier v. Sletten, 262 F.3d 923, 938 (9th Cir. 2001)
- Rios v. Wirepath Home Sys., LLC, 2019 WL 6715044, at *2 (C.D. Cal. Dec. 10, 2019)
- Martin v. Franklin Capital Corp., 546 U.S. 132, 141 (2005)
- Lussier v. Dollar Tree Stores, Inc., 518 F.3d 1062, 1065 (9th Cir. 2008)
- Jordan v. Nationstar Mortg. LLC, 781 F.3d 1178, 1184 (9th Cir. 2015)

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