

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Virginia Martin v. FCA US, LLC et al.

Martin v. FCA US, LLC · No. 8:26-cv-00077-DOC-KES · Decided January 27, 2026

SUMMARY

The United States District Court for the Central District of California sua sponte remands a Song-Beverly Consumer Warranty Act action to the Superior Court of California, County of Orange. The court concludes that the removing defendant failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, relying on claimed actual damages of \$13,389.95 and declining to include speculative civil penalties or attorneys’ fees.

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	January 27, 2026
DOCKET	8:26-cv-00077-DOC-KES
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California state-law consumer warranty action to federal court. The district court sua sponte determined that diversity jurisdiction was lacking because the removing defendant did not establish that the amount in controversy exceeded \$75,000 and remanded the case to state court.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject matter jurisdiction by a preponderance of the evidence when the complaint does not clearly allege an amount in controversy exceeding \$75,000. Subject matter jurisdiction may be raised sua sponte at any time.
PRECEDENTIAL VALUE	Unknown; district court minute order with no reporter citation or stated precedential designation.
PARTIES	Virginia Martin v. FCA US, LLC, et al.

TOPICS

subject matter jurisdiction

civil procedure

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PRACTICE AREAS

civil procedure

removal and remand

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consumer warranty litigation

QUESTIONS PRESENTED

1. Whether the district court had diversity jurisdiction over the removed Song-Beverly Consumer Warranty Act action.
2. Whether Defendant established by a preponderance of the evidence that the amount in controversy exceeded the \$75,000 jurisdictional threshold.
3. Whether the court should sua sponte remand the action for lack of subject matter jurisdiction.

HOLDINGS

1. Defendant failed to show by a preponderance of the evidence that more than \$75,000 was in controversy. The only non-speculative damages shown were \$13,389.95, which was below the jurisdictional threshold.
2. The court must remand a removed action when it determines before final judgment that subject matter jurisdiction is lacking, and it may raise the jurisdictional issue sua sponte.

KEY QUOTATIONS

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

“Defendant has not met its burden to show that the amount in controversy requirement is satisfied.”

FACTUAL BACKGROUND

Plaintiffs brought California Song-Beverly Consumer Warranty Act claims concerning a 2018 Jeep Compass. Defendant calculated Plaintiffs' actual damages at \$13,389.95 after deductions for mileage offset, third-party service contracts, a manufacturer rebate, and negative equity. Although Defendant asserted that civil penalties and attorneys' fees could bring the amount in controversy above \$75,000, the court deemed those potential awards speculative on the record presented.

PROCEDURAL HISTORY

Plaintiffs filed suit in the Superior Court of California, County of Orange, on March 26, 2025, asserting claims under the Song-Beverly Consumer Warranty Act concerning the purchase of a 2018 Jeep Compass. Defendant removed the action to the Central District of California on March 27, 2025. The district court sua sponte remanded the case because Defendant failed to establish the amount-in-controversy requirement for diversity jurisdiction.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk shall serve the minute order on the parties. The case is remanded to the Superior Court of California, County of Orange.

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)
- *Geographic Expeditions, Inc. v. Estate of Lhotka ex rel. Lhotka*, 599 F.3d 1102, 1106-07 (9th Cir. 2010)
- *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)
- *Galt G/S v. JSS Scandinavia*, 142 F.3d 1150, 1156 (9th Cir. 1998)
- *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)