

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Stephanie Azzinari v. Volkswagen Grp. of Am., Inc.

Azzinari · No. CV 25-4997-JPR · Decided October 2, 2025

SUMMARY

The United States District Court for the Central District of California grants Plaintiff Stephanie Azzinari’s motion to remand a Song-Beverly Consumer Warranty Act action to Los Angeles County Superior Court. The court concludes that Defendant did not establish by a preponderance of the evidence that the amount in controversy exceeded the \$75,000 diversity-jurisdiction threshold, excluding the vehicle’s residual value and considering the claimed damages and maximum civil penalty.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Jean Rosenbluth
JURISDICTION	United States District Court for the Central District of California
DECIDED	October 2, 2025
DOCKET	CV 25-4997-JPR
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand a removed Song-Beverly Consumer Warranty Act action for lack of diversity jurisdiction because Defendant had not established that the amount in controversy exceeded \$75,000.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing that removal is proper. When the complaint is ambiguous as to the amount in controversy, the defendant must establish by a preponderance of the evidence that the amount-in-controversy requirement is satisfied. Removal statutes are strictly construed against removal jurisdiction, and doubts are resolved in favor of remand.
PRECEDENTIAL VALUE	Unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- consumer protection
- damages
- remedies

PRACTICE AREAS

Federal jurisdiction

Removal and remand

Consumer warranty law

Damages

QUESTIONS PRESENTED

1. Whether Defendant established that the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction.
2. Whether the residual value of a leased vehicle should be included in calculating the amount in controversy under the Song-Beverly Consumer Warranty Act.
3. Whether the potential restitution, civil penalty, attorney's fees, and other damages together satisfied the amount-in-controversy requirement.

HOLDINGS

1. Defendant failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, so federal diversity jurisdiction was not established.
2. The residual value of the leased vehicle was not included in the amount in controversy because it was not part of the amount paid or payable by the lessee.
3. The maximum potential civil penalty, even when added to the claimed actual damages, did not bring the amount in controversy above \$75,000.

KEY QUOTATIONS

“Courts “strictly construe the removal statute against removal jurisdiction,” and “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.”” (3)

“It is the removing party’s burden to establish that removal is proper.” (3)

“the residual value of a leased vehicle is generally not included in the amount in controversy because it is not part of the amount “paid or payable” by a lessee.” (6)

“Defendant has not shown that the amount in controversy meets or exceeds the statutory minimum.” (7)

FACTUAL BACKGROUND

Plaintiff leased a 2023 Volkswagen Taos from Defendant for a total lease price of \$17,382.06. She alleged warranty defects that substantially impaired the vehicle and that Defendant could not repair the vehicle after a reasonable number of attempts. Plaintiff sought restitution, incidental and consequential damages, attorney's fees, prejudgment interest, and a civil penalty of up to twice her actual damages. Defendant relied in part on the vehicle's \$18,018.56 residual value in asserting that the amount in controversy exceeded \$75,000.

PROCEDURAL HISTORY

Plaintiff filed the action in Los Angeles County Superior Court on April 25, 2025. Defendant answered on June 2, 2025, and removed the action to federal court that day under the diversity-jurisdiction statute. Plaintiff moved

to remand, the parties briefed the motion, and the court granted the motion and remanded the case to Los Angeles County Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action was remanded to Los Angeles County Superior Court.

CASES CITED

- Hunter v. Philip Morris USA, 582 F.3d 1039, 1042 (9th Cir. 2009)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Shamrock Oil & Gas Corp. v. Sheets, 313 U.S. 100, 108–09 (1941)
- Harris v. Bankers Life & Cas. Co., 425 F.3d 689, 694 (9th Cir. 2005)
- Kuxhausen v. BMW Fin. Servs. NA LLC, 707 F.3d 1136, 1140 (9th Cir. 2013)
- Guglielmino v. McKee Foods Corp., 506 F.3d 696, 699 (9th Cir. 2007)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 89 (2014)
- Ibarra v. Manheim Invs., Inc., 775 F.3d 1193, 1197 (9th Cir. 2015)
- Singer v. State Farm Mut. Auto. Ins. Co., 116 F.3d 373, 377 (9th Cir. 1997)
- Avila v. Con-Way Freight Inc., 588 F. App’x 560, 561 (9th Cir. 2014)
- Flam v. Flam, 788 F.3d 1043, 1047 n.2 (9th Cir. 2015)
- Gomez v. Nissan N. Am., Inc., 2025 WL 26368, at *3 (C.D. Cal. Jan. 3, 2025)
- Maguire v. Volkswagen Grp. of Am., Inc., 2024 WL 5316229, at *1 n.1 (C.D. Cal. Sept. 30, 2024)
- D’Amico v. Ford Motor Co., 2020 WL 2614610, at *2 (C.D. Cal. May 21, 2020)
- Cotterell v. General Motors LLC, 2019 WL 6894256, at *9 (D. Conn. Dec. 18, 2019)
- Wang v. FCA US LLC, 2025 WL 1218745, at *2 (C.D. Cal. Apr. 28, 2025)
- Babasa v. LensCrafters, Inc., 498 F.3d 972, 974 (9th Cir. 2007)
- Morey v. Louis Vuitton N. Am., Inc., 461 F. App’x 642, 643 (9th Cir. 2011)

OPINION

1 JS-6 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF
CALIFORNIA 10 11 12 STEPHANIE AZZINARI,) Case No. CV 25-4997-JPR) 13 Plaintiff,))
ORDER GRANTING PLAINTIFF’S MOTION 14 Vv.) TO REMAND AND REMANDING
CASE TO) LOS ANGELES COUNTY SUPERIOR COURT 15 VOLKSWAGEN GRP. OF AM.,
) INC.,)) Te Defendant.) 17 18 Plaintiff filed this action in Los Angeles County Superior 19 |
Court on April 25, 2025.

(Notice Removal, Ex. A, ECF No. 1-1 at The Complaint raises claims under the Song-Beverly Consumer 1 Warranty Act for breach of express warranty and breach of the 22 implied warranty of merchantability. (Id. at 6-8.) 23 On May 2, 2025, Plaintiff personally served on Defendant a | COPY of the Complaint and Summons. (Id. at 2.) Defendant 25 answered on June 2 (id., Ex. B, ECF No. 1-2 at 2) and on the same || day removed the case to this Court based on diversity 27 jurisdiction (id., ECF No. 1 at 1-2).

On August 27, Plaintiff 28 moved to remand to state court, arguing that Defendant “cannot 1 establish.. that the amount in controversy exceeds the \$75,000 2 threshold required.” (Mot. Remand, ECF No. 13 at 2.) Defendant 3 opposed on September 4, and Plaintiff replied a week later. 4 Because oral argument would not materially assist it in resolving 5 the dispute, the Court ordered the hearing off calendar and took 6 the matter under submission.

(See ECF No. 17); C.D. Cal. R. 7- 7 15. 8 The parties have consented to the jurisdiction of the 9 undersigned U.S. Magistrate Judge. (See ECF No. 8.) For the 10 reasons discussed below, the Court GRANTS Plaintiff’s Motion to 11 Remand and ORDERS this action REMANDED to Los Angeles County 12 Superior Court. 13 BACKGROUND 14 The Complaint alleges that Plaintiff is a citizen of 15 California and Defendant is a New Jersey corporation “registered 16 to do business” here.

(Notice Removal, Ex. A, ECF No. 1-1 at 5.) 17 On October 19, 2023, Plaintiff leased from Defendant a 2023 18 Volkswagen Taos. (Id. at 6.) “Plaintiff[] leased [the vehicle] 19 for a total price of \$17,382.06.” (Id.) Alleged “[d]efects and 20 nonconformities to warranty manifested themselves within the 21 applicable express warranty period,” and those alleged 22 “nonconformities substantially impaired the use, value and/or 23 safety” of the vehicle.

(Id.) Plaintiff “delivered the vehicle 24 to an authorized [Volkswagen] repair facility for repair of the 25 nonconformities,” but Defendant “was unable to conform the... 26 [v]ehicle to the applicable express warranty after a reasonable 27 number of repair attempts.” (Id.) Plaintiff seeks 28 “reimbursement of the price paid and/or owed for the... 2 1 [v]ehicle less that amount directly attributable to use by the 2 Plaintiff[] prior to the first presentation to an authorized 3 repair facility for a nonconformity.” (Id.)

She asks for 4 “incidental, consequential, and general damages”; “costs and 5 expenses”; “attorney’s fees”; a “civil penalty of up to two times 6 the amount of actual damages”; “prejudgment interest”; and “such 7 other and further relief as the Court deems just and proper under 8 the circumstances.” (Id. at 7-8.) 9 LEGAL STANDARD 10 A defendant may remove a civil action from state court to 11 federal district court.

28 U.S.C. § 1441. An action may be 12 removed based on “diversity jurisdiction.” § 1332; Hunter v. 13 Philip Morris USA, 582 F.3d 1039, 1042 (9th Cir. 2009). A court 14 has diversity jurisdiction

if the amount in controversy exceeds 15 \$75,000 and the lawsuit is between citizens of different states. 16 See § 1332(a). Courts “strictly construe the removal statute 17 against removal jurisdiction,” and “[f]ederal jurisdiction must 18 be rejected if there is any doubt as to the right of removal in 19 the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 20 Cir.

1992) (per curiam); see *Shamrock Oil & Gas Corp. v. Sheets*, 21 313 U.S. 100, 108–09 (1941). It is the removing party’s burden 22 to establish that removal is proper. See *Gaus*, 980 F.2d at 566. 23 “[N]otice of removability under § 1446(b) is determined 24 through examination of the four corners of the applicable 25 pleadings, not through subjective knowledge or a duty to make 26 further inquiry.” *Harris v. Bankers Life & Cas.*

Co., 425 F.3d 27 689, 694 (9th Cir. 2005). Although “defendants need not make 28 extrapolations or engage in guesswork,” they are required to 3 1 “apply a reasonable amount of intelligence in ascertaining 2 removability.” *Kuxhausen v. BMW Fin. Servs. NA LLC*, 707 F.3d 3 1136, 1140 (9th Cir. 2013) (citation omitted). 4 “[W]hen a complaint filed in state court alleges on its face 5 an amount in controversy sufficient to meet the federal 6 jurisdictional threshold, such requirement is presumptively 7 satisfied unless it appears to a ‘legal certainty’ that the 8 plaintiff cannot actually recover that amount.” *Guglielmino v. 9 McKee Foods Corp.*, 506 F.3d 696, 699 (9th Cir.

2007). But when 10 it is “unclear or ambiguous from the face of a state-court 11 complaint whether the requisite amount in controversy is pled,” 12 the removing party must establish by a preponderance of evidence 13 that the amount-in-controversy requirement is met. See *id.* 14 A notice of removal “need include only a plausible 15 allegation that the amount in controversy exceeds the 16 jurisdictional threshold.” *Dart Cherokee Basin Operating Co., 17 LLC v. Owens*, 574 U.S. 81, 89 (2014). “Evidence establishing the 18 amount is required by § 1446(c)(2)(B) only when the plaintiff 19 contests, or the court questions, the defendant’s allegation.” 20 *Id.* When removal is challenged, “[t]he parties may submit 21 evidence outside the complaint, including affidavits or 22 declarations, or other ‘summary-judgment-type evidence relevant 23 to the amount in controversy at the time of removal.’” *Ibarra v. 24 Manheim Invs., Inc.*, 775 F.3d 1193, 1197 (9th Cir.

2015) (quoting 25 *Singer v. State Farm Mut. Auto. Ins. Co.*, 116 F.3d 373, 377 (9th Cir. 1997)). A motion to remand on the basis of any defect other 27 than lack of subject-matter jurisdiction must be made within 30 28 days after filing of the notice of removal. § 1447(c). “A 4 1 dispute regarding the amount in controversy is inherently an 2 issue of subject matter jurisdiction,” *Avila v. Con-Way Freight 3 Inc.*, 588 F. App’x 560, 561 (9th Cir.

2014), and a motion based 4 thereon “may be made at any time,” *Flam v. Flam*, 788 F.3d 1043, 5 1047 n.2 (9th Cir. 2015). 6 DISCUSSION 7 Plaintiff moves to remand on the basis that Defendant 8 “cannot show that the amount in controversy is \$75,000.00” and 9 therefore “there are inadequate grounds to establish federal 10 subject matter jurisdiction.” (Mot. Remand, Mem.

P. & A., ECF 11 No. 13-1 at 2.) She asserts that the “face of the Complaint 12 clearly sets out Plaintiff’s total [lease] payments of 13 \$17,382.06,” the amount of the lease payments must be “offset by 14 a deduction for use of the vehicle... and several other newly- 15 legislated offsets,” Defendant incorrectly “include[d] the 16 Residual Value of \$18,018.56” in computing the amount in 17 controversy, Defendant has “provided no evidentiary basis for 18 this Court to conclude a civil penalty will be awarded,” and 19 Defendant “has not met its burden here for including attorneys’ 20 fees in the amount in controversy” or offered any plausible 21 dollar amount for such fees.

(Id. at 4-8; see also Reply, ECF 22 No. 15 at 2-8.) 23 Song-Beverly provides for restitution “in an amount equal to 24 the actual price paid or payable by the buyer,” Cal. Civ. Code 25 § 1793.2(d) (2)(B), and for a civil penalty of up to twice the 26 amount of actual damages, see § 1794(c), (e). Certain offsets 27 are applied to the “actual price paid or payable by the buyer,” 28 including the “amount directly attributable to use by the buyer 5 1 prior to the time the buyer first delivered the vehicle to the 2 manufacturer or distributor.” § 1793.2(d)(2)(C).

Effective 3 January 1, 2025, additional offsets exist for negative equity; 4 manufacturers’ rebates and credits; and the actual price of 5 “optional equipment, service contracts, or [guaranteed asset 6 protection] financing purchased by the plaintiff.” Cal. Civ. 7 Proc. Code § 871.27(b)-(d). 8 Courts apply a “slightly different” calculation of actual 9 damages when the subject vehicle was leased rather than 10 purchased.

Gomez v. Nissan N. Am., Inc., No. 2:24-cv-09020-SVW, 11 2025 WL 26368, at *3 (C.D. Cal. Jan. 3, 2025). For leased 12 vehicles, courts “consider the amount a plaintiff has actually 13 paid on her lease, rather than the total value of the lease.” 14 Id. (citation omitted). 15 The Complaint alleges that Plaintiff “leased [the vehicle] 16 for a total price of \$17,382.06.” (Notice Removal, Ex. A, ECF 17 No. 1-1 at 6.)

As reflected in the lease agreement, the “agreed 18 upon” value of the vehicle was \$30,026.70. (Id., Ex. C, ECF No. 19 1-3 at 3.) Defendant contends that the residual value¹ of 20 \$18,018.56 as reflected in the lease (id.) should be included in 21 the amount in controversy because the lease term continues into 22 January 2027; thus, the \$18,018.56 would not be satisfied by the 23 time trial would be over (Opp’n, ECF No. 14 at 9-10).

24 But as Plaintiff argues (see Mot. Remand, Mem. P. & A., ECF 25 No. 13-1 at 4-5), the residual value of a leased vehicle is 26 27 1 The lease defined “residual value” as the “value of the Vehicle at the end of the Lease.” (Notice Removal, Ex. C, ECF No. 28 1-3 at 3.) 6 1 generally not included in the amount in controversy because it is 2 not part of the amount “paid or payable” by a lessee.

See 3 Maguire v. Volkswagen Grp. of Am., Inc., No. 2:24-cv-07586-ODW 4 (PDx), 2024 WL 5316229, at *1 n.1 (C.D. Cal. Sept. 30, 2024) 5 (declining to include residual value of leased

vehicle in amount 6 in controversy); *D’Amico v. Ford Motor Co.*, No. CV 20-2985-CJC 7 (JCx), 2020 WL 2614610, at *2 (C.D. Cal. May 21, 2020) (finding 8 that leased vehicle’s manufacturer’s suggested retail price could 9 not be used to calculate amount in controversy for purposes of 10 diversity jurisdiction because “price paid” under Song-Beverly 11 Act was “not the MSRP, but only what Plaintiff has paid under her 12 lease”); see also *Cotterell v. General Motors LLC*, No. 3:19-cv- 13 822 (MPS), 2019 WL 6894256, at *9 (D.

Conn. Dec. 18, 2019) 14 (finding that Plaintiff’s compensatory damages for breach of 15 warranty for amount-in-controversy purposes “would be, at most, 16 the amount she paid under the lease”). Therefore, the 17 compensatory damages in controversy here is \$17,382.06 minus any 18 offsets. 19 The Complaint does not allege facts sufficient to calculate 20 the mileage offset, see § 1793.2(d)(2)(C), or any information 21 concerning any of the new mandatory offsets, even assuming they 22 apply to a car leased in 2023.

But Defendant hasn’t shown that 23 the amount in controversy meets the jurisdictional requirement 24 for diversity even without considering the offsets, as discussed 25 below. 26 The Complaint reflects that Plaintiff seeks civil penalties 27 in the amount of two times actual damages. (Notice Removal, Ex. 28 A, ECF No. 1-1 at 8.)

The maximum amount of civil penalties 7 1 |} generally factor into the amount in controversy. See *Wang v. FCA 2US LLC*, No. 8:24-cv—02060-JWH-KES, 2025 WL 1218745, at *2 (C.D. Apr. 28, 2025) (“The Ninth Circuit routinely considers civil 4 || penalties when deciding whether the amount-in-controversy 5 || requirement has been satisfied, including in Song-Beverly cases.” (citing *Babasa v. LensCrafters, Inc.*, 498 F.3d 972, 974 (9th Cir.

72007), & *Morey v. Louis Vuitton N. Am., Inc.*, 461 F. App’x 642, 643 (9th Cir. 2011))). Two times the total lease payments of the vehicle of \$17,382.06 is only \$34,764.12. Even when actual 10 | damages and civil penalties are added together and even without 11 considering offsets, the total amount in controversy is 12 \$52,146.18, far short of the \$75,000 jurisdictional threshold.

13 | Defendant has not shown that the amount in controversy meets or 14 | exceeds the statutory minimum.? 15 **CONCLUSION AND ORDER** 16 Consistent with the foregoing, Plaintiff’s Motion to Remand 17 | is **GRANTED** and this action is **REMANDED** to Los Angeles County 18 Superior Court. 19 **IT IS SO ORDERED.** 20 **DATED:** October 2, 2025 fie Prcadlatl~ JEAN ROSENBLUTH 22 U.S. Magistrate Judge 23 24 25 26 * Defendant’s only argument on attorney fees is that it is “unrealistic” to “expect less than \$5,000 in attorneys’ fees.” 27 (Opp’n, ECF No. 14 at 11.)

Because an additional \$5,000 in 2g || Controversy would still not mean that the jurisdictional amount was satisfied, the point 1s moot.

