

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Stephen Speregen v. Southern Glazer’s Wine and Spirits LLC, et al.

Speregen · No. 2:24-cv-07198-FLA (BFMx) · Decided April 3, 2025

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF
CALIFORNIA 10 11 STEPHEN SPEREGEN, Case No. 2:24-cv-07198-FLA (BFMx) 12 Plaintiff,
CORRECTED ORDER REMANDING 13 v. ACTION FOR LACK OF SUBJECT MATTER
JURISDICTION [DKT. 33] 14 AND ORDER VACATING MARCH SOUTHERN GLAZER’S
WINE AND 15 31, 2025 ORDER [DKT. 35]1 SPIRITS LLC, et al., 16 Defendants. 17 18 19 20
21 22 23 24 25 26 27 1 The March 31, 2025 Order, Dkt.

35, was issued erroneously and is hereby 28 VACATED. 1 Federal courts are courts of “limited
jurisdiction,” possessing “only that power 2 authorized by the Constitution and statute[.]”
Kokkonen v. Guardian Life Ins. Co. of 3 Am., 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2,
cl. 1. District courts are 4 presumed to lack jurisdiction unless the contrary appears affirmatively
from the 5 record.

See DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006). 6 Additionally, federal courts
have an obligation to examine jurisdiction sua sponte 7 before proceeding to the merits of a case.
See Ruhrgas AG v. Marathon Oil Co., 526 8 U.S. 574, 583 (1999). 9 Most commonly, federal
courts have subject matter jurisdiction where: (1) an 10 action arises under federal law (federal
question jurisdiction), 28 U.S.C. § 1331; or (2) 11 the amount in controversy exceeds \$75,000,
exclusive of interest and costs, and the 12 citizenship of each plaintiff is diverse from that of each
defendant (diversity 13 jurisdiction), 28 U.S.C. § 1332(a).

Except as otherwise provided by an act of 14 Congress expressly, “any civil action brought in a
State court of which the district 15 courts of the United States have original jurisdiction[] may be
removed by the 16 defendant or the defendants” to the district court for the district and division
where the 17 action is pending. 28 U.S.C. § 1441. 18 A defendant’s notice of removal must
include “a plausible allegation that the 19 amount in controversy exceeds the jurisdictional
threshold.” Dart Cherokee Basin 20 Operating Co. v. Owens, 574 U.S. 81, 89 (2014). “[W]hen the
plaintiff contests, or 21 the court questions, the defendant’s allegation,” “both sides [must] submit
proof,” at 22 which point “the court decides, by a preponderance of the evidence, whether the 23
amount-in-controversy requirement has been satisfied.” Id. at 88–89.

Courts “strictly 24 construe the removal statute against removal jurisdiction,” and “[f]ederal
jurisdiction 25 must be rejected if there is any doubt as to the right of removal in the first

instance.” 26 *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). “The ‘strong presumption’ 27 against removal jurisdiction means that the defendant always has the burden of 28 establishing that removal is proper.” *Id.* I On February 21, 2025, the court issued an Order to Show Cause (“OSC”) why 2 | the action should not be remanded for lack of subject matter jurisdiction due to an 3 || insufficient amount in controversy.

Dkt. 33. The court provided the parties fourteen 4 | days to respond and cautioned Defendant Southern Glazer’s Wine and Spirits LLC 5 | (“Defendant”) that, as the party asserting federal jurisdiction, its “failure to respond 6 | timely and adequately to [the OSC] shall result in the remand of the action without 7 | further notice.” *Jd.* at 3. Defendant did not file a response to the court’s OSC.

This, 8 || in and of itself, is a sufficient basis to remand the action. See *id.* 9 Furthermore, Defendant fails to meet its burden to establish that removal is 10 | proper. As stated in the OSC, the court has reviewed the Notice of Removal and is 11 | unable to conclude the amount in controversy is satisfied and that diversity 12 | jurisdiction exists here.

The court, therefore, REMANDS the action to the Los 13 | Angeles County Superior Court, Case No. 24VECV02749. All dates and deadlines in 14 | this court are VACATED. The clerk of the court shall close the action 15 | administratively. 16 17 IT IS SO ORDERED. 18 19 | Dated: April 3, 2025 0 FERNANDO L. AENLLE-ROCHA United States District Judge 22 23 24 25 26 27 28