

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Kristen Sadlon v. FCA US LLC

Sadlon · No. 8:24-cv-02033-JWH-KES · Decided April 14, 2025

SUMMARY

The United States District Court for the Central District of California denied Kristen Sadlon’s motion to remand her Song-Beverly Consumer Warranty Act action against FCA US LLC to state court. The court held that FCA sufficiently established an amount in controversy exceeding \$75,000 based on potential restitution, civil penalties, attorneys’ fees, prejudgment interest, and punitive damages. The court also rejected Sadlon’s arguments that the civil penalties and attorneys’ fees were too speculative to support diversity jurisdiction.

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 FOR THE CENTRAL DISTRICT OF
CALIFORNIA 10 11 KRISTEN SADLON, an individual, Case No. 8:24-cv-02033-JWH-KES 12
Plaintiff, ORDER DENYING PLAINTIFF’S 13 v. MOTION TO REMAND [ECF No. 13] 14
FCA US LLC, and DOES 1-10, inclusive, 15 Defendants. 16 17 18 19 20 21 22 23 24 25 26 27 1
Before the Court is the motion of Plaintiff Kristen Sadlon to remand this 2 case to Orange County
Superior Court.¹ The Court concludes that this matter is 3 appropriate for resolution without a
hearing.

See Fed. R. Civ. P. 78; L.R. 7-15. 4 After considering the papers filed in support and opposition,²
the Court 5 DENIES the Motion. 6 I. BACKGROUND 7 Sadlon commenced this action in
Orange County Superior Court in 8 August 2024.³ In her Complaint, Sadlon asserts five claims
against Defendant 9 FCA US LLC based upon alleged violations of the Song-Beverly Consumer
10 Warranty Act.⁴ 11 FCA removed this action to this Court in September 2024 on the basis of 12
diversity jurisdiction.⁵ Sadlon filed the instant Motion in October 2024.⁶ In her 13 Motion,
Sadlon asserts that FCA cannot establish diversity jurisdiction because 14 FCA cannot satisfy its
burden to show that the amount in controversy in this 15 matter exceeds \$75,000.⁷ Sadlon did not,
however, concede that she seeks a 16 17 1 Pl.’s Mot. to Remand (the “Motion”) [ECF No. 13].

18 2 The Court considered the documents of record in this action, including 19 the following
papers: (1) Notice of Removal (including its attachments) [ECF No. 1]; (2) Compl. (the
“Complaint”) [ECF No. 1-2]; (3) Motion; (4) Def.’s 20 Opp’n to the Motion (the “Opposition”)
[ECF No. 15]; (5) Pl.’s Reply in Supp. 21 of the Motion (the “Reply”) [ECF No. 17]; (6) Def.’s
Suppl.

Opp'n to the Motion (the "Supplemental Opposition") [ECF No. 20]; and (7) Pl.'s Suppl. 22 Briefing in Supp. of the Motion (the "Supplemental Brief in Support") [ECF 23 No. 21]. 24 3 See Complaint. 25 4 See generally *id.* 26 5 See Notice of Removal. 27 6 See Motion. 1 monetary judgment of \$75,000 or less.⁸ Therefore, on its own Motion, the 2 Court granted FCA leave to engage in jurisdictional discovery and ordered the 3 parties to file supplemental briefs regarding the amount in controversy.⁹ 4 II.

LEGAL STANDARD 5 Federal courts are courts of limited jurisdiction. Accordingly, "[t]hey 6 possess only that power authorized by Constitution and statute." *Kokkonen v. 7 Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994).

In every federal case, the 8 basis for federal jurisdiction must appear affirmatively from the record. See 9 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n.3 (2006). "The right of 10 removal is entirely a creature of statute and a suit commenced in a state court 11 must remain there until cause is shown for its transfer under some act of 12 Congress." *Syngenta Crop Prot., Inc. v. Henson*, 537 U.S. 28, 32 (2002) (internal 13 quotation marks omitted).

When Congress has acted to create a right of 14 removal, those statutes, unless otherwise stated, are strictly construed against 15 removal jurisdiction. See *id.* 16 To remove an action to federal court under 28 U.S.C. § 1441, the 17 removing defendant "must demonstrate that original subject-matter jurisdiction 18 lies in the federal courts." *Syngenta*, 537 U.S. at 33.

As such, a defendant may 19 remove civil actions in which either (1) a federal question exists; or (2) complete 20 diversity of citizenship between the parties exists and the amount in controversy 21 exceeds \$75,000. See 28 U.S.C. §§ 1331 & 1332. "Complete diversity" means 22 that "each defendant must be a citizen of a different state from each plaintiff." 23 *In re Digimarc Corp. Derivative Litigation*, 549 F.3d 1223, 1234 (9th Cir.

2008). 24 25 26 8 See *id.* 27 9 See Order Regarding Pl.'s Mot. to Remand (the "Jurisdictional Discovery 1 The right to remove is not absolute, even when original jurisdiction exists. 2 In other words, the removing defendant bears the burden of establishing that 3 removal is proper. See *Abrego Abrego v. Dow Chem. Co.*, 443 F.3d 676, 684 (9th 4 Cir. 2006) (noting the "longstanding, near-canonical rule that the burden on 5 removal rests with the removing defendant"); *Gaus v. Miles, Inc.*, 980 F.2d 564, 6 566 (9th Cir.

1992) ("[t]he strong presumption against removal jurisdiction 7 means that the defendant always has the burden of establishing that removal is 8 proper" (quotation marks omitted)). Any doubts regarding the existence of 9 subject matter jurisdiction must be resolved in favor of remand. See *id.* 10 ("[f]ederal jurisdiction must be rejected if there is any doubt as to the right of 11 removal in the first instance").

12 III. ANALYSIS 13 Based upon its jurisdictional discovery, FCA estimates that Sadlon seeks 14 at least \$33,618.15 in restitution, based upon the price of her vehicle, as well as 15 \$67,236.30 in civil penalties.¹⁰ Sadlon also seeks attorneys' fees, prejudgment 16 interest, and punitive damages.¹¹ 17 Sadlon does not contest that her vehicle is valued at roughly \$30,000, nor 18 that she seeks civil penalties, attorneys' fees, prejudgment interest, and punitive 19 damages.¹² Nevertheless, she maintains that FCA has not met its burden to 20 establish that the amount in controversy is above \$75,000.¹³ According to 21 Sadlon, FCA's estimates are speculative because civil penalties and prospective 22 attorneys' fees may not be included in the amount in controversy.¹⁴ 23 24 10 See Supplemental Opposition 2:12-13 & 2:25-26.

25 11 See Complaint. 26 12 See generally Supplemental Brief in Support. 27 13 See *id.* 1 Sadlon's arguments border on frivolous. The Ninth Circuit routinely 2 considers civil penalties when deciding whether the amount-in-controversy 3 requirement has been satisfied, including in Song-Beverly cases. See, e.g., 4 *Babasa v. LensCrafters, Inc.*, 498 F.3d 972, 974 (9th Cir.

2007); see also *Morey v. 5 Louis Vuitton North Am., Inc.*, 561 F. App'x 642, 643 (9th Cir. 2011) (including 6 Song-Beverly civil penalties in an amount-in-controversy calculation). The 7 Ninth Circuit has also held repeatedly that attorneys' fees may "be included in 8 the amount in controversy if they are available to prevailing plaintiffs pursuant to 9 state fee-shifting statutes." *Shoner v. Carrier Corp.*, 30 F.4th 1144, 1148 (9th Cir.

10 2022). The Song-Beverly Act permits a successful plaintiff to recover 11 reasonable attorneys' fees, so attorneys' fees must be included when calculating 12 the amount in controversy here. See Cal. Civ. Code § 1794(d). 13 To the extent that Sadlon cites cases in which other district courts refused 14 to include civil penalties or attorneys' fees in the amount-in-controversy 15 calculation absent some showing that those fees are likely to be awarded, the 16 Court respectfully disagrees with those cases and finds them inapposite. "The 17 amount in controversy is not a prospective assessment of a defendant's 18 liability." *Chavez v. JPMorgan Chase & Co.*, 888 F.3d 413, 417 (9th Cir.

2018) 19 (quotation and alterations omitted). Accordingly, "if a plaintiff claims at the 20 time of removal" that she intends to recover penalties, damages, or costs that 21 the law permits her to recover—including "damages (compensatory, punitive, 22 or otherwise) and the cost of complying with an injunction, as well as attorneys' 23 fees awarded under fee shifting statutes"—"then there is no question" that 24 those amounts are "at stake," no matter the "likelihood" of actual recovery.

Id. 25 The Court thus disagrees that FCA must demonstrate a likelihood of success in 26 order to avail itself of federal jurisdiction. 27 Even assuming, though, that FCA was required to "justify" the inclusion 1 Complaint" that support awarding those fees, see *Herko v. FCA US LLC*, 2019 2 WL 5587140, at *2 (S.D. Cal. Oct. 30, 2019), FCA could easily do so here.

The 3 Song-Beverly Act permits a plaintiff to recover “a civil penalty which shall not 4 exceed two times the amount of actual damages” if the plaintiff “establishes that 5 the failure” to comply with the Song-Beverly Act “was willful.” Cal. Civ. Code 6 § 1794(2)(c). Sadlon alleges not only that FCA acted willfully, but also that 7 FCA committed fraud by concealing problems with the transmission in her 8 vehicle and refusing to repair or replace the vehicle by blaming “the symptoms 9 of the defects on other issues not the actual defect itself.”¹⁵ 10 Finally, the Court will not allow Sadlon to evade federal jurisdiction based 11 upon her own refusal to provide FCA with information that the Court ordered 12 Sadlon to provide.

In her Supplemental Brief in Support, Sadlon argues—as she 13 did in her Motion—that the Court lacks jurisdiction because FCA has not met 14 its burden to show that Sadlon seeks a monetary judgment of more than 15 \$75,000.¹⁶ But Sadlon again refuses to concede that she seeks less than that 16 amount.¹⁷ Those arguments were the basis for the Court’s Jurisdictional 17 Discovery Order,¹⁸ and Sadlon’s refusal to provide fulsome answers to FCA’s 18 discovery requests in favor of repeating her prior arguments flies in the face of 19 the Court’s instructions.

20 Accordingly, the Court DENIES the Motion. 21 22 23 24 25 15 See Complaint ¶¶ 18, 24, & 48. 26 16 See Supplemental Brief in Support. 27 17 See id. 1 IV. DISPOSITION 2 For the foregoing reasons, the Court hereby ORDERS that Sadlon’s 3 instant Motion to remand [ECF No. 13] is DENIED. 4 IT IS SO ORDERED. at VL Dated: April 14, 2025 ° 7 UNITED STATES DISTRICT~ UDGE 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28