

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Omar Cruz v. ITS Technologies & Logistics, LLC

Cruz · No. 5:25-cv-01566-FLA (KSx) · Decided July 10, 2025

SUMMARY

The United States District Court for the Central District of California issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction. The court questioned whether the removing defendant had established by a preponderance of the evidence that the amount in controversy exceeded \$75,000 and ordered written responses within fourteen days.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando L. Aenlle-Rocha
JURISDICTION	United States District Court for the Central District of California
DECIDED	July 10, 2025
DOCKET	5:25-cv-01566-FLA (KSx)
DISPOSITION	other
PROCEDURAL POSTURE	Following removal of an employment-discrimination action to federal court, the district court issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal subject matter jurisdiction by a preponderance of the evidence when jurisdictional allegations are contested or questioned; doubts concerning removal are resolved against federal jurisdiction. The court must examine subject matter jurisdiction sua sponte.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

- civil procedure
- employment discrimination
- federal jurisdiction

QUESTIONS PRESENTED

1. Whether the Notice of Removal adequately established subject matter jurisdiction under 28 U.S.C. § 1332(a), particularly whether the amount in controversy exceeded \$75,000.
2. Whether the parties should be ordered to show cause why the action should not be remanded for lack of subject matter jurisdiction.

HOLDINGS

1. A removing defendant must establish by a preponderance of the evidence that the amount in controversy exceeds \$75,000 when the court questions the jurisdictional allegations; the Notice of Removal did not presently satisfy that burden.
2. The district court may sua sponte require the parties to address subject matter jurisdiction and may remand if the removing defendant fails to establish jurisdiction.

KEY QUOTATIONS

“Federal courts are courts of “limited jurisdiction,” possessing “only that power authorized by the Constitution and statute[.]”” (1)

“As Defendant is the party asserting federal jurisdiction, Defendant’s failure to respond timely and adequately to this Order shall result in remand of the action without further notice.” (2)

FACTUAL BACKGROUND

The action concerns an employment-discrimination dispute that was removed to federal court. The court reviewed the Notice of Removal and found that it did not demonstrate by a preponderance of the evidence that the amount in controversy exceeded the \$75,000 threshold for diversity jurisdiction. The court therefore required the parties to show cause and submit evidence addressing the facial and factual sufficiency of the jurisdictional showing.

PROCEDURAL HISTORY

Plaintiff Omar Cruz's action was removed to the Central District of California. After reviewing the Notice of Removal, the court was unable to determine that diversity jurisdiction existed because the amount-in-controversy allegations did not establish by a preponderance of the evidence that more than \$75,000 was at stake. The court ordered the parties, particularly the removing defendant, to submit written responses and supporting evidence within fourteen days.

DISPOSITION

other

REMAND INSTRUCTIONS

The parties were ordered to show cause in writing, within fourteen days of the July 10, 2025 order, why the action should not be remanded for lack of subject matter jurisdiction. Responses were limited to ten pages and

could include evidence or judicially noticeable facts. The defendant's failure to respond timely and adequately would result in remand without further notice.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006)
- Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 583 (1999)
- Dart Cherokee Basin Operating Co. v. Owens, 574 U.S. 81, 88-89 (2014)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Leite v. Crane Co., 749 F.3d 1117, 1122 (9th Cir. 2014)

OPINION

Omar Cruz v. ITS Technologies and Logistics, LLC

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 11 OMAR CRUZ, Case No. 5:25-cv-01566-FLA (KSx) 12 Plaintiff,

ORDER TO SHOW CAUSE WHY

13 v. ACTION SHOULD NOT BE

REMANDED FOR LACK OF

14

SUBJECT MATTER

ITS TECHNOLOGIES & LOGISTICS,

15 JURISDICTION

LLC, et al., 16 Defendants. 17 18 19 20 21 22 23 24 25 26 27 28

1 ORDER

2 Federal courts are courts of “limited jurisdiction,” possessing “only that power 3 authorized by the Constitution and statute[.]” Kokkonen v. Guardian Life Ins. Co. of 4 Am., 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. District courts are 5 presumed to lack jurisdiction unless the contrary appears affirmatively from the 6 record. See DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006). 7 Additionally, federal courts have an obligation to examine jurisdiction sua sponte 8 before proceeding to the merits of a case. See Ruhrgas AG v. Marathon Oil Co., 526 9 U.S. 574, 583 (1999). 10 Federal courts have jurisdiction where an action arises under federal law or 11 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the 12 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C. 13 §§ 1331, 1332(a). A complaint filed in federal court must contain “a plausible 14 allegation that the amount in controversy exceeds the jurisdictional threshold.” Dart 15 Cherokee Basin Operating Co. v.

Owens, 574 U.S. 81, 89 (2014). Where a party contests, or the court questions, a party's allegations concerning the amount in controversy, both sides shall submit proof, and the court must decide whether the party asserting jurisdiction has proven the amount in controversy by a preponderance of the evidence. *Id.* at 88–89; see Fed. R. Civ. P. 12(h)(3) (“If the court determines at any time that it lacks subject-matter jurisdiction, the court must dismiss the action.”). “Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). The court has reviewed the Notice of Removal and is presently unable to conclude it has subject matter jurisdiction under U.S.C. § 1332(a). In particular, and without limitation, the court finds that the allegations in the Notice of Removal do not demonstrate by a preponderance of the evidence that the amount in controversy exceeds \$75,000. The parties are ORDERED TO SHOW CAUSE, in writing only, within fourteen (14) days from the date of this Order, why this action should not be remanded for lack of subject matter jurisdiction because the amount in controversy does not exceed the jurisdictional threshold. The parties are encouraged to submit evidence and/or judicially noticeable facts in response to the court's Order. Responses shall be limited to ten (10) pages in length. The parties should consider this Order to be a two-pronged inquiry into the facial and factual sufficiency of Defendant's demonstration of jurisdiction. See *Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014). As Defendant is the party asserting federal jurisdiction, Defendant's failure to respond timely and adequately to this Order shall result in remand of the action without further notice. IT IS SO ORDERED. Dated: July 10, 2025 :

FERNANDO L. AENLLE-ROCHA

United States District Judge