

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
CALIFORNIA

Hernandez v. Tesla, Inc.

No. 1:25-cv-00522-JLT-SAB (E.D. Cal. July 16, 2025) · No. 1:25-cv-00522-JLT-SAB · Decided July 17, 2025

SUMMARY

The document contains findings and recommendations recommending denial of Joshua E. Hernandez’s motion to remand his California lemon law action against Tesla, Inc. The court concluded that the Magnuson-Moss Warranty Act’s jurisdictional threshold was satisfied and that the state-law claims shared a common nucleus of operative fact with the federal claim, supporting supplemental jurisdiction.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Eastern District of California                                                                                                                                                                                                                                                                                        |
| WRITING FOR THE COURT | Stanley A. Boone                                                                                                                                                                                                                                                                                                                                           |
| JURISDICTION          | United States District Court for the Eastern District of California                                                                                                                                                                                                                                                                                        |
| DECIDED               | July 17, 2025                                                                                                                                                                                                                                                                                                                                              |
| DOCKET                | 1:25-cv-00522-JLT-SAB                                                                                                                                                                                                                                                                                                                                      |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                      |
| PROCEDURAL POSTURE    | Plaintiff moved to remand a removed California lemon-law action to California Superior Court, or alternatively requested that the federal court decline supplemental jurisdiction over his state-law claims. The magistrate judge issued findings and recommendations recommending denial of the motion, subject to review by the assigned district judge. |
| STANDARD OF REVIEW    | The assigned district judge will review the findings and recommendations under 28 U.S.C. § 636(b)(1)(C).                                                                                                                                                                                                                                                   |
| PRECEDENTIAL VALUE    | nonprecedential                                                                                                                                                                                                                                                                                                                                            |
| PARTIES               | Joshua E. Hernandez v. Tesla, Inc.                                                                                                                                                                                                                                                                                                                         |

TOPICS

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

PRACTICE AREAS

## QUESTIONS PRESENTED

1. Whether Tesla established the \$50,000 jurisdictional threshold required for federal jurisdiction over Hernandez's Magnuson-Moss Warranty Act claim.
2. Whether the court should decline supplemental jurisdiction over Hernandez's state-law claims because they substantially predominated over the federal claim or because exceptional circumstances and considerations of comity and federalism warranted declining jurisdiction.

## HOLDINGS

1. Tesla met its burden to establish the \$50,000 jurisdictional threshold for Hernandez's Magnuson-Moss Warranty Act claim, including because Hernandez sought rescission as a remedy; remand was therefore unwarranted on that ground.
2. The federal Magnuson-Moss claim and the state-law claims shared a common nucleus of operative fact because all arose from the sale of the alleged lemon vehicle and the alleged breach of its warranties.
3. The court should not decline supplemental jurisdiction because the state-law claims did not substantially predominate over the federal claim and the ordinary lemon-law case presented no exceptional circumstances or compelling reasons based on comity, federalism, economy, convenience, or fairness.

## KEY QUOTATIONS

*“From the outset, the Court finds that Plaintiff’s federal and state-law claims share a common nucleus of operative fact: all of Plaintiff’s claims arise from the sale of an alleged lemon vehicle and the purported breach of warranties thereof.” (at 5)*

*“Moreover, as this is a run-of-the-mill lemon law case, Plaintiff has not articulated that there are exceptional circumstances here.” (at 5)*

## FACTUAL BACKGROUND

Hernandez purchased a vehicle from Tesla under a written warranty covering, among other things, the vehicle's basic, drivetrain/powertrain, and California emissions warranties. He alleged that the vehicle had recurring defects, that Tesla and its authorized repair facilities failed to repair them after at least four repair visits, and that he later learned the defects could not be repaired to conform to the warranties. His complaint asserted a Magnuson-Moss Warranty Act claim along with California lemon-law, warranty, consumer-protection, and unfair-competition claims, seeking rescission, restitution, damages, penalties, and equitable relief.

## PROCEDURAL HISTORY

Plaintiff filed the action in California Superior Court, Fresno County. Tesla removed the case on May 5, 2025, asserting federal-question jurisdiction based on Plaintiff's Magnuson-Moss Warranty Act claim. Plaintiff moved to remand, arguing that the \$50,000 jurisdictional threshold was not established, and alternatively sought dismissal or remand of the state-law claims under 28 U.S.C. § 1367. After Tesla submitted an opposition and supporting evidence, the court held a hearing on July 9, 2025, and recommended that the motion be denied.

**DISPOSITION**

other

**REMAND INSTRUCTIONS**

The findings and recommendations were submitted to the assigned district judge for review. Any objections were due within fourteen days of service, and the district judge would review the recommendations under 28 U.S.C. § 636(b)(1)(C).

**CASES CITED**

- Royal Canin U.S.A., Inc. v. Wullschleger, 604 U.S. 22, 27 (2025)
- Mine Workers v. Gibbs, 383 U.S. 715, 725-27 (1966)
- Arroyo v. Rosas, 19 F.4th 1202, 1210 (9th Cir. 2021)
- Samarneh v. Mercedes-Benz USA, LLC, 2025 WL 1727034 (E.D. Cal. June 20, 2025)
- Olguin v. FCA US LLC, 2024 WL 4012103 (E.D. Cal. Aug. 30, 2024)
- Cruz v. Ford Motor Company, 2024 WL 3697549 (E.D. Cal. Aug. 7, 2024)
- Cruz v. Ford Motor Company, 2024 WL 4216751 (E.D. Cal. Sept. 17, 2024)
- Wilkerson v. Wheeler, 772 F.3d 834, 839 (9th Cir. 2014)
- Baxter v. Sullivan, 923 F.2d 1391, 1394 (9th Cir. 1991)

**OPINION**

1 2 3 4 5 UNITED STATES DISTRICT COURT 6 EASTERN DISTRICT OF CALIFORNIA 7 8  
JOSHUA E. HERNANDEZ, Case No. 1:25-cv-00522-JLT-SAB 9 Plaintiff, FINDINGS AND  
RECOMMENDATIONS RECOMMENDING DENYING PLAINTIFF’S 10 v. MOTION TO  
REMAND OR 11 TESLA, INC., ALTERNATIVELY DECLINE THE EXERCISE OF  
SUPPLEMENTAL 12 Defendant. JURISDICTION 13 (ECF No. 7) 14 OBJECTIONS DUE  
WITHIN FOURTEEN DAYS 15 16 Before the Court is Plaintiff Joshua E. Hernandez’s motion to  
remand this matter back to 17 California Superior Court, Fresno County.

A hearing was held in this matter on July 9, 2025. 18 Laura Ellen Goolsby, Esq., appeared on  
behalf of Plaintiff. Mehgan Anne Gallagher, Esq., 19 appeared on behalf of Defendant Tesla, Inc.  
Based on the papers, the record, and the arguments 20 presented at the hearing, the Court will  
recommend denying Plaintiff’s motion to remand or, 21 alternatively, decline the exercise of  
supplemental jurisdiction.

22 I. 23 BACKGROUND 24 This is a lemon law case. (ECF No. 1-1.) Plaintiff alleges that he  
entered into a written 25 warranty contract with Defendant for a vehicle, which included a basic  
warranty, a 26 drivetrain/powertrain warranty, and a California emissions warranty. (Id. at ¶ 7.)  
Plaintiff 27 “justifiably revoked acceptance” of the vehicle because prior to the sale of the vehicle,

Defendant 28 “failed to disclose the existence of the vehicle’s defects to Plaintiff, and Tesla failed to disclose its 1 inability to repair these defects, which prevented the vehicle from conforming to its applicable 2 warranties.” (Id. at ¶ 20.)

Moreover, Plaintiff alleges that “the dealers were not properly 3 repairing the defects to the vehicle and knew that the limited work that Tesla had authorized its 4 dealerships to perform on those vehicles would not eliminate the problems.” (Id.) 5 On at least four separate occasions, Plaintiff brought the vehicle to Defendant’s authorized 6 repair facilities for repairs, and each time, Defendant’s facilities returned the vehicle to Plaintiff 7 with assurances that the problems had been resolved.

(Id. at ¶ 21.) Thereafter, Plaintiff went to 8 Defendant’s authorized dealers with complaints regarding the numerous repairs and recurring 9 problems. (Id. at ¶ 22.) It was not around until August 2024 that Plaintiff learned that Defendant 10 and its authorized facilities could not repair the vehicle to conform with the warranties. (Id.) 11 On May 5, 2025, Defendant removed this action from California Superior Court, Fresno.

12 County. (ECF No. 1.) Along with Defendant’s notice of removal, Defendant included Plaintiff’s 13 complaint, which brings the following causes of action: 1) violation of California Civil Code 14 § 1793.2(b) – failure to repair; 2) violation of the Song-Beverly Act – breach of implied warranty 15 of merchantability and fitness, Cal. Civ. Code § 1790 et seq.; 3) violation of the Magnuson-Moss 16 Warranty Act, 15 U.S.C. § 2301 et seq.; 4) violation of California Commercial Code § 2313 – 17 breach of express warranty; 5) violation of California Commercial Code § 2314 – breach of 18 implied warranty of merchantability; 6) violation of the California Consumer Legal Remedies Act 19 (“CLRA”) § 1770 et seq.; and 7) violation of the California Unfair Competition Law, Business & 20 Professional Code § 17200, et seq.

(ECF No. 1-1, ¶¶ 27-106.) In his prayer for relief, Plaintiff 21 seeks general, special, and actual damages; rescission of the purchase contract and restitution of all 22 monies expended; diminution in value; incidental and consequential damages; civil penalty in the 23 amount of two times Plaintiff’s actual damages; punitive damages under the CLRA; equitable 24 relief, including an order enjoining Defendant from further acts and practices for to constitute 25 unfair competition; prejudgment interest; revocation of acceptance of the subject vehicle; and 26 reasonable attorney’s fees and costs.

(Id. at p. 17.) 27 On June 4, 2025, Plaintiff moved to remand this matter back to state court, arguing that 28 Defendant had not supported its claim that this case meets the Magnuson-Moss Warranty Act 1 jurisdictional threshold of \$50,000. (ECF No. 7, p. 3.)

In the alternative, Plaintiff requests that 2 the Court decline to exercise supplemental jurisdiction over Plaintiff’s remaining state-law 3 claims. (Id. at p. 4.) The assigned District Judge referred the

motion to the undersigned for the 4 preparation of findings and recommendations. (ECF No. 8.)

On June 18, 2025, Defendant filed 5 an opposition, appending a declaration from Sohey Tahsildoost, attorney of record for Defendant 6 Tesla, Inc., and a true and correct copy of the conditional sale contract and security agreement for 7 Plaintiff's purchase of the vehicle. (ECF No. 12.) Plaintiff did not file a reply. 8 On July 9, 2025, the Court held a hearing and heard from counsel on Plaintiff's motion.

9 (ECF No. 14.) During discussion, Plaintiff submitted that because he sought rescission as a 10 remedy (ECF No. 1-1, ¶ 69), Defendant Tesla had met its burden in establishing the \$50,000 11 jurisdictional threshold for the federal Magnuson-Moss claim.

However, Plaintiff asked that the 12 Court consider his alternative argument regarding supplemental jurisdiction. In light of the 13 forgoing, the Court will focus on the issue of whether the Court should exercise supplemental 14 jurisdiction over Plaintiff's state-law claims. 15 II. 16 LEGAL STANDARDS 17 When "a complaint includes the requisite federal question, a federal court often has power 18 to decide state-law questions too." *Royal Canin U.S.A., Inc. v Wullschleger*, 604 U.S. 22, 27 19 (2025).

In *Mine Workers v. Gibbs*, the Supreme Court held that "a federal court may exercise 20 supplemental jurisdiction over the state claim so long as it 'derive[s] from' the same 'nucleus of 21 operative fact' as the federal one. 383 U.S. 715, 725 (1966).

The Court "reasoned that when the 22 two claims are so closely related, they make up 'but one constitutional 'case.'" *Royal Canin*, 604 23 U.S. at 27. Following *Gibbs*, Congress confirmed the Court's view, codifying supplemental 24 jurisdiction in 28 U.S.C. § 1367. 25 In turn, § 1367 provides that "jurisdiction over a federal-law claim brings with it 26 supplemental jurisdiction over a state-law claim arising from the same facts." *Royal Canin*, 604 27 U.S. at 27.

Whether "[t]he federal court has supplemental jurisdiction over state-law claims" 28 depends on if the state-law claims share "a 'common nucleus of operative fact' with the federal- 1 law ones." *Id.*, quoting *Gibbs*, 383 U.S. at 725. 2 That said, courts have some discretion and may, under certain circumstances, "decline to 3 hear a state claim falling within the statute's bounds." *Id.*, citing 28 U.S.C. § 1367.

Subsection 4 (c) of § 1367 "provides that a district court 'may decline to exercise supplemental jurisdiction' in 5 three specific situations: (1) if the supplemental claim 'raises a novel or complex issue of State 6 law'; (2) if the supplemental claim 'substantially predominates' over the claims within the court's 7 original jurisdiction; and (3) if the district court 'has dismissed all claims over which it has 8 original jurisdiction.'" *Id.*, quoting 28 U.S.C. § 1367(c).

9 In addition, the statute provides for a catchall provision allowing a court to decline to 10 exercise supplemental jurisdiction if “in exceptional circumstances, there are other compelling 11 reasons for declining jurisdiction.” 28 U.S.C. § 1367(c)(4). When a party moves for remand 12 based on § 1367(c)(4), a district court undertakes a two-party inquiry.

Arroyo v. Rosas, 19 F.4th 13 1202, 1210 (9th Cir. 2021). First, a court must “articulate why the circumstances of the case are 14 exceptional within the meaning of § 1367(c)(4).” Id. (internal quotation omitted). Second, “in 15 determining whether there are ‘compelling reasons for declining jurisdiction’ in a given case, the 16 court should consider what ‘best serves the principles of economy, convenience, fairness, and 17 comity which underlie the pendent jurisdiction doctrine’ articulated in Gibbs.” Id. 18 III.

19 DISCUSSION AND ANALYSIS 20 A. Magnuson-Moss Claim 21 The Court reiterates that Plaintiff submitted at the hearing that because he sought rescission 22 as a remedy (ECF No. 1-1, ¶ 69), Defendant Tesla had met its burden in establishing the \$50,000 23 jurisdictional threshold for the federal Magnuson-Moss claim. Upon review of the complaint and 24 the evidence proffered in Defendant’s opposition (ECF No. 12), the Court agrees and finds that 25 Defendant has met its burden.

26 Accordingly, the Court will recommend that Plaintiff’s motion to remand be denied. 27 B. Supplemental Jurisdiction 28 Plaintiff argues that the Court should decline to exercise supplemental jurisdiction over 1 his state-law claims for two reasons.<sup>1</sup> First, Plaintiff argues that “state claims substantially 2 predominate over the federal [Magnuson-Moss] claim.” (ECF No. 7, p. 4), citing 28 U.S.C. § 3 1367(c)(2).

Second, Plaintiff contends that “there are exceptional circumstances,” including “the 4 interests of comity and federalism,” and—again—that state law predominates. (Id.), citing 28 5 U.S.C. § 1367(c)(4). The Court is not persuaded. 6 From the outset, the Court finds that Plaintiff’s federal and state-law claims share a 7 common nucleus of operative fact: all of Plaintiff’s claims arise from the sale of an alleged lemon 8 vehicle and the purported breach of warranties thereof.

Thus, despite Plaintiff’s attempt to split 9 the atom at the hearing, this is a quintessential case where the Court would exercise supplemental 10 jurisdiction. 11 Significantly, Plaintiff has not explained how state law predominates over the federal 12 claim nor is it apparent to the Court. Indeed, the District Court has consistently exercised 13 supplemental jurisdiction in lemon law cases with a Magnuson-Moss claim comingled with the 14 usual state-law suspects.

See, e.g., Samarneh v. Mercedes-Benz USA, LLC, 1:23-cv-00930- 15 KLM-EPG, 2025 WL 1727034 (E.D. Cal. June 20, 2025); Olguin v. FCA US LLC, No. 1:21-cv- 16 01789-JLT-CDB, 2024 WL 4012103 (E.D. Cal. Aug. 30, 2024); Cruz v. Ford Motor Company, 17 No. 1:24-cv-

00263-JLT-SAB, 2024 WL 3697549 (E.D. Cal. Aug. 7, 2024), F&R adopted, 2024 18 WL 4216751 (E.D. Cal. Sept.

17, 2024). 19 Moreover, as this is a run-of-the-mill lemon law case, Plaintiff has not articulated that 20 there are exceptional circumstances here. As such, the Court need not delve into the Gibbs 21 factors. Yet, even if the Court were—considering economy, convenience, fairness, and comity — 22 none of the factors counsel against declining supplemental jurisdiction; rather, each one supports 23 the exercise of supplemental jurisdiction here.

In sum, Plaintiff’s arguments are unavailing. 24 In light of the forgoing, the Court will recommend denying Plaintiff motion insofar as it 25 seeks to have the Court decline to exercise supplemental jurisdiction. 26 / / / 27 1 The Court notes that it appears that Plaintiff would have the Court sever the federal claim by dismissing the state- 28 law claims. See Gibbs, 383 U.S. at 726-27.

1 IV. 2 CONCLUSION AND RECOMMENDATION 3 IT IS HEREBY RECOMMENDED that Plaintiff’s motion to remand or, alternatively, 4 | decline the exercise of supplemental jurisdiction be DENIED. (ECF No. 7). 5 These findings and recommendations are submitted to the district judge assigned to this 6 || action, pursuant to 28 U.S.C. § 636(b)(1)(B) and this Court’s Local Rule 304.

Within fourteen 7 | (14) days of service of this recommendation, any party may file written objections to these 8 | findings and recommendations with the court and serve a copy on all parties. Such a document 9 | should be captioned “Objections to Magistrate Judge’s Findings and Recommendations.” The 10 | district judge will review the magistrate judge’s findings and recommendations pursuant to 28 11 | U.S.C. § 636(b)(1)(C).

The parties are advised that failure to file objections within the specified 12 | time may result in the waiver of rights on appeal. Wilkerson v. Wheeler, 772 F.3d 834, 839 (9th 13 } Cir. 2014), citing Baxter v. Sullivan, 923 F.2d 1391, 1394 (9th Cir. 1991). 14 15 IT IS SO ORDERED. FA. ee 16 | Dated: \_ July 16, 2025 STANLEY A. BOONE 17 United States Magistrate Judge 18 19 20 21 22 23 24 25 26 27 28