

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Eva Montalvo v. Wal-Mart Associates, Inc.

Montalvo · No. 2:25-cv-09968-RGK-SK · Decided December 8, 2025

SUMMARY

The United States District Court for the Central District of California remands Eva Montalvo’s employment-law action against Wal-Mart Associates, Inc. for lack of subject-matter jurisdiction. The court held that the defendant did not establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, because the plaintiff’s \$350,000 settlement demand lacked a substantiated factual basis. The court vacated all deadlines and hearings and directed the Clerk to close the action.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	R. Gary Klausner
JURISDICTION	United States District Court for the Central District of California
DECIDED	December 8, 2025
DOCKET	2:25-cv-09968-RGK-SK
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California employment-law action from state court based on diversity jurisdiction. After issuing an order to show cause concerning the amount in controversy, the district court remanded the action for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal jurisdiction, and removal statutes are strictly construed against removal. Where a notice of removal plausibly alleges jurisdiction, the court must give the defendant an opportunity to establish the jurisdictional facts by a preponderance of the evidence before remanding.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Eva Montalvo v. Wal-Mart Associates, Inc.

TOPICS

subject matter jurisdiction

civil procedure

employment law

PRACTICE AREAS

civil procedure

employment law

QUESTIONS PRESENTED

1. Whether Defendant established that the amount in controversy exceeded \$75,000 as required for diversity jurisdiction under 28 U.S.C. § 1332.
2. Whether Plaintiff's \$350,000 settlement demand plausibly established the amount in controversy when the demand lacked a factual basis and the asserted damages were speculative.

HOLDINGS

1. Defendant failed to plausibly allege that the amount in controversy exceeded \$75,000, so the district court lacked subject matter jurisdiction over the removed action.
2. When a notice of removal plausibly alleges a basis for federal jurisdiction, the court must give the removing defendant an opportunity to establish the jurisdictional requirements by a preponderance of the evidence before remanding.

KEY QUOTATIONS

“Courts must “strictly construe the removal statute against removal jurisdiction” and remand an action “if there is any doubt as to the right of removal in the first instance.”” (at 1)

“Accordingly, the Court finds that Defendant has not satisfied its burden of plausibly alleging that the amount in controversy meets the jurisdictional requirement.” (at 2)

FACTUAL BACKGROUND

Plaintiff asserted various employment-related violations of California law. Defendant removed the action based on diversity jurisdiction and relied principally on Plaintiff's \$350,000 settlement demand to support the amount-in-controversy requirement. The demand did not provide calculations or other factual substantiation showing that the amount represented a reasonable estimate of Plaintiff's claims.

PROCEDURAL HISTORY

Plaintiff filed the complaint in California state court on July 15, 2025. Defendant removed the action to the Central District of California on October 17, 2025. The court issued an order to show cause regarding the amount in controversy, reviewed Defendant's response, and remanded the action to state court, vacating all deadlines and hearings and directing the clerk to close the case.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to the Los Angeles Superior Court for all further proceedings. All deadlines and hearings before the federal court are vacated, and the clerk shall close the federal action.

CASES CITED

- Lowdermilk v. U.S. Bank Nat'l Ass'n, 479 F.3d 994, 998 (9th Cir. 2007)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 89 (2014)
- Arias v. Residence Inn, 936 F.3d 920, 924 (9th Cir. 2019)
- Acad. of Country Music v. Cont'l Cas. Co., 991 F.3d 1059, 1068 (9th Cir. 2021)
- Babasa v. LensCrafters, Inc., 498 F.3d 972, 973-975 (9th Cir. 2007)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 840 (9th Cir. 2002)
- Hanshew v. Blazing Wings, Inc., 2016 WL 7489043, at *3 (D. Nev. Dec. 30, 2016)