

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Matthew Michelson v. Mercedes-Benz USA, LLC, et al.

Michelson · No. 2:25-cv-03611-FLA (ASx) · Decided May 27, 2025

SUMMARY

The United States District Court for the Central District of California ordered the parties 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 directed the parties to respond 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	May 27, 2025
DOCKET	2:25-cv-03611-FLA (ASx)
DISPOSITION	other
PROCEDURAL POSTURE	The action was removed to federal court, and 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 court must examine subject matter jurisdiction sua sponte, and when the amount in controversy is contested or questioned, the party asserting jurisdiction must establish it by a preponderance of the evidence. Removal jurisdiction is rejected if there is any doubt as to the right of removal.
PRECEDENTIAL VALUE	Unknown; district court order to show cause

TOPICS

- subject matter jurisdiction
- civil procedure

PRACTICE AREAS

- civil procedure
- federal jurisdiction
- removal and remand

QUESTIONS PRESENTED

1. Whether the Notice of Removal adequately established federal subject matter jurisdiction under 28 U.S.C. § 1332(a), particularly whether the amount in controversy exceeds \$75,000.
2. Whether the action should be remanded for lack of subject matter jurisdiction.

HOLDINGS

1. A federal district court must examine its subject matter jurisdiction sua sponte before proceeding to the merits.
2. The Notice of Removal did not presently establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, so the parties were required to show cause why the action should not be remanded.

KEY QUOTATIONS

“Federal courts are courts of “limited jurisdiction,” possessing “only that power authorized by the Constitution and statute[.]”” (at 2)

“Additionally, federal courts have an obligation to examine jurisdiction sua sponte before proceeding to the merits.” (at 2)

“A complaint filed in federal court must contain “a plausible allegation that the amount in controversy exceeds the jurisdictional threshold.”” (at 2)

“If the court determines at any time that it lacks subject-matter jurisdiction, the court must dismiss the action.” (at 2)

“Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.” (at 2)

FACTUAL BACKGROUND

Defendant removed the action to federal court. The court reviewed the Notice of Removal and found that its allegations did not demonstrate by a preponderance of the evidence that the amount in controversy exceeded \$75,000, exclusive of interest and costs. The court therefore required the parties to provide written responses and supporting evidence concerning the jurisdictional threshold.

PROCEDURAL HISTORY

Defendant removed the action to the Central District of California. After reviewing the Notice of Removal, the court was unable to conclude that diversity jurisdiction existed because the amount in controversy had not been shown by a preponderance of the evidence to exceed \$75,000. The court ordered the parties to respond within fourteen days and warned that Defendant's failure to respond timely and adequately would result in remand without further notice.

DISPOSITION

other

REMAND INSTRUCTIONS

The parties must respond in writing within fourteen days, limited to ten pages, explaining why the action should not be remanded and submitting evidence or judicially noticeable facts addressing the facial and factual sufficiency of Defendant's jurisdictional showing. Defendant's failure to respond timely and adequately will 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)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/united-states-district-court-for-the-central-district-of-california-united-states-district-court-for/2025/matthew-michelson-v-mercedes-benz-usa-llc-et-al-j509n2ck>