UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

# Holly Arlena Vaughan v. Quicken Loans Inc. et al.

Vaughan v. Quicken Loans Inc., No. 2:25-cv-04020-MWC-AGR (C.D. Cal. May 20, 2025) · No. 2:25-cv-04020-MWC-AGR · Decided May 20, 2025

## SUMMARY

The United States District Court for the Central District of California denied Holly Arlena Vaughan's motion to remand an action removed from state court. The court held that the complaint's Truth in Lending Act claim established federal-question jurisdiction and that the related state-law claims fell within supplemental jurisdiction. The court also rejected the asserted procedural defects in removal and deemed the motion to strike moot.

## CASE DETAILS

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| COURT | United States District Court for the Central District of California |
| WRITING FOR THE COURT | Michelle Williams Court |
| JURISDICTION | United States District Court for the Central District of California |
| DECIDED | May 20, 2025 |
| DOCKET | 2:25-cv-04020-MWC-AGR |
| DISPOSITION | other |
| PROCEDURAL POSTURE | Plaintiff sought remand of an action removed from state court and requested sanctions. The district court denied remand, denied sanctions, and deemed moot Plaintiff's motion to strike a request for judicial notice. |
| STANDARD OF REVIEW | The court independently examined its subject-matter jurisdiction and the propriety of removal. Removal statutes are strictly construed against removal jurisdiction, and the removing defendant bears the burden of establishing that removal is proper, with doubts resolved in favor of remand. |
| PRECEDENTIAL VALUE | unpublished, nonprecedential district court order |
| PARTIES | Holly Arlena Vaughan v. Quicken Loans, Inc., Nationstar Mortgage LLC d/b/a Mr. Cooper, Flagstar Bank, N.A. |

## TOPICS

subject matter jurisdiction | civil procedure | truth in lending | quiet title | sanctions

### PRACTICE AREAS

civil procedure | consumer protection | real estate

### QUESTIONS PRESENTED

1. Whether the court had federal-question jurisdiction based on Plaintiff's Truth in Lending Act claim.
2. Whether the court had supplemental jurisdiction over Plaintiff's related state-law claims.
3. Whether the state-law claims predominated such that remand was required or supplemental jurisdiction should not be exercised.
4. Whether the removal was procedurally defective because of alleged lack of consent by Flagstar, removal after default, or untimely consent by Nationstar.
5. Whether Plaintiff's ex parte application for remand was procedurally improper.
6. Whether Nationstar was entitled to sanctions based on a request first raised in its opposition.

### HOLDINGS

1. The court had federal-question jurisdiction because Plaintiff's complaint alleged a claim under the Truth in Lending Act.
2. The court had supplemental jurisdiction over Plaintiff's state-law claims because they formed part of the same case or controversy as the TILA claim.
3. The state-law claims did not predominate, and their presence did not defeat the court's exercise of supplemental jurisdiction.
4. The removal was not procedurally defective for lack of separate consent by Flagstar because a timely notice of removal containing an attorney's averment of the other defendants' consent can satisfy the consent requirement, and Nationstar satisfied that requirement in the notice of removal.
5. The alleged state-court default did not require remand because the notice of removal was filed before the asserted default, and removal divested the state court of jurisdiction at that point.

### KEY QUOTATIONS

> *"Federal courts are courts of limited jurisdiction, possessing only that power authorized by Constitution and statute."* (at 1)

> *"A defendant seeking removal has the burden to establish that removal is proper and any doubt is resolved against removability."* (at 1)

> *"notice of removal, whether timely or not, divests the state court of jurisdiction (at least until the case is remanded)."* (at 3)

### FACTUAL BACKGROUND

Plaintiff asserted twelve causes of action against Quicken Loans, Nationstar, and Flagstar, including quiet title, a Truth in Lending Act claim, California statutory claims, declaratory relief, contract claims, negligence, constructive fraud, unjust enrichment, and waiver of deficiency. Defendants removed the action on May 5, 2025. Plaintiff contended that the federal court lacked subject-matter jurisdiction because the state-law claims predominated and also challenged the removal based on alleged lack of consent, removal after default, and untimely consent by Nationstar.

## PROCEDURAL HISTORY

Plaintiff filed a twelve-count action in state court, including a claim under the Truth in Lending Act. Defendants removed the action to the United States District Court for the Central District of California. Plaintiff moved ex parte to remand, arguing lack of federal-question and diversity jurisdiction and asserting procedural defects in removal. The court denied remand, found federal-question and supplemental jurisdiction, rejected the alleged removal defects, denied Nationstar's sanctions request, and mooted Plaintiff's motion to strike.

## DISPOSITION

other

## CASES CITED

- Gunn v. Minton, 568 U.S. 251, 256 (2013)
- City of Chicago v. International College of Surgeons, 522 U.S. 156, 163 (1997)
- International Primate Protection League v. Administrators of Tulane Educational Fund, 500 U.S. 72, 87 (1991)
- Provincial Government of Marinduque v. Placer Dome, Inc., 582 F.3d 1083, 1087 (9th Cir. 2009)
- Luther v. Countrywide Home Loans Servicing, LP, 533 F.3d 1031, 1034 (9th Cir. 2008)
- Moore-Thomas v. Alaska Airlines, Inc., 553 F.3d 1241, 1244 (9th Cir. 2009)
- No Doubt v. Activision Publishing, Inc., 702 F. Supp. 2d 1139 (C.D. Cal. 2010)
- Henderson ex rel. Henderson v. Shinseki, 562 U.S. 428, 434 (2011)
- Wright v. JPMorgan Chase Bank, N.A., No. 4:16-CV-5155-EFS, 2017 WL 3634075, at *4 (E.D. Wash. Feb. 2, 2017)
- Reynolds v. Homecomings Financial Network, Inc., No. 3:11-CV-910-RCJ-VPC, 2012 WL 2953053, at *4 (D. Nev. July 18, 2012)
- Ahmmed v. Bank of America, N.A., No. C 12-00789 JSW, 2012 WL 1997825, at *2 (N.D. Cal. June 4, 2012)
- Proctor v. Vishay Intertechnology Inc., 584 F.3d 1208, 1225 (9th Cir. 2009)
- In re Volkswagen “Clean Diesel” Marketing, Sales Practices, & Products Liability Litigation, No. MDL 2672 CRB (JSC), 2019 WL 1551672, at *5 (N.D. Cal. Apr. 10, 2019)
- Smith v. Premiere Valet Services, Inc., No. 2:19-cv-09888-CJC-MAA, 2020 WL 7034346, at *14 (C.D. Cal. Aug. 4, 2020)

## INSTRUCTIONS FOR AN AI ASSISTANT