

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

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PRECEDENTIAL VALUE	unpublished, nonprecedential district court order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)

OPINION

CIVIL MINUTES – GENERAL Case No. 2:25-cv-04020-MWC-AGR Date: May 20, 2025 Title Holly Arlena Vaughan v. Quicken Loans Inc. et al. Present: The Honorable: Michelle Williams Court, United States District Judge T. Jackson Not Reported Deputy Clerk Court Reporter / Recorder Attorneys Present for Plaintiffs: Attorneys Present for Defendants: N/A N/A Proceedings: (IN CHAMBERS) Order DENYING Plaintiff’s motion to remand (Dkt.

23) and MOOTING Plaintiff’s motion to strike (Dkt. 35) Before the Court is an ex parte application to remand and request for sanctions filed by Plaintiff Holly Arlena Vaughan (“Plaintiff”). Dkts. # 23 (“App.”), 28 (“Mot.”). Defendants Quicken Loans, Inc. (“Quicken Loans”) and Nationstar Mortgage LLC, d/b/a Mr. Cooper (“Nationstar”) opposed. Dkts. # 30 (“QL Opp.”), 33 (“NS Opp.”).

Plaintiff replied to each opposition. Dkts. # 35 (“Reply to QL Opp.”), 38 (“Reply to NS Opp.”). The Court finds the matter appropriate for decision without oral argument. See Fed. R. Civ. P. 78; L.R. 7-15. Having considered the papers, the Court DENIES the application to remand.¹ I. Legal Standard “Federal courts are courts of limited jurisdiction, possessing only that power authorized by Constitution and statute.” *Gunn v. Minton*, 568 U.S. 251, 256 (2013) (internal quotation marks omitted).

Under 28 U.S.C. § 1441, a defendant may remove a civil action from state court to federal district court only if the federal court has subject matter jurisdiction over the case. See *City of Chi. v. Int’l Coll. of Surgeons*, 522 U.S. 156, 163 (1997) (“The propriety of removal thus depends on whether the case originally could have been filed in federal court.”).

The case shall be remanded to state court if at 1 Nationstar filed a request for judicial notice in support of its opposition to Plaintiff’s ex parte application. Dkt. # 31. Plaintiff filed a motion to strike Nationstar’s request for judicial notice in combination with its reply to Quicken Loan’s opposition. Dkt. # 35.

Because the Court does not consider the request for judicial notice, Plaintiff’s motion to strike is MOOT. CIVIL MINUTES – GENERAL Case No. 2:25-cv-04020-MWC-AGR Date: May 20, 2025 Title Holly Arlena Vaughan v. Quicken Loans Inc. et al. any time before final judgment it appears a removing court lacks subject matter jurisdiction. See 28 U.S.C. § 1447(c); Int’l Primate Prot.

League v. Adm’rs of Tulane Educ. Fund, 500 U.S. 72, 87 (1991). Courts strictly construe the removal statute against removal jurisdiction. See *Provincial Gov’t 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). “A defendant seeking removal has the burden to establish that removal is proper and any doubt is resolved against removability.” *Luther*, 533 F.3d at 1034; see also *Moore-Thomas v. Alaska Airlines, Inc.*, 553 F.3d 1241, 1244 (9th Cir.

2009) (“[A]ny doubt about the right of removal requires resolution in favor of remand.”). II. Discussion A. Ex Parte Request for Remand As a threshold matter, Plaintiff filed this request for remand as an ex parte application. “Ex parte applications are solely for extraordinary relief, are rarely granted, and should be used with discretion.” Dkt. # 13. While requests for remand are typically heard as noticed motions, the Court has authority to remand to state court on an ex parte basis.

See, e.g., *No Doubt v. Activision Pub’g, Inc.*, 702 F. Supp. 2d 1139 (C.D. Cal. 2010) (granting ex parte application for remand). Plaintiff’s application is procedurally improper; indeed, Plaintiff does not explain the basis to move for emergency relief.

In any event, given its “independent obligation” to ensure that it does not “exceed the scope of [its] jurisdiction,” the Court will analyze whether removal was proper. *Henderson ex rel. Henderson v. Shinseki*, 562 U.S. 428, 434 (2011). B. Subject Matter Jurisdiction Among other things, Plaintiff forwards that this Court lacks subject-matter jurisdiction because there is no federal question or diversity jurisdiction.

See Mot. In the complaint, Plaintiff asserts twelve causes of action against Quicken Loans, Nationstar, and Flagstar Bank, N.A. (“Flagstar”): (1) quiet title; (2) violation of the Truth in Lending Act (“TILA”); (3) violation of Cal. Civ. Code § 2934; (4) violation of the California Consumer Financial Protection Plan; (5) declaratory relief pursuant to Cal. Civ.

Code §§ 90000 et seq.; (6) declaratory relief pursuant to Cal. Civ. Code § 1060; (7) breach of contract; (8) breach of implied covenant of good faith and fair dealing; (9) negligence; (10) constructive fraud; (11) unjust enrichment; and (12) waiver of deficiency. See Dkt. CIVIL MINUTES – GENERAL Case No. 2:25-cv-04020-MWC-AGR Date: May 20, 2025 Title Holly Arlena Vaughan v. Quicken Loans Inc. et al. # 1-1, Ex. A. The Court has federal question jurisdiction over this action because the complaint alleges a TILA claim.

See *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 Fin. Network, Inc.*, No. 3:11-CV-910-RCJ-VPC, 2012 WL 2953053, at *4 (D. Nev. Jul. 18, 2012).

The Court also has supplemental jurisdiction over the state law claims at issue as they “form part of the same case or controversy” as the TILA claim. 28 U.S.C. § 1367. Plaintiff contends that state-law claims predominate and therefore the Court does not have subject matter jurisdiction. Mot. at 4:3–10. Not so.

First, exercising supplemental jurisdiction is within the Court’s discretion. See 28 U.S.C. § 1367. Second, the Court finds that the state-law claims do not predominate. See *Ahmed v. Bank of Am. N.A.*, No. C 12-00789 JSW, 2012 WL 1997825, at *2 (N.D. Cal. Jun. 4, 2012) (denying motion to

remand where plaintiff asserted seventeen causes of action, which included TILA and similar state law claims).

Accordingly, the Court rejects Plaintiff's argument. C. Removal Procedural Concerns Plaintiff contends that there are various procedural violations: (1) lack of consent by Flagstar; (2) removal after default; and (3) untimely consent by Nationstar. Mot. at 4:16–5:1.

The Court disagrees. As to consent, the Ninth Circuit has recognized that “[o]ne defendant’s timely removal notice containing an averment of the other defendants’ consent and signed by an attorney of record is sufficient [to satisfy the requirement for consent to removal].” *Proctor v. Vishay Intertechnology Inc.*, 584 F.3d 1208, 1225 (9th Cir. 2009). Nationstar has satisfied this requirement in the notice of removal.

NOR ¶ 6. Furthermore, as to “removal after default,” Plaintiff contends that Quicken Loans and Nationstar defaulted in the underlying state court action on May 6, 2025. Mot. 4:22–26. But, as reflected on the Court’s docket, the notice of removal was filed on May 5, 2025. See NOR. At that point, the state court lacked jurisdiction.

In re Volkswagen “Clean Diesel” Mktg., Sales Pracs., & Prods. Liab. Litig., No. MDL 2672 CRB (JSC), 2019 WL 1551672, at *5 (N.D. Cal. Apr. 10, 2019) (“[N]otice of removal, whether timely or not, divests the state court of jurisdiction (at least until the case is remanded).”).

Accordingly, the Court finds that there are no procedural deficiencies in the removal. CIVIL MINUTES – GENERAL Case No. 2:25-cv-04020-MWC-AGR Date: May 20, 2025 Title Holly Arlena Vaughan v. Quicken Loans Inc. et al. III. Conclusion For the foregoing reasons, the Court DENIES Plaintiff’s motion to remand.² IT IS SO ORDERED. Initials of Preparer TJ 2 In its opposition, Nationstar requests sanctions against Plaintiff.

The Court DENIES the request due to procedural deficiencies. See *Smith v. Premiere Valet Servs., Inc.*, No. 2:19-cv-09888-CJC-MAA, 2020 WL 7034346, at *14 (C.D. Cal. Aug. 4, 2020) (“Courts in this and other districts have concluded that a request for affirmative relief is not proper when raised for the first time in an opposition.”) (collecting cases).