

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Joe Montoya v. Flatiron Dragados USA, Inc.

No. 8:25-cv-00891-DOC-DFM (C.D. Cal. May 7, 2025) · No. 8:25-cv-00891-DOC-DFM · Decided May 7, 2025

SUMMARY

The United States District Court for the Central District of California sua sponte remands Joe Montoya’s California employment action to the Superior Court of California, County of Orange. The court concludes that Defendant did not establish by a preponderance of the evidence that the amount in controversy exceeded the \$75,000 threshold for diversity jurisdiction. The court vacates all further hearings and directs the Clerk to serve the minute order on the parties.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	David O. Carter
JURISDICTION	United States District Court for the Central District of California
DECIDED	May 7, 2025
DOCKET	8:25-cv-00891-DOC-DFM
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California employment action from the Superior Court of California, County of Orange, on the asserted basis of diversity jurisdiction. The federal district court sua sponte determined that Defendant had not established the amount-in-controversy requirement and remanded the action to state court.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject-matter jurisdiction by a preponderance of the evidence when the complaint does not clearly allege an amount in controversy exceeding \$75,000. The court may consider subject-matter jurisdiction sua sponte and must remand when jurisdiction is lacking.
PRECEDENTIAL VALUE	Unknown; federal district court civil minute order

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism
- wrongful termination
- employment law

PRACTICE AREAS

civil procedure

employment law

federal jurisdiction

QUESTIONS PRESENTED

1. Whether the district court had diversity jurisdiction when the complaint did not expressly allege that more than \$75,000 was in controversy.
2. Whether Defendant established by a preponderance of the evidence that the amount in controversy exceeded \$75,000.
3. Whether speculative damages, including front pay and other asserted damages and awards, could be included in the amount-in-controversy calculation on the record presented.

HOLDINGS

1. When the complaint does not clearly allege an amount in controversy exceeding \$75,000, the removing defendant must establish by a preponderance of the evidence that the jurisdictional minimum is satisfied.
2. For purposes of the amount-in-controversy calculation in this case, the court counted lost wages from the termination date through the removal date rather than through an estimated future trial date.
3. Defendant failed to establish by a preponderance of the evidence that more than \$75,000 was in controversy, so the district court lacked diversity jurisdiction and was required to remand the action.

KEY QUOTATIONS

“If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded.”” (Page 2)

“Because Defendant has not satisfied its burden to show that more than \$75,000 is at issue in this case, the Court lacks diversity jurisdiction.” (Page 4)

“As federal diversity jurisdiction expands, state court jurisdiction to decide purely state law issues and develop state law correspondingly decreases.” (Page 5)

FACTUAL BACKGROUND

Joe Montoya alleged that he worked for Flatiron Dragados USA, Inc. as a Batch Plant Operator beginning in April 2023. He alleged workplace injuries, knee surgery, medical leave, and submission of medical documentation stating that he could return to work in March 2025. The employer terminated him on January 31, 2025, and he asserted California wage, FEHA, whistleblower, retaliation, and wrongful-termination claims.

PROCEDURAL HISTORY

Plaintiff filed the action in Orange County Superior Court on March 28, 2025, and Defendant was served on April 1, 2025. Defendant removed the action to the Central District of California on April 30, 2025, asserting diversity jurisdiction. On May 7, 2025, the district court remanded the case sua sponte because Defendant failed to show by a preponderance of the evidence that more than \$75,000 was in controversy.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case was remanded to the Superior Court of Orange County. All further hearings in the federal court were vacated, and the Clerk was directed to serve the minute order on the parties.

CASES CITED

- *Ethridge v. Harbor House Rest.*, 861 F.2d 1389, 1393 (9th Cir. 1988)
- *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 553 (2005)
- *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696, 699 (9th Cir. 2007)
- *St. Paul Mercury Indem. Co. v. Red Cab Co.*, 303 U.S. 283, 288-89 (1938)
- *Crum v. Circus Enters.*, 231 F.3d 1129, 1131 (9th Cir. 2000)
- *Gaus v. Miles, Inc.*, 980 F.2d 564, 567 (9th Cir. 1992)
- *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 403-04 (9th Cir. 1996)
- *Richmond v. Allstate Ins. Co.*, 897 F. Supp. 447, 450 (S.D. Cal. 1995)
- *Geographic Expeditions, Inc. v. Estate of Lhotka ex rel. Lhotka*, 599 F.3d 1102, 1106-07 (9th Cir. 2010)
- *Coleman v. Estes Express Lines, Inc.*, 730 F. Supp. 2d 1141, 1148-49 (C.D. Cal. 2010)
- *Matheson v. Progressive Specialty Ins. Co.*, 319 F.3d 1089, 1090-91 (9th Cir. 2003)
- *Singer v. State Farm Mut. Auto. Ins. Co.*, 116 F.3d 373, 377 (9th Cir. 1997)
- *Gonzalez v. Crosby*, 545 U.S. 524, 534 (2005)
- *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 94, 101-02 (1998)
- *Snell v. Cleveland, Inc.*, 316 F.3d 822, 826 (9th Cir. 2003)
- *Traxler v. Multnomah Cnty.*, 596 F.3d 1007, 1011 (9th Cir. 2010)
- *Galt G/S v. JSS Scandinavia*, 142 F.3d 1150, 1156 (9th Cir. 1998)