

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Monteverde & Associates PC v. Harpoon Therapeutics, Inc.

Monteverde · No. 24-cv-08935-AMO · Decided June 2, 2025

SUMMARY

The United States District Court for the Northern District of California granted Monteverde & Associates P.C.’s motion to remand the case to San Mateo Superior Court. The court held that Harpoon Therapeutics had not established federal jurisdiction under the substantial-federal-question doctrine because the federal issues raised by the state-law claims were fact-bound and situation-specific.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Araceli Martinez-Olguin
JURISDICTION	United States District Court for the Northern District of California
DECIDED	June 2, 2025
DOCKET	24-cv-08935-AMO
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand an action removed from San Mateo Superior Court, arguing that federal subject matter jurisdiction was absent.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing by a preponderance of the evidence that removal was proper.
PRECEDENTIAL VALUE	unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism
- commercial litigation

PRACTICE AREAS

- civil procedure
- federal jurisdiction
- securities litigation
- commercial litigation

QUESTIONS PRESENTED

1. Whether the plaintiff's state-law claims necessarily raised a substantial federal issue sufficient to support federal-question jurisdiction under the Grable doctrine.
2. Whether the federal court had subject matter jurisdiction over the removed action.

HOLDINGS

1. The state-law claims did not raise a substantial federal issue because the federal questions were fact-bound and situation-specific, concerning whether information should have been disclosed, whether the original proxy statement was misleading, and whether supplemental disclosures were material.
2. Because the removing defendant failed to establish federal subject matter jurisdiction, the case had to be remanded to state court.

KEY QUOTATIONS

“A removing defendant bears the burden of establishing by a preponderance of the evidence that removal was proper.” (at 1)

“These questions are “fact-bound and situation-specific” because their resolution will necessarily involve examination of the particular disclosures and circumstances at issue in this case.” (at 1-2)

FACTUAL BACKGROUND

The case involved state-law claims concerning alleged omissions and misleading disclosures in an original proxy statement and the materiality of supplemental disclosures. The federal questions implicated by those claims required examination of the particular disclosures and circumstances of the case.

PROCEDURAL HISTORY

The action was removed to the United States District Court for the Northern District of California. Plaintiff moved to remand to San Mateo Superior Court, and the district court granted the motion, vacated all pending federal deadlines and hearings, and directed the Clerk to transmit the file to state court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk of Court was directed to transmit the file back to the state court. All pending deadlines and hearings scheduled before the federal court were vacated.

CASES CITED

- Geographic Expeditions, Inc. v. Estate of Lhotka ex rel. Lhotka, 599 F.3d 1102, 1106-07 (9th Cir. 2010)
- Grable & Sons Metal Prods., Inc. v. Darue Eng'g & Mfg., 545 U.S. 308 (2005)
- Cnty. of San Mateo v. Chevron Corp., 32 F.4th 733, 747 (9th Cir. 2022)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
MONTEVERDE & ASSOCIATES PC, Case No. 24-cv-08935-AMO 8 Plaintiff, ORDER
GRANTING MOTION TO 9 v. REMAND 10 HARPOON THERAPEUTICS, INC., Re: Dkt. No.
13 Defendant. 11 12 13 Before the Court is Plaintiff Monteverde & Associates P.C.'s motion to
remand this case to 14 San Mateo Superior Court.

ECF 13. Having considered the parties' papers and the arguments 15 made therein, as well as the
relevant legal authority, the Court finds that federal jurisdiction is not 16 proper over this matter.
17 Because it invokes the Court's jurisdiction, Harpoon bears the burden of establishing that 18
removal was proper. *Geographic Expeditions, Inc. v. Estate of Lhotka ex rel.*

Lhotka, 599 F.3d 19 1102, 1106-07 (9th Cir. 2010) ("A removing defendant bears the burden of
establishing by a 20 preponderance of the evidence that removal was proper.") Harpoon contends
that the "state-law 21 claim[s] necessarily state[] a federal issue, actually disputed and substantial,
which a federal forum 22 may entertain without disturbing any congressionally approved balance
of federal and state 23 judicial responsibilities." *Grable & Sons Metal Prods., Inc. v. Darue Eng'g
& Mfg.*, 545 U.S. 308 24 (2005).

Plaintiff's state-law claims, however, do not raise a substantial federal issue if the issue 25 "is fact-
bound and situation-specific... or raises only a hypothetical question unlikely to affect 26
interpretations of federal law in the future." *Cnty. of San Mateo v. Chevron Corp.*, 32 F.4th 733, 27
747 (9th Cir. 2022).

Here, the federal questions raised by Plaintiff's state law claims include 1 disclose any of the
omitted information from the Original Proxy Statement in the first place, 2 || whether the Original
Proxy Statement was misleading, and whether the Supplemental Disclosures 3 || were material.
These questions are "fact-bound and situation-specific" because their resolution 4 || will
necessarily involve examination of the particular disclosures and circumstances at issue in this 5
case.

Because Harpoon has not shown that the federal issues are substantial, this Court lacks 6 subject
matter jurisdiction, and this case must be remanded. 28 U.S.C. § 1447(c). Plaintiff's 7 motion is
therefore GRANTED. The Clerk of Court is directed to transmit the file in this matter 8 || back to
the State Court. All pending deadlines and hearings scheduled before this Court 9 || are
VACATED.

10 11 IT IS SO ORDERED. 12 Dated: June 2, 2025 ARACELI MARTINEZ-OLGUIN 15 United
States District Judge 16 = 17 Z 18 19 20 21 22 23 24 25 26 27 28

