

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Christopher Lloyd Mitchel v. Ford Motor Company et al.

Mitchel v. Ford Motor Co. · No. 5:25-cv-01466-DOC-DTB · Decided September 11, 2025

SUMMARY

The United States District Court for the Central District of California grants Plaintiff Christopher Lloyd Mitchel’s motion to remand a Song-Beverly Consumer Warranty Act action against Ford Motor Company. The court concludes that Ford failed to show by a preponderance of the evidence that the amount in controversy exceeded \$75,000, and therefore finds no diversity jurisdiction. The case is remanded to the Superior Court of Riverside County, California.

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	September 11, 2025
DOCKET	5:25-cv-01466-DOC-DTB
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand an action removed from Riverside County Superior Court on the ground that the amount-in-controversy requirement for diversity jurisdiction was not satisfied.
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 and unambiguously allege more than \$75,000, the defendant must show that it is more likely than not that the amount in controversy exceeds the jurisdictional minimum.
PRECEDENTIAL VALUE	Nonprecedential district court opinion; publication status is not identified, and the document is a civil minutes order.
PARTIES	Christopher Lloyd Mitchel v. Ford Motor Company, Does 1 through 10

TOPICS

subject matter jurisdiction

civil procedure

federalism

consumer protection

PRACTICE AREAS

Civil procedure

Federal jurisdiction

Removal and remand

Consumer warranty law

QUESTIONS PRESENTED

1. Whether the district court had diversity subject matter jurisdiction when the complaint did not allege more than \$75,000 in damages and Ford's supported economic-damages calculation was \$63,636.42.
2. Whether speculative civil penalties and attorney's fees could be included to satisfy the amount-in-controversy requirement.

HOLDINGS

1. Ford failed to prove by a preponderance of the evidence that the amount in controversy exceeded \$75,000, so the district court lacked diversity jurisdiction.
2. The court declined to include speculative civil penalties or attorney's fees in determining whether the amount in controversy exceeded \$75,000.

KEY QUOTATIONS

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

"A removing defendant 'may not meet [its] burden by simply reciting some 'magical incantation' to the effect that 'the matter in controversy exceeds the sum of [\$75,000],' but instead, must set forth in the removal petition the underlying facts supporting its assertion that the amount in controversy exceeds [\$75,000].'" (at 3)

"Therefore, Defendant has only shown damages of \$63,636.42. Because Defendant has not satisfied its burden to show more than \$75,000 is at issue in this case, the Court lacks diversity jurisdiction." (at 5)

FACTUAL BACKGROUND

Plaintiff purchased a Ford vehicle under a written warranty contract dated August 20, 2021. He alleged that the vehicle had transmission, engine, and other defects that manifested during the express warranty period and that Ford failed to repair, replace, or provide restitution for the vehicle under California's Song-Beverly Act. The complaint alleged damages of not less than \$35,001, while Ford calculated economic damages of \$63,636.42 after applying a mileage offset to the vehicle's purchase price.

PROCEDURAL HISTORY

Plaintiff filed suit in Riverside County Superior Court on September 3, 2024, asserting California Song-Beverly Act, warranty, fraudulent-inducement, and negligent-repair claims. After Plaintiff dismissed previously named defendant Gosch Ford Hemet, Ford removed the action to the Central District of California on June 12, 2025.

The district court granted Plaintiff's motion to remand because Ford failed to prove 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 Riverside County, California. The Ex Parte Application to Continue the CMC/Scheduling Conference was mooted.

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. 2002)
- Lee v. FCA US, LLC, No. CV 16-5190 PSG (MRWx), 2016 WL 11516754, at *2 (C.D. Cal. Nov. 7, 2016)
- Galt G/S v. JSS Scandinavia, 142 F.3d 1150, 1156 (9th Cir. 1998)

OPINION

Christopher Lloyd Mitchel v. Ford Motor Company

PER CURIAM.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Title: Christopher Lloyd Mitchel v. Ford Motor Company et al. PRESENT:

THE HONORABLE DAVID O. CARTER, JUDGE

Karlen Dubon Not Present Courtroom Clerk Court Reporter

ATTORNEYS PRESENT FOR ATTORNEYS PRESENT FOR

PLAINTIFF: DEFENDANT: None Present None Present

PROCEEDINGS (IN CHAMBERS): ORDER GRANTING PLAINTIFF'S

MOTION TO REMAND [14]

Before the Court is Plaintiff Christopher Lloyd Mitchel's Motion to Remand ("Mot.") (Dkt. 14). The Court finds this matter appropriate for resolution without oral argument. See Fed. R. Civ. P. 78; C.D. Cal. R. 7-15. After considering the moving papers and the arguments made therein, the Court GRANTS Plaintiff's Motion. The Ex Parte Application to Continue CMC/Scheduling Conference filed on September 8, 2025 is MOOTED (Dkt. 16). I. Facts The following facts are taken from Plaintiff's Complaint ("Compl.") (Dkt. 1-3). Plaintiff alleges five causes of action against Defendant Ford Motor Company ("Defendant" or "Ford") and Does 1 through 10. See generally Compl. On August 20, 2021, Plaintiff entered into a written warranty contract with Defendant regarding a Ford vehicle that was also manufactured and distributed by Defendant. Id. ¶ 7. Plaintiff alleges that Defendant knew of a transmission defect in 1 There appears to be some dispute or confusion about how to spell Plaintiff's name. In any case, the Court refers to Plaintiff as Christopher Lloyd Mitchel in this Order.

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Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Page 2 certain Ford vehicles, including Plaintiff's, before Plaintiff's purchase. Id. ¶ 40. Plaintiff states that defects to the vehicle's transmission and engine, among other defects and non-conformities, manifested during the applicable express warranty period. Id. ¶ 12. Plaintiff alleges that, under California's Song-Beverly Act, Defendant "failed to conform" the vehicle to the terms of the express warranty after a "reasonable number of repair attempts" and failed to promptly replace the vehicle or make restitution. Id. ¶¶ 15-16. Plaintiff brings the following claims against Defendant: (1) Violation of Cal. Civ. Code § 1793.2(d); (2) Violation of Cal. Civ. Code § 1793.2(b); (3) Violation of Cal. Civ. Code § 1793.2(a)(3); (4) Breach of the Implied Warranty of Merchantability in Violation of Cal. Civ. Code §§ 1791.1, 1794, 1795.5; and (5) Fraudulent Inducement by Concealment; and (6) Negligent Repair. Id. ¶¶ 51-85. II. Procedural History Plaintiff filed their Complaint in Riverside County Superior Court on September 3, 2024 (Dkt. 1-3). On June 10, 2025, Plaintiff filed and served a Request for Dismissal of previously named Defendant Gosch Ford Hemet (Dkt. 1-5). On June 12, 2025, Defendant Ford filed a Notice of Removal from the Riverside County Superior Court to this Court ("Not.") (Dkt. 1). On August 15, 2025, Plaintiff filed the present Motion to Remand the case to state court ("Mot.") (Dkt. 14). On August 25, 2025, Defendant Ford filed its opposition to the Motion ("Opp.") (Dkt. 15). Plaintiff did not file a Reply. III. Legal Standard "If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded." 28 U.S.C. § 1447(c). Removal of a case from state court to federal

court is governed by 28 U.S.C. § 1441, which provides in relevant part that “any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed . . . to the district court of the United States for the district and division embracing the place where such action is pending.” 28 U.S.C. § 1441. This statute “is strictly construed against removal jurisdiction,” and the party seeking removal “bears the burden of establishing federal jurisdiction.” *Ethridge v. Harbor House Rest.*, 861 F.2d 1389, 1393 (9th Cir. 1988) (emphasis added) (citations omitted).

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Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Page 3 Federal diversity jurisdiction requires that the parties be citizens of different states and that the amount in controversy exceeds \$75,000. 28 U.S.C. § 1332(a). For diversity jurisdiction purposes, a corporation is “deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business.” 28 U.S.C. § 1332(c)(1). The presence of any single plaintiff from the same state as any single defendant destroys “complete diversity” and strips the federal courts of original jurisdiction over the matter. *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 553 (2005). Generally, a removing defendant must prove by a preponderance of the evidence that the amount in controversy satisfies the jurisdictional threshold. *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696, 699 (9th Cir. 2008). If the complaint affirmatively alleges an amount in controversy greater than \$75,000, the jurisdictional requirement is “presumptively satisfied.” *Id.* In that situation, a plaintiff who then tries to defeat removal must prove to a “legal certainty” that a recovery of more than \$75,000 is impossible. *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). This framework applies equally to situations where the complaint leaves the amount in controversy unclear or ambiguous. See *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). A removing defendant “may not meet [its] burden by simply reciting some ‘magical incantation’ to the effect that ‘the matter in controversy exceeds the sum of [\$75,000],’ but instead, must set forth in the removal petition the underlying facts supporting its assertion that the amount in controversy exceeds [\$75,000].” *Richmond v. Allstate Ins. Co.*, 897 F. Supp. 447, 450 (S.D. Cal. 1995) (quoting *Gaus*, 980 F.2d at 567). If the plaintiff has not clearly or unambiguously alleged \$75,000 in its complaint or has affirmatively alleged an amount less than \$75,000 in its complaint, the burden lies with the defendant to show by a preponderance of the evidence that the jurisdictional minimum is satisfied. *Geographic Expeditions, Inc. v. Estate of Lhotka ex rel. Lhotka*, 599 F.3d 1102, 1106-07 (9th Cir. 2010); *Guglielmino*, 506 F.3d at 699. While the defendant must “set forth the underlying facts supporting its assertion that the amount in controversy exceeds the statutory minimum,” the standard is not so taxing so as to require the defendant to “research, state, and prove the plaintiff’s claims for damages.” *Coleman v. Estes Express Lines, Inc.*, 730 F. Supp. 2d 1141, 1148 (C.D. Cal. 2010) (emphases added). In short, the

defendant must show that it is “more likely than not” that the amount in controversy exceeds the statutory minimum. Id. Summary

CIVIL MINUTES – GENERAL

Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Page 4 judgment-type evidence may be used to substantiate this showing. *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). For example, defendants may make mathematical calculations using reasonable averages of hourly, monthly, and annual incomes of comparable employees when assessing the amount in controversy in a wrongful termination suit. *Coleman*, 730 F. Supp. 2d. at 1148–49. If the court lacks subject matter jurisdiction, any action it takes is ultra vires and void. See *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). The lack of subject matter jurisdiction may be raised at any time by either the parties or the court. Fed. R. Civ. P. 12(h)(3). If subject matter jurisdiction is found to be lacking, the court must dismiss the action, id., or remand pursuant to 28 U.S.C. § 1447(c). A court may raise the question of subject matter jurisdiction sua sponte. See *Snell v. Cleveland, Inc.*, 316 F.3d 822, 826 (9th Cir. 2002). IV. Discussion Here, the parties dispute whether the amount in controversy reaches the jurisdictional threshold. Plaintiff does not expressly allege an amount in controversy over \$75,000. See generally Compl. Accordingly, Defendant must show by a preponderance of the evidence that the jurisdictional minimum is satisfied. See *Geographic Expeditions, Inc.*, 599 F.3d at 1106-07; *Guglielmino*, 506 F.3d at 699. Defendant has not met their burden to show that the amount in controversy requirement is satisfied. Defendant states that the amount in controversy exceeds \$75,000, but this assertion is not supported by the underlying facts in the Notice of Removal or Opposition. Plaintiff has only alleged that he “suffered damages in a sum to be proven at trial in an amount that is not less than \$35,001.00.”² Compl. ¶ 21. To estimate the amount in controversy, Defendant uses a mileage offset formula on the vehicle’s total sales price or, alternatively, to the vehicle’s total cash price or Plaintiff’s downpayment and installments toward the vehicle. Opp. at 7-8. “Courts calculate the amount of restitution under the law by first establishing an ‘offset’ amount for Plaintiff’s use of the vehicle (purchase price multiplied by a fraction constituting miles driven divided by 120,000) . . . then subtract[ing] the ‘offset’ from the vehicle’s 2 Defendant’s point that Plaintiff rejected an apparent \$74,000 settlement offer is not relevant, Opp. at 2, because it was an off-the-cuff response and in any case there is \$1,000 between \$74,000 and the jurisdictional threshold of \$75,000. It is also not entirely clear if the \$74,000 offer was based solely on the value of the car, or included other requested compensation the Court will not allocate toward the amount in controversy.

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Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Page 5 purchase price to get the amount of restitution.” *Lee v. FCA US, LLC*, No. CV 16-5190 PSG (MRWx), 2016 WL 11516754, at *2 (C.D. Cal. Nov. 7, 2016). In its first and most conservative calculation, Defendant

asserts that the total sales price in the retail installment contract amounted to \$83,756. Opp. at 7. Defendant contends that the mileage offset amounts to \$20,119.58. Id. Subtracting the mileage offset from the purchase price leaves the economic damages at \$63,636.42. Id. Additionally, to reach the jurisdictional threshold, Defendant includes civil penalties in their estimations. Id. at 7-8. Defendant asserts that Plaintiff seeks two times the base amount of civil penalties, which if awarded would bring the most conservative estimate of the amount in controversy to \$190,909.26. Id. at 7. However, the Court will not include speculative civil penalties or attorney's fees to meet the amount in controversy requirement. See *Galt G/S v. JSS Scandinavia*, 142 F.3d 1150, 1156 (9th Cir. 1998) ("We hold that where an underlying statute authorizes an award of attorneys' fees, either with mandatory or discretionary language, such fees may be included in the amount in controversy.") (emphasis added). Therefore, Defendant has only shown damages of \$63,636.42. Because Defendant has not satisfied its burden to show more than \$75,000 is at issue in this case, the Court lacks diversity jurisdiction. Because the Court concludes that the amount in controversy is below \$75,000 based on Defendant's version of the evidence, the Court declines to address Plaintiff's request for limited discovery. The Court's decision not to include speculative awards in the amount in controversy is reinforced by the fact that Congress has not raised the amount in controversy since 1996—nearly three decades ago.³ See The Federal Courts Improvement Act of 1996, 110 Stat. 3850. Since then, the inflation rate is nearly 100% (i.e., prices have almost doubled). Thus, adjusted for inflation, the amount in controversy should be around \$150,000. Stated conversely, a case worth \$75,000 in 1996 is worth only \$37,500 in today's dollars. Because inflation has plainly decreased the "real" value of the amount in controversy, more and more cases are able to meet the jurisdictional threshold and can be brought in federal court. As federal diversity jurisdiction expands, state court jurisdiction to decide purely state law issues and develop state law correspondingly decreases. Thus, the federal jurisdictional creep is incompatible with the most basic principles of federalism. Federalism is not the only loser in Congress's failure to increase the amount in controversy. When a case is improperly removed, as happened here, ultimate resolution is 3 For reference, in 1996, the minimum wage was \$4.75 per hour, and only 16% of Americans had cell phones. Indeed, the current amount-in-controversy is older than both of my law clerks.

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Case No. 5:25-cv-01466-DOC-DTB Date: September 11, 2025 Page 6 delayed. Because cases subject to motion to remand are typically small dollar cases, this increased motion work can quickly cause attorneys' fees to outrun any potential recovery and places an immense burden on a plaintiff's lawyer working on contingency. In this respect, the current low jurisdictional threshold reduces access to justice. Therefore, the Court respectfully encourages Congress to reconsider the amount in controversy minimum. Accordingly, the Court finds that Defendants have not shown by a preponderance of the evidence that the amount in controversy exceeds \$75,000. Thus, the Court finds that it lacks diversity jurisdiction over this matter. V. Disposition For the reasons set forth

above, the Court hereby REMANDS this case to the Superior Court of Riverside County, California. The Ex Parte Application to Continue CMC/Scheduling Conference filed on September 8, 2025 is MOOTED (Dkt. 16). The Clerk shall serve this minute order on the parties. MINUTES FORM 11 Initials of Deputy Clerk: kdu
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