

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Irma Ventura v. Mercedes-Benz USA, LLC

Ventura · No. 8:25-cv-00394-DOC-KES · Decided March 12, 2025

SUMMARY

The United States District Court for the Central District of California sua sponte remanded Irma Ventura’s California Song-Beverly Act action against Mercedes-Benz USA, LLC to state court. The court held that the removing defendant failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000 for diversity jurisdiction. The order also discussed the effects of inflation and the federalism concerns associated with the current jurisdictional threshold.

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	March 12, 2025
DOCKET	8:25-cv-00394-DOC-KES
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed Plaintiff’s California Song-Beverly Act action from California state court based on 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 or 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PRECEDENTIAL VALUE	Unknown; unpublished district-court minute order
PARTIES	Mercedes-Benz USA, LLC v. Irma Ventura

TOPICS

subject matter jurisdiction

civil procedure

federalism

consumer protection

PRACTICE AREAS

civil procedure

removal and remand

subject matter jurisdiction

diversity jurisdiction

consumer protection

QUESTIONS PRESENTED

1. Whether the defendant established by a preponderance of the evidence that the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction.
2. Whether the district court was required to remand the action sua sponte because it lacked subject matter jurisdiction.

HOLDINGS

1. Because Plaintiff did not clearly or unambiguously allege more than \$75,000 in controversy, Defendant was required to prove by a preponderance of the evidence that the jurisdictional minimum was satisfied. Defendant failed to meet that burden because its calculation relied on speculative civil penalties and attorney's fees and on the total value of a vehicle that Plaintiff leased.
2. A federal district court must remand a removed action when, before final judgment, it appears that the court lacks subject matter jurisdiction. The court may raise the jurisdictional issue sua sponte.

KEY QUOTATIONS

"This statute "is strictly construed against removal jurisdiction," and the party seeking removal "bears the burden of establishing federal jurisdiction."" (2)

"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." (2)

"In short, the defendant must show that it is "more likely than not" that the amount in controversy exceeds the statutory minimum." (3)

"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." (4)

FACTUAL BACKGROUND

Irma Ventura sued Mercedes-Benz USA, LLC under California's Song-Beverly Act in connection with her lease of a Mercedes-Benz vehicle. The complaint did not expressly allege that more than \$75,000 was in controversy. Mercedes-Benz asserted that the vehicle was worth \$72,090.96 and that civil penalties, attorney's fees, and costs increased the potential recovery above \$75,000, but the court found that the asserted penalties and fees were speculative and that the lease arrangement presumably made the amount in controversy less than the vehicle's total value.

PROCEDURAL HISTORY

Plaintiff filed suit in the Superior Court of California, County of Orange, on January 17, 2025. Defendant removed the action to the Central District of California on February 28, 2025, asserting diversity jurisdiction. On March 12, 2025, the district court sua sponte remanded the case 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 is remanded to the Superior Court of Orange County, California. The Clerk shall 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. 2002)
- *Galt G/S v. JSS Scandinavia*, 142 F.3d 1150, 1156 (9th Cir. 1998)