

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF  
CALIFORNIA

Ernest Scoggan v. Costco Wholesale Corporation et al.

Scoggan v. Costco · No. 2:25-cv-08965-SVW-RAO · Decided November 19, 2025

SUMMARY

The Central District of California granted Plaintiff Ernest Scoggan’s motion to remand a putative class action against Costco Wholesale Corporation. The court held that Costco failed to establish by a preponderance of the evidence that the amount in controversy exceeded the Class Action Fairness Act’s jurisdictional threshold, relying on speculative assumptions about the frequency and amount of alleged online price increases. The case was remanded to the Superior Court of California, County of Los Angeles.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Central District of California                                                                                                                                                                                                                                                                                                                                                                                                                          |
| WRITING FOR THE COURT | Stephen V. Wilson                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| JURISDICTION          | United States District Court for the Central District of California                                                                                                                                                                                                                                                                                                                                                                                                                          |
| DECIDED               | November 19, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| DOCKET                | 2:25-cv-08965-SVW-RAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| DISPOSITION           | remanded                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PROCEDURAL POSTURE    | Plaintiff moved to remand a putative class action removed from California state court under the Class Action Fairness Act.                                                                                                                                                                                                                                                                                                                                                                   |
| STANDARD OF REVIEW    | A removing defendant bears the burden of establishing federal jurisdiction. Under CAFA, the notice of removal need only plausibly allege that the amount in controversy exceeds the jurisdictional threshold; when the amount is challenged, the defendant must establish by a preponderance of the evidence that the requirement is met. Damages calculations may rely on reasonable assumptions founded on the complaint, but not on speculation, conjecture, or unreasonable assumptions. |
| PRECEDENTIAL VALUE    | Unknown; district court civil minutes order with no reporter citation                                                                                                                                                                                                                                                                                                                                                                                                                        |

TOPICS

- subject matter jurisdiction
- class actions
- civil procedure
- consumer protection
- breach of contract

## PRACTICE AREAS

federal jurisdiction

class actions

removal and remand

consumer protection

contracts

## QUESTIONS PRESENTED

1. Whether Costco established that the amount in controversy exceeded CAFA's jurisdictional threshold.
2. Whether Costco's damages calculations, based on assumptions that every qualifying order included an upcharge, were sufficiently supported by the complaint or other evidence to establish federal subject matter jurisdiction.

## HOLDINGS

1. Costco failed to establish by a preponderance of the evidence that the amount in controversy exceeded CAFA's jurisdictional threshold because the complaint did not provide a reliable basis for calculating classwide damages and Costco offered insufficient supporting evidence.
2. The case must be remanded to the Superior Court of California, County of Los Angeles because Costco did not establish that the federal court could properly exercise subject matter jurisdiction.

## KEY QUOTATIONS

*"Federal courts are courts of limited jurisdiction."* (Legal Standard)

*"A defendant may not rely on "mere speculation and conjecture" or "unreasonable assumptions" to establish removal jurisdiction."* (Legal Standard)

## FACTUAL BACKGROUND

Scoggan alleged that Costco charged online delivery customers more for certain products than the prices charged at physical Costco stores, allegedly concealing the difference through representations concerning delivery fees. The complaint asserted claims under California's Unfair Competition Law, False Advertising Law, and Consumer Legal Remedies Act, as well as Washington's Consumer Protection Act, breach of contract, and unjust enrichment. The complaint identified a \$106.76 order and alleged an overcharge of approximately \$2.50, but did not identify the allegedly inflated products or the amount of the putative class's aggregate overcharges.

## PROCEDURAL HISTORY

Plaintiff filed a putative class action in the Superior Court of California, County of Los Angeles, alleging consumer-protection, contract, and unjust-enrichment claims based on allegedly inflated online prices. Costco removed the action to federal court under CAFA. The district court granted Plaintiff's motion to remand because Costco failed to establish by a preponderance of the evidence that the amount in controversy satisfied CAFA's jurisdictional threshold.

## DISPOSITION

remanded

## REMAND INSTRUCTIONS

The case is remanded to the Superior Court of California, County of Los Angeles for further proceedings.

## CASES CITED

- Nieratko v. Ford Motor Co., No. 21-cv-01112-BAS-BGS, 2021 U.S. Dist. LEXIS 185773, at \*3 (S.D. Cal. Sept. 28, 2021)
- Kokkonen v. Guardian Life Insurance Co. of America, 511 U.S. 375 (1994)
- Ibarra v. Manheim Investments, Inc., 775 F.3d 1193, 1197, 1199 (9th Cir. 2015)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 88–89 (2014)
- Harris v. KM Industries, Inc., 980 F.3d 694, 699, 701 (9th Cir. 2020)
- Singer v. State Farm Mutual Automobile Insurance Co., 116 F.3d 373, 377 (9th Cir. 1997)
- Arias v. Residence Inn by Marriott, 936 F.3d 920, 925 (9th Cir. 2019)