

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Mary Powell v. Mercedes-Benz USA, LLC et al.

Powell v. Mercedes-Benz USA · No. 2:25-cv-11372-AH-(AJRx) · Decided January 12, 2026

SUMMARY

The United States District Court for the Central District of California remands the action to state court for lack of subject matter jurisdiction. The court concludes that Mercedes-Benz failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000 because its actual-damages calculation did not account for the statutory mileage offset and its civil-penalty estimate was speculative. The court grants Mercedes-Benz’s request for judicial notice and directs the Clerk to close the case.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Anne Hwang
JURISDICTION	United States District Court for the Central District of California
DECIDED	January 12, 2026
DOCKET	2:25-cv-11372-AH-(AJRx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California Song-Beverly Consumer Warranty Act action to federal court. After issuing an order to show cause concerning subject matter jurisdiction, the court remanded the action to state court because the removing defendant did not establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing by a preponderance of the evidence that the amount in controversy exceeds the jurisdictional threshold. Any doubt concerning the right to removal is resolved in favor of remand.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive but generally nonprecedential.

TOPICS

subject matter jurisdiction

civil procedure

consumer protection

judicial notice

remedies

PRACTICE AREAS

civil procedure

removal and remand

subject matter jurisdiction

consumer protection

Song-Beverly Consumer Warranty Act

QUESTIONS PRESENTED

1. Whether the court had subject matter jurisdiction based on diversity jurisdiction where the parties appeared diverse but the removing defendant had not established by a preponderance of the evidence that the amount in controversy exceeded \$75,000.
2. Whether the court should take judicial notice of eight court documents from other cases.
3. Whether the complaint's boilerplate allegation of willfulness, without additional evidentiary support, was sufficient to include a maximum Song-Beverly civil penalty in the amount-in-controversy calculation.

HOLDINGS

1. The court granted defendant's request for judicial notice because the documents were matters of public record and were not subject to reasonable dispute.
2. The court lacked established subject matter jurisdiction because defendant failed to show by a preponderance of the evidence that the amount in controversy exceeded \$75,000.
3. The contract price of the vehicle, standing alone, did not establish the amount of Song-Beverly actual damages in controversy because the statutory use offset and potentially applicable statutory offsets had not been calculated.
4. The complaint's boilerplate allegation of willfulness, without more, was insufficient to establish that a civil penalty of twice actual damages should be included in the amount-in-controversy calculation.

KEY QUOTATIONS

"Federal courts are courts of limited jurisdiction" (2)

"a federal court always has jurisdiction to determine its own jurisdiction." (2)

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

"Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance." (2)

"The civil penalty under California Civil Code § 1794(c) cannot simply be assumed." (3)

FACTUAL BACKGROUND

Plaintiff brought a Song-Beverly Consumer Warranty Act action involving a vehicle with a contract price of \$62,006. The complaint alleged entitlement to restitution and a civil penalty of up to twice actual damages based on willful violations. Defendant asserted that \$186,018 was in controversy, relying on the vehicle's contract price

and the maximum civil penalty, but did not calculate the statutory mileage offset or address potentially applicable statutory offsets.

PROCEDURAL HISTORY

Plaintiff filed the action in the Superior Court of the State of California for the County of Los Angeles, and Mercedes-Benz USA, LLC removed it to federal court on diversity-jurisdiction grounds. The district court issued an order to show cause regarding remand. Defendant responded and requested judicial notice of court documents from other cases; plaintiff did not respond. The court granted the request for judicial notice and remanded the action to state court, vacating all dates and directing the clerk to close the federal case.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case was remanded to the Superior Court of the State of California for the County of Los Angeles, case number 25STCV30971. All dates were vacated, and the clerk was directed to close the federal case.

CASES CITED

- Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 n.6 (9th Cir. 2006)
- U.S. ex rel. Robinson Rancheria Citizens Council v. Borneo, Inc., 971 F.2d 244, 248 (9th Cir. 1992)
- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Mendoza-Linares v. Garland, 51 F.4th 1146, 1153 (9th Cir. 2022)
- Fritsch v. Swift Transportation Co. of Arizona, LLC, 899 F.3d 785, 793 (9th Cir. 2018)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Covarrubias v. Ford Motor Co., 2025 WL 907544, at *2 (C.D. Cal. Mar. 24, 2025)
- Schneider v. Ford Motor Co., 756 F. App'x 699, 701 n.3 (9th Cir. 2018)
- Savall v. FCA US LLC, 2021 WL 1661051, at *3 (S.D. Cal. Apr. 28, 2021)
- Castillo v. FCA USA, LLC, 2019 WL 6607006, at *2 (S.D. Cal. Dec. 5, 2019)
- Lopez v. Kia Am., Inc., 693 F. Supp. 3d 1063, 1068 (C.D. Cal. 2023)
- Godoy v. Jaguar Land Rover N. Am., LLC, 2024 WL 4682310, at *3 (N.D. Cal. Nov. 5, 2024)
- Mitchell v. Blue Bird Body Co., 80 Cal. App. 4th 32, 38 (2000)