

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

Helene Castro v. The Elevance Health Companies, Inc., et al.

No. 2:25-cv-09204-FLA (BFMx), United States District Court for the Central District of California (October 6, 2025)

SUMMARY

The United States District Court for the Central District of California issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction. The court questioned whether the defendants had established by a preponderance of the evidence that the amount in controversy exceeded \$75,000 for diversity jurisdiction and ordered written responses within fourteen days.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando L. Aenlle-Rocha
JURISDICTION	United States District Court for the Central District of California
DECIDED	October 6, 2025
DOCKET	2:25-cv-09204-FLA (BFMx)
DISPOSITION	other
PROCEDURAL POSTURE	After defendants removed the action to federal court, the district court sua sponte ordered the parties to show cause why the action should not be remanded for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal jurisdiction. When the amount in controversy is contested or questioned, the court evaluates the parties' proof and determines by a preponderance of the evidence whether the jurisdictional threshold is satisfied. Federal courts must examine subject matter jurisdiction sua sponte.
PRECEDENTIAL VALUE	Unknown; district court order to show cause

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

civil procedure

federal jurisdiction

removal and remand

QUESTIONS PRESENTED

1. Whether the Notice of Removal adequately demonstrated that the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction under 28 U.S.C. § 1332(a).
2. Whether the parties should be required to show cause why the action should not be remanded for lack of subject matter jurisdiction.

HOLDINGS

1. When the court questions the amount-in-controversy allegations supporting federal jurisdiction, the party asserting jurisdiction must submit proof establishing by a preponderance of the evidence that the amount in controversy exceeds \$75,000.
2. A federal district court must examine its subject matter jurisdiction sua sponte before proceeding to the merits, and must dismiss or remand when jurisdiction is lacking.

KEY QUOTATIONS

“Federal courts are courts of “limited jurisdiction,” possessing “only that power authorized by the Constitution and statute[.]”” (at 1)

“A complaint filed in federal court must contain “a plausible allegation that the amount in controversy exceeds the jurisdictional threshold.”” (at 1)

“Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.” (at 1)

“The parties should consider this Order to be a two-pronged inquiry into the facial and factual sufficiency of Defendant’s demonstration of jurisdiction.” (at 2)

FACTUAL BACKGROUND

The action was removed to federal court, with defendants asserting federal jurisdiction. The court reviewed the Notice of Removal and found that its allegations did not demonstrate by a preponderance of the evidence that the amount in controversy exceeded \$75,000. The order did not resolve the merits of the underlying claims or finally determine jurisdiction; it requested further submissions before deciding whether remand was required.

PROCEDURAL HISTORY

Defendants removed the action to the United States District Court for the Central District of California. Upon reviewing the Notice of Removal, the court was unable to determine whether diversity jurisdiction existed because defendants had not demonstrated by a preponderance of the evidence that the amount in controversy exceeded \$75,000. The court ordered the parties, particularly the removing defendants, to submit written responses and supporting evidence within fourteen days.

DISPOSITION

other

REMAND INSTRUCTIONS

The parties were ordered to show cause in writing, within fourteen days of the order, why the action should not be remanded for lack of subject matter jurisdiction. Responses could include evidence or judicially noticeable facts, were limited to ten pages, and were to address both the facial and factual sufficiency of defendants' jurisdictional showing. Defendants' failure to respond timely and adequately would result in remand without further notice.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006)
- Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 583 (1999)
- Dart Cherokee Basin Operating Co. v. Owens, 574 U.S. 81, 88-89 (2014)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Leite v. Crane Co., 749 F.3d 1117, 1122 (9th Cir. 2014)

OPINION

Helene Castro v. The Elevance Health Companies, Inc., et al.

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 11 HELENE CASTRO, Case No. 2:25-cv-09204-FLA (BFMx) 12 Plaintiff,

ORDER TO SHOW CAUSE WHY

13 v. ACTION SHOULD NOT BE

REMANDED FOR LACK OF

14

SUBJECT MATTER JURISDICTION

THE ELEVANCE HEALTH

15 COMPANIES, INC., et al., 16 Defendants. 17 18 19 20 21 22 23 24 25 26 27 28

1 ORDER

2 Federal courts are courts of “limited jurisdiction,” possessing “only that power 3 authorized by the Constitution and statute[.]” Kokkonen v. Guardian Life Ins. Co. of 4 Am., 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. District courts are 5 presumed to lack jurisdiction unless the contrary appears affirmatively from the 6 record. See DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006). 7 Additionally, federal courts have an obligation to examine jurisdiction sua

sponte 8 before proceeding to the merits of a case. See *Ruhrgas AG v. Marathon Oil Co.*, 526 9 U.S. 574, 583 (1999). 10 Federal courts have jurisdiction where an action arises under federal law or 11 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the 12 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C. 13 §§ 1331, 1332(a). A complaint filed in federal court must contain “a plausible 14 allegation that the amount in controversy exceeds the jurisdictional threshold.” *Dart 15 Cherokee Basin Operating Co. v. Owens*, 574 U.S. 81, 89 (2014). Where a party 16 contests, or the court questions, a party’s allegations concerning the amount in 17 controversy, both sides shall submit proof, and the court must decide whether the 18 party asserting jurisdiction has proven the amount in controversy by a preponderance 19 of the evidence. *Id.* at 88–89; see Fed. R. Civ. P. 12(h)(3) (“If the court determines at 20 any time that it lacks subject-matter jurisdiction, the court must dismiss the action.”). 21 “Federal jurisdiction must be rejected if there is any doubt as to the right of removal in 22 the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). 23 The court has reviewed the Notice of Removal and is presently unable to 24 conclude it has subject matter jurisdiction under 28 U.S.C. § 1332(a). In particular, 25 and without limitation, the court finds that the allegations in the Notice of Removal do 26 not demonstrate by a preponderance of the evidence that the amount in controversy 27 exceeds \$75,000. 28 / / / 1 The parties are ORDERED TO SHOW CAUSE, in writing only, within 2 || fourteen (14) days from the date of this Order, why this action should not be remanded 3 | for lack of subject matter jurisdiction because the amount in controversy does not 4 | exceed the jurisdictional threshold. The parties are encouraged to submit evidence 5 | and/or judicially noticeable facts in response to the court’s Order. Responses shall be 6 | limited to ten (10) pages in length. The parties should consider this Order to be a two- 7 || pronged inquiry into the facial and factual sufficiency of Defendant’s demonstration 8 | of jurisdiction. See *Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014). 9 As Defendant is the party asserting federal jurisdiction, Defendant’s failure to 10 | respond timely and adequately to this Order shall result in remand of the action 11 | without further notice. 12 13 IT IS SO ORDERED. 15 | Dated: October 6, 2025

16 FERNANDO L. AENLLE-ROCHA

United States District Judge 17 18 19 20 21 22 23 24 25 26 27 28