

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)