

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Rajapakse v. Freelancer

No. 24-cv-00267-WHO (N.D. Cal. July 9, 2025) · No. 24-cv-00267-WHO · Decided July 9, 2025

SUMMARY

The United States District Court for the Northern District of California sua sponte dismissed Plaintiff Samantha Rajapakse’s amended complaint without prejudice for failure to plead the required amount in controversy for diversity jurisdiction. The court granted leave to amend, vacated the pending motion to dismiss and hearing, directed clarification and service concerning the proper defendant, and continued the case management conference.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	William H. Orrick
JURISDICTION	United States District Court for the Northern District of California
DECIDED	July 9, 2025
DOCKET	24-cv-00267-WHO
DISPOSITION	dismissed
PROCEDURAL POSTURE	The court sua sponte dismissed the First Amended Complaint without prejudice for failure to plead the jurisdictional amount required for diversity jurisdiction, vacated the pending motion to dismiss, and granted leave to amend.
STANDARD OF REVIEW	The court independently considered whether it had subject matter jurisdiction; federal courts must dismiss an action at any time when subject matter jurisdiction is lacking.
PRECEDENTIAL VALUE	nonprecedential district court order
PARTIES	Samantha Delane Rajapakse v. Freelancer

TOPICS

- subject matter jurisdiction
- pleadings
- breach of contract
- service of process
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the complaint adequately pleaded the amount in controversy required for diversity subject matter jurisdiction.
2. Whether punitive damages could satisfy the amount-in-controversy requirement for a California breach-of-contract claim.
3. Whether the complaint should be dismissed without prejudice and whether the plaintiff should receive leave to amend.
4. Whether the plaintiff had served the correct defendant.

HOLDINGS

1. The First Amended Complaint failed to plead the more-than-\$75,000 amount in controversy required for diversity subject matter jurisdiction, so the federal court lacked jurisdiction over the action as pleaded.
2. When the court determines that it lacks subject matter jurisdiction, it must dismiss the action.
3. Dismissal was without prejudice, and Rajapakse was permitted to file a second amended complaint if she could adequately plead a legally available jurisdictional amount or a federal cause of action.
4. Rajapakse could not assert a cause of action under 18 U.S.C. § 1343 because the statute does not provide a private right of action.

KEY QUOTATIONS

“Federal courts are courts of limited subject matter jurisdiction. The party asserting jurisdiction has the burden of showing a federal court has jurisdiction over a case.” (1)

“There are two requirements to maintain diversity subject matter jurisdiction: (1) The citizenship of each plaintiff must be different from that of each defendant; and (2) There must be more than \$75,000 at issue.” (2)

“Under California law, punitive damages are not available for breaches of contract no matter how gross or willful.” (2)

FACTUAL BACKGROUND

Rajapakse asserted a state-law breach-of-contract claim in federal court and sought punitive damages of approximately \$75,000. The court concluded that the complaint did not adequately plead more than \$75,000 in controversy because punitive damages are unavailable for breach of contract under California law. The record also indicated that Rajapakse had served Freelancer USA in an apparent attempt to serve an entity associated with Freelancer, and the court directed her to serve the appropriate defendant if she continued the action.

PROCEDURAL HISTORY

Rajapakse filed the action on January 16, 2024, and filed a First Amended Complaint on February 5, 2024, asserting a state-law breach-of-contract claim. Freelancer USA filed a motion to dismiss the amended complaint,

and Rajapakse sought leave to file a second amended complaint. After reviewing the record, the court determined that subject matter jurisdiction was lacking, dismissed the First Amended Complaint sua sponte without prejudice, vacated the motion to dismiss and hearing, and continued the case management conference.

DISPOSITION

dismissed

CASES CITED

- U.S. v. Ritchie, 342 F.3d 903, 908 (9th Cir. 2003)
- Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746
- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Newtok Village v. Patrick, 21 F.4th 608, 615 (9th Cir. 2021)
- Wisdom v. First Midwest Bank of Poplar Bluff, 167 F.3d 402, 408 (8th Cir. 1999)
- Tibbs v. Great American Ins. Co., 755 F.2d 1370, 1375 (9th Cir. 1985)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
SAMANTHA DELANE RAJAPAKSE, Case No. 24-cv-00267-WHO 8 Plaintiff, ORDER
DISMISSING COMPLAINT 9 v. SUA SPONTE WITH LEAVE TO AMEND, VACATING
HEARING AND 10 FREELANCER, CONTINUING CASE MANAGEMENT CONFERENCE
Defendant. 11 Re: Dkt. Nos. 33 12 On January 16, 2024, Plaintiff Samantha Rajapakse
("Rajapakse"), proceeding pro se, filed 13 a complaint in this case.

Dkt. No. 1. She filed her First Amended Complaint ("FAC") on 14 February 5, 2024, naming
Freelancer, a foreign company d/b/a escrow.com as the defendant. See 15 Dkt. Nos. 11, 15, 16. On
May 27, 2025, third party defendant Freelancer USA filed a motion to 16 dismiss the amended
complaint. Dkt. No. 33.

The motion is fully briefed. See Dkt. Nos. 33, 41, 17 42. Rajapakse filed an administrative motion
for leave to file a second amended complaint. Dkt. 18 No. 44. On June 25, 2025, I denied the
administrative motion with the intent of revisiting the 19 motion after a full review of the motion
to dismiss. Dkt. No. 45. 20 After reviewing the record in this case,1 it is evident that Rajapakse
has failed to plead the 21 adequate jurisdictional amount as is required for this court to maintain
diversity subject matter 22 jurisdiction.

For efficiency purposes, I sua sponte dismiss the FAC without prejudice and vacate 23 the motion
to dismiss. Fed. R. Civ. P. 12(h)(3) ("If the court determines at any time that it lacks 24 1 Both
parties have requested that I take judicial notice of documents pertaining to cases that 25
Rajapakse has filed in other federal courts. See Dkt. Nos. 16, 33-2-33-9.

I additionally construe Rajapakse's "Motion for Domestication of Out of State Order" as a request for judicial notice. 26 Dkt. No. 39. Neither party objects. I GRANT both parties' requests. See *U.S. v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003) ("Courts may only take judicial notice of adjudicative facts that are not subject to reasonable dispute."); *Reyn's Pasta Bella, LLC v. Visa USA, Inc.*, 442 F.3d 741, 746 (1st Cir. 2006) (subject-matter jurisdiction, the court must dismiss the action.).

Rajapakse may file an amended 2 complaint in accordance with the requirements that I explain below. If appropriate, defendant(s) 3 may then move to dismiss any second amended complaint. 4 I note that it also appears from the record that Rajapakse has not served the correct 5 defendant.

In her FAC and in her administrative motion for leave to file a second amended 6 complaint, she refers primarily to "escrow.com" as the defendant in this case. She served 7 Freelancer USA, Inc. in an apparent attempt to serve the parent company of Internet Escrow 8 Services, Inc., Freelancer Limited, an Australian entity.² See Dkt. No. 27-3 at 2.

To continue her 9 suit, she must serve the appropriate defendant. As I can best determine from the record before me, 10 she must serve Internet Escrow Services, Inc. (d/b/a escrow.com), similar to how she brought suit 11 against Internet Escrow Services (d/b/a escrow.com) in the judicially noticed District Court of 12 Eastern Tennessee case. 13 This Court Lacks Subject Matter Jurisdiction 14 Federal courts are courts of limited subject matter jurisdiction.

The party asserting 15 jurisdiction has the burden of showing a federal court has jurisdiction over a case. See *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). There are two types of subject matter 17 jurisdiction—diversity of citizenship and federal question. See *Newtok Village v. Patrick*, 21 F. 18 4th 608, 615 (9th Cir. 2021).

In her complaint, Rajapakse brings one Cause of Action for breach of contract—a state law claim.³ To bring a lawsuit in federal court alleging only state law causes 19 of action, the diversity of citizenship requirements must be met. 20 21 2 It is unclear from the record the relationship between Freelancer USA and Freelancer, an 22 Australian entity. Counsel for third party defendant Freelancer USA, Inc. and interested party Internet Escrow Services, Inc. should clarify the relationship, if any, in the joint case management 23 statement, now due September 3, 2025, in accordance with the continued date of the Case Management Conference of September 10, 2025.

24 3 In her motion for leave to file an amended complaint, Rajapakse largely seeks leave to include 25 additional state law causes of action, including violations of both California and Virginia state laws. See Dkt. No. 43-1 at 6–9. Rajapakse also seeks to file a cause of action pursuant to 18 26 U.S.C. § 1343 (wire fraud). There is no private right of action under this statute, so Rajapakse may not raise it as a cause of action in her complaint.

See, e.g., *Wisdom v. First Midwest Bank, of 27 Poplar Bluff*, 167 F.3d 402, 408 (8th Cir. 1999) (collecting cases). Rajapakse also references, but 1 There are two requirements to maintain

diversity subject matter jurisdiction: (1) The 2 || citizenship of each plaintiff must be different from that of each defendant; and (2) There must be 3 more than \$75,000 at issue.

28 U.S.C. § 1332. Rajapakse fails to plead the latter. Although she 4 || seeks “punitive damages in the amount of \$75,00[0].00,” punitive damages are not available for 5 breach of contract cases. Dkt. No. 15 at 10; see also *Tibbs v. Great American Ins. Co.*, 755 F.2d 6 1370, 1375 (9th Cir. 1985) (“Under California law, punitive damages are not available for 7 || breaches of contract no matter how gross or willful.”).

Federal courts therefore lack diversity 8 subject matter jurisdiction over the case as it is currently pleaded. 9 Accordingly, I DISMISS the complaint without prejudice. Rajapakse may cure the lack of 10 subject matter jurisdiction if she can amend her pleadings to either: (1) allege the adequate (and 11 legally available) jurisdictional amount or (2) plead a federal cause of action.

If she adequately = 12 || Pleads subject matter jurisdiction, the case may continue.* Rajapakse may file any second E 13 amended complaint no later than August 7, 2025. The motion to dismiss and the hearing on the 14 || motion are VACATED. 3 15 The Case Management Conference date is CONTINUED to September 10, 2025, at 2:00 16 || P-m.

The Joint Statement is due September 3, 2025. 5 17 Rajapakse may seek free limited legal assistance from the Legal Help Desk by calling the 5 18 appointment line at (415) 782-8982 or emailing fedpro@sfbar.org. Appointments are available 19 || both in-person at the San Francisco and Oakland courthouses or remotely by Zoom or telephone. 20 The Legal Help Desk provides the opportunity to speak with an attorney who will provide basic 1 legal help, but not legal representation.

For more information, visit: cand.uscourts.gov/about/court-programs/legal-help-desks/. 3 IT IS SO ORDERED.. Dated: July 9, 2025 \ 002 1am H. Orrick 25 United States District Judge 26 27 * To the extent that Rajapakse fails to plead a cause of action pursuant to Federal Rule of Civil 28 rrocedure 12(b)(6), I will address those concerns should they arise in any future motion to