UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

Sylvia Williams v. Costco Wholesale Corporation

Case No. 2:24-cv-08306-FLA (JPRx) · No. 2:24-cv-08306-FLA (JPRx) · Decided March 12, 2025

SUMMARY

The United States District Court for the Central District of California remanded Sylvia Williams’s state-law negligence and premises-liability action against Costco Wholesale Corporation for lack of subject matter jurisdiction. The court held that Costco failed to prove by a preponderance of the evidence that the amount in controversy exceeded $75,000 for diversity jurisdiction. The court denied Williams’s request for attorney’s fees and costs because Costco had an objectively reasonable basis for removal.

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	March 12, 2025
DOCKET	2:24-cv-08306-FLA (JPRx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed Plaintiff's California state-law personal-injury action to federal court based on alleged diversity jurisdiction. Plaintiff moved to remand for lack of subject matter jurisdiction and sought attorney's fees and costs under 28 U.S.C. § 1447(c).
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject matter jurisdiction by a preponderance of the evidence. Any doubt concerning the right of removal is resolved in favor of remand, and the court must examine subject matter jurisdiction sua sponte.
PRECEDENTIAL VALUE	unpublished
PARTIES	Costco Wholesale Corporation v. Sylvia Williams

TOPICS

subject matter jurisdiction · civil procedure · attorney fees · premises liability

PRACTICE AREAS

civil procedure · removal and remand · diversity jurisdiction · premises liability · attorney fees

QUESTIONS PRESENTED

1. Whether Costco established by a preponderance of the evidence that the amount in controversy exceeded $75,000 so that diversity jurisdiction existed.
2. Whether Williams was entitled to attorney's fees and costs under 28 U.S.C. § 1447(c) after remand.

HOLDINGS

1. Costco failed to prove by a preponderance of the evidence that the amount in controversy exceeded $75,000; therefore, the court lacked diversity subject matter jurisdiction and was required to remand the action.
2. Williams was not entitled to attorney's fees and costs under 28 U.S.C. § 1447(c) because Costco had an objectively reasonable basis for removal, notwithstanding the court's conclusion that jurisdiction was lacking.

KEY QUOTATIONS

> *"Federal courts are courts of "limited jurisdiction," possessing "only that power authorized by the Constitution and statute[.]""* (at 2)

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

> *"Absent unusual circumstances, attorney's fees should not be awarded under § 1447(c) when the removing party has an objectively reasonable basis for removal."* (at 4)

FACTUAL BACKGROUND

Williams alleged that she slipped and fell while visiting Costco's store in Inglewood, California. She asserted state-law negligence and premises-liability claims. Her statement of damages alleged $1 million in general and special damages, while the medical records and bills submitted by Costco totaled approximately $70,000; Costco provided no estimate of lost earnings.

PROCEDURAL HISTORY

Williams filed negligence and premises-liability claims in the Los Angeles County Superior Court. Costco removed the action to the Central District of California under 28 U.S.C. § 1332. The district court granted the motion to remand because Costco failed to prove by a preponderance of the evidence that the amount in controversy exceeded $75,000, but denied attorney's fees and costs because the removal had an objectively reasonable basis.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action was remanded to the Los Angeles County Superior Court, Case No. 24TRCV02067. All dates and deadlines in the federal action were vacated, and the clerk was directed to close the federal action administratively. Attorney's fees and costs were denied.

CASES CITED

- Kokkonen v. Guardian Life Insurance Co. of America, 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., LLC v. Owens, 574 U.S. 81, 88-89 (2014)
- Gaus v. Miles, Inc., 980 F.2d 564, 566-67 (9th Cir. 1992)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 840 (9th Cir. 2002)
- Romsa v. Ikea U.S. W., Inc., 2014 WL 4273265, at *2 (C.D. Cal. Aug. 28, 2014)
- Jauregui v. Roadrunner Transportation Services, Inc., 28 F.4th 989, 994 (9th Cir. 2022)
- Schroeder v. Petsmart, Inc., 2019 WL 1895573, at *2 (C.D. Cal. Apr. 29, 2019)
- Mata v. Home Depot U.S.A., Inc., 2022 WL 3586206, at *2 (C.D. Cal. Aug. 22, 2022)
- Leon v. Gordon Trucking, Inc., 76 F. Supp. 3d 1055, 1072 (C.D. Cal. 2014)
- Martin v. Franklin Capital Corp., 546 U.S. 132, 141 (2005)