

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Berkley National Insurance Company v. Lawrence Gabriel Nora

Berkley National Insurance · No. 2:25-cv-02155-FLA (SSCx) · Decided May 22, 2025

SUMMARY

The United States District Court for the Central District of California ordered the parties to show cause why the action should not be dismissed for lack of subject matter jurisdiction. The court questioned whether the complaint adequately established that the amount in controversy exceeded \$75,000 and directed the parties to respond in writing within fourteen days.

CASE DETAILS

COURT	United States District Court for the Central District of California
JURISDICTION	United States District Court for the Central District of California
DECIDED	May 22, 2025
DOCKET	2:25-cv-02155-FLA (SSCx)
DISPOSITION	other
PROCEDURAL POSTURE	The district court sua sponte reviewed the complaint for subject-matter jurisdiction and issued an order requiring the parties to show cause why the action should not be dismissed for lack of jurisdiction.
STANDARD OF REVIEW	The court independently examines subject-matter jurisdiction sua sponte. When jurisdictional allegations concerning the amount in controversy are contested or questioned, the party asserting federal jurisdiction must prove the amount in controversy by a preponderance of the evidence.
PRECEDENTIAL VALUE	District court order to show cause; precedential status is unknown and the order does not finally adjudicate the action.
PARTIES	Berkley National Insurance Company v. Lawrence Gabriel Nora, et al.

TOPICS

- subject matter jurisdiction
- civil procedure
- declaratory relief insurance
- insurance

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Complaint adequately established federal subject-matter jurisdiction under the diversity-jurisdiction statute by plausibly alleging and, if necessary, proving that the amount in controversy exceeded \$75,000.
2. What response is required when the court questions the sufficiency of a plaintiff's jurisdictional allegations before proceeding to the merits.

HOLDINGS

1. A federal court must examine its subject-matter jurisdiction sua sponte before proceeding to the merits, and it must dismiss the action if it determines at any time that subject-matter jurisdiction is lacking.
2. A complaint invoking diversity jurisdiction must plausibly allege that the amount in controversy exceeds \$75,000, and when the court questions that allegation, the party asserting jurisdiction must establish the amount in controversy by a preponderance of the evidence.

KEY QUOTATIONS

“Federal courts have jurisdiction where an action arises under federal law or where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the amount in controversy exceeds \$75,000, exclusive of interest and costs.” (1)

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

FACTUAL BACKGROUND

Berkley National Insurance Company filed an action in federal court against Lawrence Gabriel Nora and other defendants. The Complaint apparently invoked diversity jurisdiction, but the court found that it did not allege sufficient facts to establish that the amount in controversy exceeded \$75,000. The court therefore requested additional evidence or judicially noticeable facts addressing the jurisdictional basis for the action.

PROCEDURAL HISTORY

Berkley National Insurance Company filed a federal action invoking diversity jurisdiction under 28 U.S.C. § 1332(a). After reviewing the Complaint, the court determined that it could not conclude that the amount in controversy exceeded \$75,000 and ordered the parties to submit written responses, evidence, or judicially noticeable facts within fourteen days. The order warned that failure by the plaintiff to respond timely and adequately would result in dismissal without further notice.

DISPOSITION

other

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 v. Cherokee Basin Operating Co. v. Owens, 574 U.S. 81, 88-89 (2014)
- Verb Tech. Co. v. Baker & Hostetler LLP, Case No. 2:21-cv-06500-ODW (MAAx), 2021 WL 4125207, at *1 (C.D. Cal. Sept. 9, 2021)
- Leite v. Crane Co., 749 F.3d 1117, 1122 (9th Cir. 2014)

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF
CALIFORNIA 10 11 BERKLEY NATIONAL INSURANCE Case No. 2:25-cv-02155-FLA
(SSCx) COMPANY, 12 ORDER TO SHOW CAUSE WHY Plaintiff, 13 ACTION SHOULD NOT
BE v. DISMISSED FOR LACK OF 14 SUBJECT MATTER JURISDICTION 15 LAWRENCE
GABRIEL NORA, et al., 16 Defendants. 17 18 19 20 21 22 23 24 25 26 27 28 1 Federal courts are
courts of “limited jurisdiction,” possessing only “power 2 authorized by the Constitution and
statute[.]” Kokkonen v. Guardian Life Ins.

Co. of 3 Am., 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to 4
lack jurisdiction unless the contrary appears affirmatively from the record. See 5 DaimlerChrysler
Corp. v. Cuno, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal 6 courts have an obligation to
examine jurisdiction sua sponte before proceeding to the 7 merits of a case.

See Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 583 (1999). 8 Federal courts have jurisdiction
where an action arises under federal law or 9 where each plaintiff’s citizenship is diverse from
each defendant’s citizenship and the 10 amount in controversy exceeds \$75,000, exclusive of
interest and costs. 28 U.S.C. 11 §§ 1331, 1332(a). A complaint filed in federal court must contain
“a plausible 12 allegation that the amount in controversy exceeds the jurisdictional threshold.”
Dart 13 v. Cherokee Basin Operating Co. v. Owens, 574 U.S. 81, 89 (2014).

Where a party 14 contests, or a court questions, a party’s allegations concerning the amount in 15
controversy, both sides shall submit proof, and the court must decide whether the 16 party
asserting jurisdiction has proven the amount in controversy by a preponderance 17 of the
evidence. *Id.* at 88–89; see Fed. R. Civ. P. 12(h)(3) (“If the court determines at 18 any time that it
lacks subject-matter jurisdiction, the court must dismiss the action.”).

19 The same procedures apply when the existence of complete diversity of the parties is 20 called
into question. See, e.g., Verb Tech. Co. v. Baker & Hostetler LLP, Case No. 21 2:21-cv-06500-
ODW (MAAx), 2021 WL 4125207, at *1 (C.D. Cal. Sept. 9, 2021). 22 The court has reviewed the

Complaint and is presently unable to conclude it has 23 subject matter jurisdiction over this action under 28 U.S.C. § 1332(a).

In particular, 24 and without limitation, the court finds the Complaint does not state sufficient facts to 25 establish the amount in controversy exceeds \$75,000. See Dart, 574 U.S. at 88–89. 26 Accordingly, the parties are ORDERED to SHOW CAUSE, in writing only, 27 within fourteen (14) days from the date of this Order, why this action should not be 28 dismissed for lack of subject matter jurisdiction.

The parties are encouraged to submit | || evidence and/or judicially noticeable facts in response to the court's Order. 2 || Responses shall be limited to ten (10) pages in length. The parties should consider 3 | this Order to be a two-pronged inquiry into the facial and factual sufficiency of 4 | Plaintiff's demonstration of jurisdiction. See *Leite v. Crane Co.*, 749 F.3d 1117, 1122 5 | (9th Cir.

2014). 6 As Plaintiff is the party asserting federal jurisdiction, Plaintiffs failure to 7 || respond timely and adequately to this Order shall result in dismissal of the action 8 | without further notice. 9 10 IT IS SO ORDERED. 11 12 | Dated: May 22, 2025 13 4 aS CE 1S United States District Judge 16 17 18 19 20 21 22 23 24 25 26 27 28