

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Frank Rassaii v. Copart, Inc. and AAA Auto Sales, Inc.

Rassaii · No. 25-cv-05818-NC · Decided July 17, 2025

SUMMARY

The United States District Court for the Northern District of California ordered Defendant Copart, Inc. to show cause why the action should not be remanded to state court. The court identified inadequate support for the amount-in-controversy requirement for diversity jurisdiction and the absence of information showing unanimous consent to removal by all defendants.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Nathanael M. Cousins
JURISDICTION	United States District Court for the Northern District of California
DECIDED	July 17, 2025
DOCKET	25-cv-05818-NC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant Copart, Inc. removed the action from state court, asserting federal subject matter jurisdiction based on diversity jurisdiction. The district court issued an order to show cause why the case should not be remanded for failure to establish the amount in controversy and failure to obtain unanimous consent from all properly joined and served defendants.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing by a preponderance of the evidence that the amount in controversy exceeds the jurisdictional threshold when the state-court complaint does not clearly plead that amount.
PRECEDENTIAL VALUE	Unpublished district court order; precedential status unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Copart established by a preponderance of the evidence that the amount in controversy exceeds \$75,000 for diversity jurisdiction.
2. Whether all properly joined and served defendants consented to removal as required by 28 U.S.C. § 1446(b)(2)(A).

HOLDINGS

1. When the state-court complaint does not clearly establish that the amount in controversy exceeds \$75,000, a removing defendant must provide sufficient evidence to establish by a preponderance of the evidence that the jurisdictional threshold is satisfied; Copart's conclusory allegation was insufficient.
2. For an action removed solely under 28 U.S.C. § 1441(a), all defendants who have been properly joined and served must join in or consent to removal; Copart was required to explain whether AAA Auto Sales, Inc. was properly joined and served and had consented.

KEY QUOTATIONS

“Unlike state courts, federal courts are courts of limited jurisdiction.” (at 1)

“Copart must provide sufficient evidence to show by a preponderance of evidence that the amount in controversy exceeds \$75,000.” (at 1)

FACTUAL BACKGROUND

Plaintiff Frank Rassaii sued Copart, Inc. and AAA Auto Sales, Inc. in state court. Copart removed the action and alleged that the amount in controversy would exceed \$75,000, but relied on a conclusory statement rather than supporting evidence. Copart's notice of removal also did not address whether AAA Auto Sales, Inc. had been properly joined and served or had consented to removal.

PROCEDURAL HISTORY

The case was filed in state court and removed by Copart, Inc. Copart asserted that the amount in controversy exceeded \$75,000, but the notice of removal did not provide evidentiary support for that allegation and did not state whether co-defendant AAA Auto Sales, Inc. consented to removal. The district court ordered Copart to show cause in writing by August 1, 2025, and permitted Plaintiff Rassaii to respond by August 8, 2025.

DISPOSITION

other

REMAND INSTRUCTIONS

Copart must show cause in writing by August 1, 2025, why the case should not be remanded to state court for lack of subject matter jurisdiction and lack of unanimous consent by all defendants. Plaintiff Rassaii may file a response by August 8, 2025.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Matheson v. Progressive Specialty Ins. Co., 319 F.3d 1089, 1090 (9th Cir. 2003)
- Urbino v. Orkin Servs. of Cal., Inc., 726 F.3d 1118, 1121–22 (9th Cir. 2013)

OPINION

1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 NORTHERN DISTRICT OF
CALIFORNIA 9 10 FRANK RASSAI, Case No. 25-cv-05818-NC 11 Plaintiff, ORDER TO
SHOW CAUSE AS TO 12 v. WHY CASE SHOULD NOT BE REMANDED BACK TO STATE
13 COPART, INC. and AAA AUTO SALES, COURT 14 INC. Re: ECF 1 15 Defendants. 16 17 18
This Court orders Defendant Copart, Inc., to show cause as to why this case should 19 not be
remanded back to state court for lack of federal subject matter jurisdiction and lack 20 of full
consent of co-defendants.

21 I. Federal Question Jurisdiction—Amount in Controversy 22 Unlike state courts, federal courts
are courts of limited jurisdiction. Kokkonen v. 23 Guardian Life Ins. Co. of Am., 511 U.S. 375,
377 (1994). District courts can exercise 24 original subject matter jurisdiction through federal
question or diversity jurisdiction. 28 25 U.S.C. §§ 1331, 1332. Diversity jurisdiction requires the
complete diversity of citizenship 26 and an amount in controversy greater than \$75,000.

28 U.S.C. § 1332(a). Here, Copart 27 alleges this Court has diversity jurisdiction but fails to
properly allege an amount in 1 Copart claims that the amount in controversy “would exceed
\$75,000.00” if the 2 “Plaintiff’s complaint and information... concerning the nature and extent of...
3 damages, and basis for Plaintiff’s claim of fraud” were to be taken in “good faith belief.” 4 Id. ¶
8.

However, Copart provides no basis for this conclusory statement. See Matheson v. 5 Progressive
Specialty Ins. Co., 319 F.3d 1089, 1090 (9th Cir. 2003) (“Conclusory 6 allegations as to the
amount in controversy are insufficient.”).

The state court complaint 7 does not clearly denote whether the amount in controversy exceeds
\$75,000, and Copart 8 does not provide any evidence of the basis for this number. See Urbino v.
Orkin Servs. Of 9 Cal., Inc., 726 F.3d 1118, 1121–22 (9th Cir. 2013) (stating that when a state
court 10 complaint does not clearly plead the minimum amount in controversy, the “removing 11
defendant bears the burden of establishing, by a preponderance of evidence, that the 12 amount in
controversy exceeds the jurisdictional threshold.”).

Copart must provide 13 sufficient evidence to show by a preponderance of evidence that the amount in controversy 14 exceeds \$75,000. 15 II. Unanimous Consent of All Defendants 16 Copart's Notice does not mention whether it has the full consent of its co-defendant, 17 AAA Auto Sales, Inc. "When a civil action is removed solely under section 1441(a), all 18 defendants who have been properly joined and served must join in or consent to the 19 removal of the action." 28 U.S.C. § 1446(b)(2)(a).

Copart must explain whether AAA 20 Auto Sales, Inc., has been properly joined and served, and has consented to the removal. 21 III. Conclusion 22 Accordingly, Defendant Copart must show cause in writing by August 1, 2025, why 23 this case should not be remanded back to state court for lack of subject matter jurisdiction 24 and lack of unanimous consent by all defendants.

Rassaii may file a response by August 8, 25 2025. 26 27 IT IS SO ORDERED. 1 2 || Dated: July 17, 2025 h&-e_—— 3 NATHANAEL M. COUSINS 4 United States Magistrate Judge 5 6 7 8 9 10 11 12 € 13 15 (16 © 17 19 20 21 22 23 24 25 26 27 28