

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.

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. 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. 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