

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

Gustavo Yepes v. General Motors LLC et al.

No. 2:25-cv-09060-ODW (BFMx) (C.D. Cal. Oct. 27, 2025) · No. 2:25-cv-09060-ODW (BFMx) · Decided October 27, 2025

SUMMARY

The United States District Court for the Central District of California remands Gustavo Yepes's Song-Beverly Warranty Act action against General Motors LLC to California state court. The court held that GM failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, finding the proposed civil penalties speculative and the actual damages plus potential attorneys’ fees insufficient. The court denied Yepes’s motion to remand as moot, vacated all dates, and directed the clerk to close the federal case.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Otis D. Wright, II
JURISDICTION	United States District Court for the Central District of California
DECIDED	October 27, 2025
DOCKET	2:25-cv-09060-ODW (BFMx)
DISPOSITION	remanded
PROCEDURAL POSTURE	General Motors removed a California state-court action to federal court on diversity-jurisdiction grounds. The district court ordered the parties to show cause why the case should not be remanded for failure to satisfy the amount-in-controversy requirement and then remanded the action.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject-matter jurisdiction by a preponderance of the evidence. Removal statutes are strictly construed against removal, and any doubt as to the right of removal is resolved against federal jurisdiction.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive but generally nonprecedential.
PARTIES	General Motors LLC v. Gustavo Yepes

TOPICS

subject matter jurisdiction

civil procedure

consumer protection

damages

PRACTICE AREAS

Civil procedure

Federal jurisdiction

Consumer warranty litigation

QUESTIONS PRESENTED

1. Whether General Motors established by a preponderance of the evidence that the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction under 28 U.S.C. § 1332(a).
2. Whether potential Song-Beverly Act civil penalties could be included in the amount in controversy without evidentiary support establishing that such penalties were recoverable.
3. Whether the asserted attorney fees, added to the actual damages, satisfied the amount-in-controversy requirement.

HOLDINGS

1. The removing defendant failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$75,000, so federal diversity jurisdiction was not established.
2. Potential civil penalties under California Civil Code section 1794(c) could not be included to establish the amount in controversy on the showing made because their recovery was speculative and unsupported by the facts and evidence.

KEY QUOTATIONS

“Courts strictly construe the removal statute against removal jurisdiction, and “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.”” (Page 2)

“First, GM’s inclusion of civil penalties to establish the amount in controversy is highly speculative and insufficient to meet its burden.” (Page 2)

“For the avoidance of doubt: GM has not shown, by a preponderance of the evidence, that subject matter jurisdiction exists here.” (Page 3)

FACTUAL BACKGROUND

Yepes alleged that General Motors breached express and implied warranties concerning a vehicle and violated the Song-Beverly Warranty Act. He sought rescission, restitution, attorney fees, civil penalties, and general, special, and incidental damages. General Motors asserted that the amount in controversy included at least \$39,183.98 in actual damages, potentially doubled civil penalties, and \$15,000 in future attorney fees. The court found the civil-penalty component speculative and concluded that the actual damages plus the asserted attorney fees still fell below \$75,000.

PROCEDURAL HISTORY

Yepes filed suit against General Motors in California state court on April 3, 2025, alleging warranty violations under the Song-Beverly Warranty Act and seeking restitution, civil penalties, attorney fees, and damages. General Motors removed the action on September 23, 2025, asserting diversity jurisdiction. After the court issued an order to show cause, Yepes moved to remand and General Motors responded. The court found that General Motors failed to establish an amount in controversy exceeding \$75,000, remanded the case to the Superior Court of California for Los Angeles County, denied the remand motion as moot, vacated all dates, and closed the federal case.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action was remanded to the Superior Court of the State of California, County of Los Angeles, 111 North Hill Street, Los Angeles, California 90012, Case No. 25STCV10061. All dates were vacated, and the Clerk was directed to close the federal case. Yepes's motion to remand was denied as moot.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Castillo v. FCA USA, LLC, No. 19-cv-151-CAB-MDD, 2019 WL 6607006, at *2 (S.D. Cal. Dec. 5, 2019)
- Estrada v. FC US LLC, No. 2:20-cv-10453-PA (JPRx), 2021 WL 223249, at *3 (C.D. Cal. Jan. 21, 2021)
- Guglielmino v. McKee Foods Corp., 506 F.3d 696, 701 (9th Cir. 2007)

OPINION

Gustavo Yepes v. General Motors LLC et al
PER CURIAM.

UNITED STATES DISTRICT COURT □□
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES — GENERAL

Case No. 2:25-cv-09060-ODW (BFMx) Date October 27, 2025 Title Gustavo Yepes v. General Motors LLC et al Present: The Honorable Otis D. Wright, I, United States District Judge Sheila English Not reported N/A Deputy Clerk Court Reporter / Recorder Tape No. Attorneys Present for Plaintiffs: Attorneys Present for Defendants: Not present Not present Proceedings: In Chambers On April 3, 2025, Plaintiff Gustavo Yepes initiated this action against Defendant General Motors (“GM”) LLC in state court. (Notice of Removal, Ex. A (“Compl.”), Dkt. No. 1-1.) In his Complaint, Yepes alleges, among other things, breach of express and implied warranties and violations of the Song-Beverly Warranty Act. (/d.) Yepes seeks rescission of the contract; restitution; attorneys’ fees; civil penalties; and general, special, and incidental damages. (/d., Prayer.) On September 23, 2025, GM removed the action to federal court based on diversity

(Notice Removal (“NOR”), Dkt. No. 1.) On October 10, 2025, the Court ordered the parties to show cause why this action should not be remanded for failing to satisfy the amount-in-controversy requirement for diversity jurisdiction. (Dkt. No. 9.) On October 24, 2025, Yepes filed a motion to remand the case. (Mot. Remand, Dkt. No. 15.) The same day, GM filed a response to the Court’s Order to Show Cause (“OSC”). (Resp., Dkt. No. 16.) Upon review of GM’s Notice of Removal and GM’s response to the Court’s OSC, the Court finds GM fails to establish that the amount in controversy exceeds \$75,000. Accordingly, the Court REMANDS the action and DENIES Yepes’s motion as MOOT. (Dkt. No. 15.) Federal courts are courts of limited jurisdiction, having subject-matter jurisdiction only Over matters authorized by the Constitution and Congress. U.S. Const. art. IH, § 2, cl. 1; v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994). A suit filed in a state court may be removed to federal court if the federal court would have had original jurisdiction over the suit. 28 U.S.C. § 1441(a). Federal courts have original jurisdiction where an action presents a federal question under 28 U.S.C. § 1331, or diversity of citizenship under 28 U.S.C. § 1332. CV-90 (06/04) CIVIL MINUTES - GENERAL Page 1 of 3

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES — GENERAL

Case No. 2:25-cv-09060-ODW (BFMx) Date October 27, 2025 Title Gustavo Yepes v. General Motors LLC et al Accordingly, a defendant may remove a case from state court to federal court pursuant to the federal removal statute, 28 U.S.C. § 1441, on the basis of federal question or diversity Diversity jurisdiction requires complete diversity of citizenship among the adverse and an amount in controversy exceeding \$75,000, exclusive of interest and costs. 28 U.S.C. § 1332(a). Courts strictly construe the removal statute against removal jurisdiction, and “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). The party seeking removal the burden of establishing federal jurisdiction. /d. Here, GM argues that Yepes’s potential damages exceed \$75,000 because the Song- Beverly Act allows a plaintiff to recover the price paid for the vehicle in the form of restitution, up to twice the compensatory damages in civil penalties. (Def.’s Resp. 4-9.) GM asserts that Yepes’s actual damages in controversy total at least \$39,183.98, including a mileage offset. (id. at 4-5.) GM also contends that because Yepes “is seeking civil penalties,” the amount in controversy should include the “maximum civil penalt[y],” which would “bring[] the total damages to \$117,551.94. (/d. 5-9.) Finally, GM contends that based on its experience with Yepes’s counsel, “it would be appropriate to include at least \$15,000 in future attorney fees in addition to past fees.” (/d. at 9-10.) First, GM’s inclusion of civil penalties to establish the amount in controversy is highly speculative and insufficient to meet its burden. “A plaintiff who establishes that a violation of the [Song-Beverly] Act was willful may recover a civil penalty of up to two times the amount of actual damages.” See Cal. Civ. Code § 1794(c). However, “[t]he civil penalty under California Civil Code § 1794(c) cannot simply be assumed.” *Castillo v. FCA USA*,

LLC, No. 19-cv-151- CAB-MDD, 2019 WL 6607006, at *2 (S.D. Cal. Dec. 5, 2019); Estrada v. FC US LLC, No. 2:20- cv-10453-PA (JPRx), 2021 WL 223249, at *3 (C.D. Cal. Jan. 21, 2021) (collecting cases and remanding where defendant's inclusion of civil penalties to establish the amount in controversy was "too speculative and are not adequately supported by the facts and evidence"). GM fails to establish that inclusion of civil penalties is appropriate, and the Court declines GM's invitation to disregard the many courts that have found the same. Next, GM fails in its burden with respect to attorneys' fees. To support this argument, GM to its experience with Yepes's counsel and a similar case with Yepes's counsel. (Resp. 9- 10; Decl. Thomas V. Wynsma ISO Resp. § 4, Dkt. No. 16-1.) Without deciding whether GM's CV-90 (06/04) CIVIL MINUTES - GENERAL Page 2 of 3

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES — GENERAL

Case No. 2:25-cv-09060-ODW (BFMx) Date October 27, 2025 Title Gustavo Yepes v. General Motors LLC et al argument is legally sufficient, the Court notes that adding \$15,000 in attorneys' fees to \$39,183.98 (the actual damages in controversy here) still comes short of the \$75,000 threshold. This plainly does not satisfy GM's burden. GM's failure to establish that inclusion of civil penalties is appropriate dooms federal subject matter jurisdiction in this case. See Gaus, 980 F.2d at 566 ("Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.")! The actual damages in controversy in this case total \$39,183.98, and even if the Court added attorneys' fees, this still falls short of GM's burden to establish the requisite \$75,000. See 28 U.S.C. § 1332(a). Accordingly, the Court REMANDS this case to the Superior Court of the State of California, County of Los Angeles, 111 North Hill Street, Los Angeles, CA 90012, Case No. 25STCV10061. All dates are VACATED. The Clerk of the Court shall close this case. IT IS SO ORDERED. : 00 Initials of Preparer SE ' GM dedicates two pages to discussing Gaus. (Resp. 1-4.) However, it is unclear to the Court what GM's was, and how its treatment of Gaus requires a different result in this case. For the avoidance of doubt: GM has not shown, by a preponderance of the evidence, that subject matter jurisdiction exists here. See Guglielmino v. McKee Foods Corp., 506 F.3d 696, 701 (9th Cir. 2007). CV-90 (06/04) CIVIL MINUTES - GENERAL Page 3 of 3