

**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.

OPINION

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