

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PRECEDENTIAL VALUE	Unpublished district court order; persuasive but generally nonprecedential.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)