

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Aviator Nation, Inc. v. Allianz Global Risks US Insurance Co.

Aviator Nation · No. CV 25-10484-DMG (ADSx) · Decided November 5, 2025

SUMMARY

The United States District Court for the Central District of California ordered Aviator Nation, Inc. to show cause why its insurance coverage action against Allianz Global Risks U.S. Insurance Company should not be dismissed without prejudice for lack of subject matter jurisdiction. The court found that the complaint insufficiently alleged facts establishing that the amount in controversy exceeded \$75,000, and set deadlines for responses from the parties.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Dolly M. Gee
JURISDICTION	United States District Court for the Central District of California
DECIDED	November 5, 2025
DOCKET	CV 25-10484-DMG (ADSx)
DISPOSITION	other
PROCEDURAL POSTURE	The court sua sponte issued an order to show cause why the newly filed action should not be dismissed without prejudice for lack of subject matter jurisdiction.
STANDARD OF REVIEW	For an action originally filed in federal court, the amount in controversy is determined from the face of the pleadings; the party invoking diversity jurisdiction bears the burden of pleading and proving jurisdiction.
PRECEDENTIAL VALUE	unpublished

TOPICS

- subject matter jurisdiction
- declaratory relief insurance
- insurance coverage
- civil procedure
- pleadings

PRACTICE AREAS

- civil procedure
- insurance coverage
- commercial litigation

QUESTIONS PRESENTED

1. Whether the Complaint adequately pleaded facts establishing that the amount in controversy exceeds \$75,000 for purposes of diversity jurisdiction under 28 U.S.C. § 1332.
2. Whether the action should be dismissed without prejudice for lack of subject matter jurisdiction if Plaintiff fails to provide a satisfactory response to the order to show cause.

HOLDINGS

1. The party seeking to invoke diversity jurisdiction bears the burden of both pleading and proving that the amount in controversy exceeds the jurisdictional threshold.
2. When a plaintiff originally files in federal court, the amount in controversy is determined from the face of the pleadings, and a conclusory allegation that the amount exceeds \$75,000 is insufficient without supporting factual allegations.

KEY QUOTATIONS

“The party seeking to invoke the district court’s diversity jurisdiction always bears the burden of both pleading and proving diversity jurisdiction.” (1)

“When a plaintiff originally files in federal court, the amount in controversy is determined from the face of the pleadings.” (1)

“Plaintiff is hereby ORDERED TO SHOW CAUSE why this action should not be dismissed without prejudice for lack of subject matter jurisdiction.” (2)

FACTUAL BACKGROUND

Aviator Nation, Inc. sued Allianz Global Risks U.S. Insurance Company over alleged insurance coverage obligations arising from an underlying trademark dilution lawsuit filed against Aviator Nation in the District of Oregon. The Complaint asserted claims for declaratory relief concerning a duty to defend, breach of contract, and breach of the covenant of good faith and fair dealing. Although Plaintiff alleged that the amount in controversy exceeded \$75,000, it did not identify a factual basis for that amount, including the defense costs allegedly incurred in the underlying action.

PROCEDURAL HISTORY

Plaintiff filed the action in the Central District of California on October 31, 2025, asserting diversity jurisdiction and claims concerning insurance coverage for an underlying trademark dilution lawsuit. Before any responsive pleading or merits determination, the court ordered Plaintiff to show cause why the action should not be dismissed because the Complaint did not adequately establish the amount in controversy. Plaintiff was given until November 20, 2025, to respond, and Defendant may respond by December 5, 2025.

DISPOSITION

other

CASES CITED

- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 613–14 (9th Cir. 2016)
- Rainero v. Archon Corp., 844 F.3d 832, 840 (9th Cir. 2016)

OPINION

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL MINUTES—GENERAL Case No. CV 25-10484-DMG (ADSx) Date November 5, 2025 Title Aviator Nation, Inc. v. Allianz Global Risks US Insurance Co. Page 1 of 2 Present: The Honorable DOLLY M. GEE, CHIEF UNITED STATES DISTRICT JUDGE DEREK DAVIS NOT REPORTED Deputy Clerk Court Reporter Attorneys Present for Plaintiff(s) Attorneys Present for Defendant(s) None Present None Present Proceedings: IN CHAMBERS—ORDER TO SHOW CAUSE WHY THIS ACTION SHOULD NOT BE DISMISSED FOR LACK OF SUBJECT MATTER JURISDICTION On October 31, 2025, Plaintiff Aviator Nation, Inc. filed a Complaint against Defendant Allianz Global Risks U.S. Insurance Company.

[Doc. # 1 (“Compl.”).] Plaintiff alleges three causes of action: (1) declaratory relief – duty to defend; (2) breach of contract; and (3) breach of the covenant of good faith and fair dealing. The Complaint arises out of an insurance coverage dispute relating to an underlying trademark dilution lawsuit filed against Plaintiff in the District of Oregon, that Defendant allegedly has a duty to defend.

Plaintiff asserts diversity jurisdiction under 28 U.S.C. section 1332. Compl. at ¶ 4. Under 28 U.S.C. section 1332(a)(1), the Court has original jurisdiction over a civil action where “the matter in controversy exceeds the sum or value of \$75,000” and there is complete diversity of citizenship between the parties. 28 U.S.C. § 1332(a)(1). “The party seeking to invoke the district court’s diversity jurisdiction always bears the burden of both pleading and proving diversity jurisdiction.” *NewGen, LLC v. Safe Cig, LLC* 840 F.3d 606, 613–14 (9th Cir.

2016). When a plaintiff originally files in federal court, the amount in controversy is determined from the face of the pleadings. *Rainero v. Archon Corp.*, 844 F.3d 832, 840 (9th Cir. 2016). Plaintiff has alleged insufficient facts in its Complaint for the Court to determine that the amount in controversy exceeds \$75,000. Other than a conclusory statement that the “amount in controversy exceeds the sum or value of \$75,000 exclusive of interests and costs,” the Complaint does not otherwise appear to provide any factual basis to support the amount in damages that Plaintiff seeks.

Compl. at ¶¶ 5, 171. For example, the Complaint provides no indication of how much Plaintiff has incurred in defense costs in the underlying action for which it seeks reimbursement. // UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL MINUTES—GENERAL Case No. CV 25-10484-DMG (ADSx) Date November 5, 2025 Title Aviator Nation,

Inc. v. Allianz Global Risks US Insurance Co. Page 2 of 2 Plaintiff is hereby ORDERED TO SHOW CAUSE why this action should not be dismissed without prejudice for lack of subject matter jurisdiction.

Plaintiff shall file a response no later than November 20, 2025 date. Defendant may file its response, if any, by December 5, 2025. Failure to file a timely satisfactory response will result in the dismissal of this action for lack of jurisdiction. IT IS SO ORDERED.