

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Albert Margayan v. Nissan North America, Inc.

Margayan · No. CV 25-5653 PA (MBKx) · Decided July 1, 2025

SUMMARY

The United States District Court for the Central District of California grants the plaintiff’s motion to remand an action removed under diversity jurisdiction. The court holds that Nissan North America, Inc. failed to plausibly allege that the plaintiff was domiciled in California, noting that residence alone does not establish citizenship and that the removing party bears the jurisdictional burden. The action is remanded to the Los Angeles County Superior Court for lack of subject matter jurisdiction.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Percy Anderson
JURISDICTION	United States District Court for the Central District of California
DECIDED	July 1, 2025
DOCKET	CV 25-5653 PA (MBKx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed the action from Los Angeles County Superior Court on the asserted basis of diversity jurisdiction. Plaintiff moved to remand, arguing that the removal papers failed to establish subject matter jurisdiction.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal jurisdiction, and removal statutes are strictly construed against removal jurisdiction. Federal jurisdiction must be rejected if there is any doubt as to the right of removal.
PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown
PARTIES	Nissan North America, Inc. v. Albert Margayan

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

civil procedure

federal jurisdiction

removal and remand

QUESTIONS PRESENTED

1. Whether Nissan plausibly alleged complete diversity of citizenship sufficient to support removal under 28 U.S.C. § 1332(a).
2. Whether allegations that Margayan resided in California, without adequate allegations or evidence of domiciliary intent, established that he was a California citizen for diversity-jurisdiction purposes.
3. Whether the preponderance-of-the-evidence standard discussed in amount-in-controversy removal cases displaced the strict presumption against removal jurisdiction when the removing party failed to establish the plaintiff's citizenship.

HOLDINGS

1. A removing defendant must plausibly allege the plaintiff's actual citizenship, and allegations of residence alone do not suffice to establish domicile or citizenship when they do not adequately show intent to remain.
2. Where the removing defendant has not established the plaintiff's citizenship, any doubt concerning the right of removal requires rejection of federal jurisdiction and remand.

KEY QUOTATIONS

"Federal courts are courts of limited jurisdiction, having subject matter jurisdiction only over matters authorized by the Constitution and Congress." (at 2)

"The burden of establishing federal jurisdiction is on the party seeking removal, and the removal statute is strictly construed against removal jurisdiction." (at 2)

"Federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance." (at 2)

"Residence is physical, whereas domicile is generally a compound of physical presence plus an intention to make a certain definite place one's permanent abode" (at 5)

"Absent unusual circumstances, a party seeking to invoke diversity jurisdiction should be able to allege affirmatively the actual citizenship of the relevant parties." (at 6)

FACTUAL BACKGROUND

Margayan filed an action in Los Angeles County Superior Court involving a vehicle leased from Nissan. Nissan's removal papers alleged that Margayan resided in California, including during the period surrounding the vehicle lease, but offered little or no evidence of his intent to remain in California. Nissan argued that the alleged duration of Margayan's California residence established California citizenship by a preponderance of the evidence.

PROCEDURAL HISTORY

Nissan North America, Inc. removed the action on June 20, 2025, and filed supplements addressing the alleged basis for diversity jurisdiction. After a June 27, 2025 status conference, the court permitted Nissan to submit further authority before ruling on plaintiff's oral motion to remand. The court found that Nissan had not plausibly alleged Margayan's California citizenship and remanded the action to Los Angeles County Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action was remanded to Los Angeles County Superior Court, Case No. 25STCV12883, for lack of subject matter jurisdiction.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375, 377 (1994)
- Prize Frize, Inc. v. Matrix (U.S.) Inc., 167 F.3d 1261, 1265 (9th Cir. 1999)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Academy of Country Music v. Continental Cas. Co., 991 F.3d 1059, 1068 (9th Cir. 2021)
- Kantor v. Wellesley Galleries, Ltd., 704 F.2d 1088, 1090 (9th Cir. 1983)
- Kanter v. Warner-Lambert Co., 265 F.3d 853, 857 (9th Cir. 2001)
- Indus. Tectonics, Inc. v. Aero Alloy, 912 F.2d 1090, 1092 (9th Cir. 1990)
- Johnson v. Columbia Props. Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006)
- Weible v. United States, 244 F.2d 158, 163 (9th Cir. 1957)
- Bradley Min. Co. v. Boice, 194 F.2d 80, 84 (9th Cir. 1951)
- Adams v. West Marine Prods., 958 F.3d 1216, 1221 (9th Cir. 2020)
- Mondragon v. Capital One Auto Finance, 736 F.3d 880, 886 (9th Cir. 2013)
- Lew v. Moss, 797 F.2d 747, 751 (9th Cir. 1986)
- Scott v. Breeland, 792 F.2d 925, 927 (9th Cir. 1986)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 89 (2014)
- Nishimoto v. Federman—Bachrach & Assocs., 903 F.2d 709, 712 n.3 (9th Cir. 1990)
- Emrich v. Touche Ross & Co., 846 F.2d 1190, 1195 (9th Cir. 1988)
- California ex rel. Lockyer v. Dynegy, Inc., 375 F.3d 831, 838 (9th Cir.), opinion amended on denial of reh'g, 387 F.3d 966 (9th Cir. 2004)
- Sanchez v. Monumental Life Ins. Co., 102 F.3d 398, 403-04 (9th Cir. 1996)
- Guglielmino v. McKee Foods Corp., 506 F.3d 696, 699 (9th Cir. 2007)
- Crescencio v. Ford Motor Co., No. CV 24-10946-MWEF (BFMx), 2025 WL 1122096 (C.D. Cal. Apr. 9, 2025)

- Covarrubias v. Ford Motor Co., No. 2:25-cv-00328-JLS-MAA, 2025 WL 907544 (C.D. Cal. Mar. 24, 2025)

OPINION

Albert Margayan v. Nissan North America, Inc.

PER CURIAM.

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 25-5653 PA (MBKx) Date July 1, 2025 Title Albert Margayan v. Nissan North America, Inc., et al. Present: The Honorable PERCY ANDERSON, UNITED STATES DISTRICT JUDGE Kamilla Sali-Suleyman Not Reported N/A Deputy Clerk Court Reporter Tape No. Attorneys Present for Plaintiffs: Attorneys Present for Defendants: None None Proceedings: IN CHAMBERS — COURT ORDER Before the Court is the Notice of Removal filed by defendant Nissan North America, Inc. (“Defendant”) on June 20, 2025, as well as the Supplement to the Notice of Removal filed by Defendant on June 24, 2025. (Docket Nos. 1 (“NOR”), 8 (“Supp.”).) Defendant alleges that this Court possesses diversity jurisdiction over this action filed by plaintiff Albert Margayan (“Plaintiff”) pursuant to 28 U.S.C. § 1332(a). On June 27, 2025, the Court held a video conference hearing to determine whether diversity jurisdiction over this action exists. At the status conference, the Court tentatively concluded that the Notice of Removal and Supplement failed to plausibly allege Plaintiff’s citizenship and thus failed to plausibly allege that this Court has subject matter jurisdiction over this action. The Court waived Local Rule 6-1 barring oral motions, and Plaintiff’s counsel moved to remand the action to the Los Angeles County Superior Court based on Defendant’s failure to adequately allege a basis for the Court’s subject matter jurisdiction. However, before ruling on Plaintiff’s motion to remand, the Court granted Defendant leave to proffer additional authority in support of removal. (Docket No. 12.) Defendant filed its Further Supplement on June 30, 2025. (Docket No. 13 (“Further Supp.”).) For the reasons stated below, the Court concludes that Defendant has failed to plausibly allege that this Court has subject matter jurisdiction over this action. Federal courts are courts of limited jurisdiction, having subject matter jurisdiction only over matters authorized by the Constitution and Congress. See, e.g., *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 377 (1994). A suit filed in 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). A removed action must be remanded to state court if the federal court lacks subject matter jurisdiction. 28 U.S.C. § 1447(c). “The burden of establishing federal jurisdiction is on the party seeking removal, and the removal statute is strictly construed against removal jurisdiction.” *Prize Frize, Inc. v. Matrix (U.S.) Inc.*, 167 F.3d 1261, 1265 (9th Cir. 1999). “Federal 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). JS-6

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Case No. CV 25-5653 PA (MBKx) Date July 1, 2025 Title Albert Margayan v. Nissan North America, Inc., et al. In attempting to invoke this Court's diversity jurisdiction, Defendant must plausibly allege that there is complete diversity of citizenship between the parties and that the amount in controversy exceeds \$75,000. See 28 U.S.C. § 1332; see also *Academy of Country Music v. Continental Cas. Co.*, 991 F.3d 1059, 1068 (9th Cir. 2021). To establish citizenship for diversity purposes, a natural person must be a citizen of the United States and be domiciled in a particular state. *Kantor v. Wellesley Galleries, Ltd.*, 704 F.2d 1088, 1090 (9th Cir. 1983). Persons are domiciled in the place they reside with the intent to remain or to which they intend to return. See *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001). For the purposes of diversity jurisdiction, a corporation is a citizen of any state where it is incorporated and of the state where it has its principal place of business. See 28 U.S.C. § 1332(c); see also *Indus. Tectonics, Inc. v. Aero Alloy*, 912 F.2d 1090, 1092 (9th Cir. 1990). The citizenship of an LLC is the citizenship of its members. See *Johnson v. Columbia Props. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006) ("[L]ike a partnership, an LLC is a citizen of every state of which its owners/members are citizens."). In the Notice of Removal, Defendant alleges: "According to Plaintiff's Complaint, he is a resident of California. See Compl. 4 2. Nissan's preliminary investigation also concluded that Plaintiff resided in California when he purchased the subject vehicle, and on other occasions, establishing a plausible basis for intent to remain in California thus providing a plausible basis for citizenship." (NOR at 3:10-14.) In its Supplement, Defendant alleges that "Plaintiff has resided in California since at least two years and five months prior to September 18, 2023, when he leased the subject vehicle." (Supp at 3:9-11 (citing Declaration of Brady O'Bryan, Ex. A (Financing Agreement).) Although Defendant cites to the Complaint in support of its allegations of Plaintiff's citizenship, Defendant also argues that the Complaint by itself is indeterminate as to Plaintiff's citizenship. In so arguing, Defendant states, "[c]itizenship requires a showing of (1) 'residence' and (2) 'intent to remain,'" and "[w]hile allegations of residence may give rise to plausible allegations of citizenship, residence alone is not 'determinate' as to citizenship." (NOR at 7:10, 17-18.) (citing *Kanter*, 265 F.3d at 857). Despite this, however, in both the Notice of Removal and Supplement, Defendant proffers only evidence of Plaintiff's residence and little to no evidence of Plaintiff's intent. Under longstanding Ninth Circuit precedent, it is clear that residence is physical, whereas domicile is generally a combination of physical presence plus an intention to make a certain definite place one's permanent abode. See, e.g., *Weible v. United States*, 244 F.2d 158, 163 (9th Cir. 1957) ("Residence is physical, whereas domicile is generally a compound of physical presence plus an intention to make a certain definite place one's permanent abode, though, to be sure, domicile often hangs on the slender thread of intent alone, JS-6

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Case No. CV 25-5653 PA (MBKx) Date July 1, 2025 Title Albert Margayan v. Nissan North America, Inc., et al. as for instance where one is a wanderer over the earth. Residence is not an immutable condition of domicile.’’). Defendant argues in its Supplement that a plaintiff’s state of residence is presumptively considered to be his or her state of citizenship, citing *Bradley Min. Co. v. Boice*, 194 F.2d 80, 84 (9th Cir. 1951); and *Adams v. West Marine Prods.*, 958 F.3d 1216, 1221 (9th Cir. 2020). (Supp. at 3:2-7.) As an initial matter, the Ninth Circuit has explained that “[i]t does not appear that this circuit has yet adopted th[e] presumption’ that residence is prima facie evidence of domicile.” *Mondragon v. Capital One Auto Finance*, 736 F.3d 880, 886 (9th Cir. 2013). Moreover, Defendant’s reliance on *Bradley* and *Adams* is misplaced, as neither case involved a presumption against removal jurisdiction. *Bradley* appears to have been originally filed in federal court, where the burden is on the plaintiff to plead and prove the parties’ citizenship. See *Lew v. Moss*, 797 F.2d 747, 751 (9th Cir. 1986). *Adams* was removed under the Class Action Fairness Act, where there is no antiremoval presumption. See, e.g., *Scott v. Breeland*, 792 F.2d 925, 927 (9th Cir. 1986); *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). In removal cases, by contrast, the “‘strong presumption’ against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper.” *Gaus*, 980 F.2d at 566 (citing *Nishimoto v. Federman—Bachrach & Assocs.*, 903 F.2d 709, 712 n.3 (9th Cir.1990); *Emrich v. Touche Ross & Co.*, 846 F.2d 1190, 1195 (9th Cir.1988)); see also *California ex rel. Lockyer v. Dynegy, Inc.*, 375 F.3d 831, 838 (9th Cir.), opinion amended on denial of reh’g , 387 F.3d 966 (9th Cir. 2004). In its Further Supplement, Defendant acknowledges the presumption against removal jurisdiction in cases removed pursuant to 28 U.S.C. § 1332(a), but it argues that removal was remains proper in this case because Defendant is only required to establish jurisdictional facts by a preponderance of the evidence. (See Further Supp. at 1:6—3:19.) In so arguing, Defendant relies on *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398 (9th Cir. 1996), and *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696 (9th Cir. 2007). In *Sanchez*, the Ninth Circuit held that when it is unclear from the face of a state-court complaint whether the requisite amount in controversy is pled, the removing defendant must establish by a preponderance of the evidence that the amount in controversy exceeds the jurisdictional threshold. See 102 F.3d at 403-04. In *Guglielmino*, the Ninth Circuit decided the proper burden of proof to be borne by a removing defendant when a state-court complaint alleges damages less than the jurisdictional threshold but does not specify the total amount in controversy. Applying *Sanchez*, the court held that the correct burden of proof was a preponderance of the evidence standard, rejecting a more stringent “legal certainty” standard. See 506 F.3d 696 at 699. Defendant argues that the same preponderance of the evidence burden of proof applies in this case because the Complaint is JS-6

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Case No. CV 25-5653 PA (MBKx) Date July 1, 2025 Title Albert Margayan v. Nissan North America, Inc., et al. indeterminate as to Plaintiff's citizenship (see Further Supp. at 1:20—2:4), and it argues that even if the Court has “a reasonable doubt as to Plaintiff's intent to remain,” in California, Defendant’s allegations regarding Plaintiff's California residence are sufficient to establish Plaintiff's California citizenship by a preponderance of the evidence (see *id.* at 4:18-5:19). Defendant’s argument is unconvincing for several reasons. First, nothing in Sanchez or Guglielmino negates the requirement in *Guas* that “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.” 980 F.2d at 566. Put differently, under *Gaus*, the Court must reject federal jurisdiction if there is “any doubt” that Defendant has not satisfied its burden of proof. Second, Defendant fails to establish by a preponderance of the evidence that Plaintiff is a citizen of California. Defendant asserts that Plaintiff's “long-standing California residence is sufficient to establish Plaintiff's California citizenship,” (Further Supp. at 4:18-5:19; see also Supp. at 3:13—15 (arguing that Plaintiffs “longstanding residency in California is prima facie evidence of domicile (and therefore citizenship)”)). However, Defendant alleges only that Plaintiff resided in California between April 2021 (two years and five months before September 2023, when Plaintiff leased the vehicle at issue in this action) and May 2025 (when Plaintiff filed the Complaint). (See Supp. at 3:8-13).” And, as Defendant itself argues, Plaintiff's allegation in the Complaint that he resided in California between September 2023 and May 2025 does not suffice to show that Plaintiff is a citizen of California. (See NOR at 7:9-21.) Defendant fails to adequately explain why an allegation of residency for a period of slightly more than four years suffices to show domiciliary intent, whereas an allegation of residence for slightly over one-and-a-half years does not. Regardless, as explained above, an individual is not necessarily domiciled where he or she resides. *Kanter*, 265 F.3d at 857; *Weible*, 244 F.2d at 163. Absent any other evidence of domiciliary intent, the Court finds that u In its Supplement, Defendant cites two district court cases, *Crescencio v. Ford Motor Co.*, No. CV 24-10946-MWEF (BFMx), 2025 WL 1122096 (C.D. Cal. Apr. 9, 2025); and *Covarrubias v. Ford Motor Co.*, No. 2:25-cv-00328-JLS-MAA, 2025 WL 907544 (C.D. Cal. Mar. 24, 2025), in support of this argument. However, Defendant’s reliance on these district court cases does not overcome clear Ninth Circuit precedent requiring that there not be “any doubt” as to the right of removal. See *Gaus*, 980 F.2d at 566. 2 While Defendant asserts in its Further Supplement that it has produced evidence showing that Plaintiff “has remained in California for at least 5 years prior to filing the Complaint” (see Further Supp. at 5:8), the Notice of Removal and Supplement appear to allege Plaintiffs residence in California for a period of only slightly more than four years. JS-6

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America, Inc., et al. Defendant's allegations of Plaintiff's residence in California do not suffice to show that he is domiciled in California. "Absent unusual circumstances, a party seeking to invoke diversity jurisdiction should be able to allege affirmatively the actual citizenship of the relevant parties." Kanter, 265 F.3d at 857. Here, Defendant's allegations of Plaintiff's residence are insufficient to plausibly allege Plaintiff's citizenship. Thus, Defendant's allegations related to Plaintiff's residence are insufficient to overcome the strict presumption against removal jurisdiction and insufficient to invoke this Court's diversity jurisdiction. Accordingly, the Court grants Plaintiff's Motion to Remand. This action is hereby remanded to Los Angeles County Superior Court, Case No. 25STCV12883, for lack of subject matter jurisdiction. See 28 U.S.C. § 1447(c). IT IS SO ORDERED.