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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SHAGHAL, LTD.;

Plaintiff,

vs.

CENTRAL TRANSPORT LLC; and
DOES 1 to 10 inclusive,

Defendants.

Case No. 2:17-CV-03148-ODW-AS

**ORDER DENYING MOTION TO
REMAND [11]**

I. INTRODUCTION

Before the Court is Plaintiff Shaghal, Ltd.'s motion to remand. (ECF. No. 11.) For the reasons discussed below, the Court **DENIES** Plaintiff's motion.

II. FACTUAL BACKGROUND

Plaintiff is a reseller of consumer electronic products, and Defendant Central Transport LLC is a motor carrier and freight forwarding company. (Mot. 3, ECF No. 11.) Plaintiff alleges that Defendant trucking company Central Transport LLC damaged some of its property during transport. (*See* Compl. ¶ 21, ECF No. 1; Not. of Rem. ¶ 3, ECF No. 1.) To recover for the damage, Plaintiff filed this lawsuit in the Superior Court of California. In its complaint, Plaintiff alleges five causes of action: (1) breach of contract; (2) open book account, (3) account stated; (4) claim for money

1 paid; and (5) negligence. (Compl. ¶¶ 1–22.) Defendant removed this case pursuant to
2 federal question jurisdiction asserting that the relevant transport was interstate and
3 thus the state causes of action are completely preempted under the Carmack
4 Amendment. (See generally Not. of Rem., ECF No. 1.) Plaintiff has since filed a
5 motion to remand. (ECF No. 11.) That motion is now fully briefed and ready for
6 decision.¹ (ECF Nos. 15–16.)

7 III. LEGAL STANDARD

8 Federal courts have subject matter jurisdiction only as authorized by the
9 Constitution and Congress. U.S. Const. art. III, § 2, cl. 1; see also *Kokkonen v.*
10 *Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). Federal courts have original
11 jurisdiction where an action arises under federal law or where each plaintiff’s
12 citizenship is diverse from each defendant’s citizenship and the amount in controversy
13 exceeds \$75,000. 28 U.S.C. §§ 1331, 1332(a).

14 A suit filed in state court may only be removed if the federal court would have
15 had original jurisdiction. 28 U.S.C. § 1441(a). The removal statute is strictly
16 construed against removal, and “[f]ederal jurisdiction must be rejected if there is any
17 doubt as to the right of removal in the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d
18 564, 566 (9th Cir. 1992). The party seeking removal bears the burden of establishing
19 federal jurisdiction. *Holcomb v. Bingham Toyota*, 871 F.2d 109, 110 (9th Cir. 1989).

20 “The presence or absence of federal-question jurisdiction is governed by the
21 ‘well-pleaded complaint rule,’ which provides that federal jurisdiction exists only
22 when a federal question is presented on the face of the plaintiff’s properly pleaded
23 complaint.” *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987). There exist,
24 however, “a handful of ‘extraordinary’ situations where even a well-pleaded state law
25 complaint will be deemed to arise under federal law for jurisdictional purposes.”
26 *Holman v. Laulo–Rowe Agency*, 994 F.2d 666, 668 (9th Cir. 1993). For example, a

27 ¹ Having carefully considered the papers filed in support of and in opposition to the instant motion,
28 the Court deems the matter appropriate for decision without oral argument. Fed. R. Civ. P. 78; L.R.
7-15.

1 well-pleaded state law claim presents a federal question when a federal statute
2 completely preempts a particular area of law. *See Balcorta v. Twentieth Century–Fox*
3 *Film Corp.*, 208 F.3d 1102, 1107 (9th Cir. 2000). “[A]ny claim purportedly based on
4 that preempted state law is considered, from its inception, a federal claim, and
5 therefore arises under federal law.” *Id.* A complaint containing a completely
6 preempted claim may be removed to district court under § 1441. *Beneficial Nat’l*
7 *Bank v. Anderson*, 539 U.S. 1, 8 (2003).

8 IV. DISCUSSION

9 The Supreme Court held in *Missouri Pacific R.R. Co. v. Elmore & Stahl*, 377
10 U.S. 134, 137 (1964), that the Carmack Amendment, 49 U.S.C. § 14706, was intended
11 to supersede diverse state and common law remedies against interstate carriers. *See*
12 *also N.Y., New Haven & Hartford R.R. Co. v. Nothnagle*, 346 U.S. 128 (1953). The
13 Ninth Circuit has subsequently clarified this holding, concluding that the Carmack
14 Amendment entirely preempts state law as to interstate trucking where the amount in
15 controversy exceeds \$10,000. *Hall v. N. Am. Van Lines, Inc.*, 476 F.3d 683, 688-89
16 (9th Cir. 2007); *see also, e.g., Ga., Fla., & Ala. Ry. Co. v. Blish Milling Co.*, 241 U.S.
17 190, 195 (1916) (“[T]he question as to the proper construction of the bill of lading is a
18 Federal question.”); *Adams Express Co. v. Croninger*, 226 U.S. 491, 505-06 (1913)
19 (holding that the Carmack Amendment covers “the subject of the liability of the
20 carrier under a bill of lading . . . so completely that there can be no rational doubt but
21 that Congress intended to take possession of the subject, and supersede all state
22 regulation with reference to it”); *Hoskins v. Bekins Van Lines*, 343 F.3d 769, 778 (5th
23 Cir. 2003) (“Congress intended for the Carmack Amendment to provide the exclusive
24 cause of action for loss or damages to goods arising from the interstate transportation
25 of those goods by a common carrier.” (emphasis omitted)).

26 There is no dispute that this case involves the transport of goods by a motor
27 carrier and has an amount in controversy exceeding \$10,000. (Compl. at 4, ECF
28 No. 1.) The only remaining issue is whether the trucking at issue was interstate.

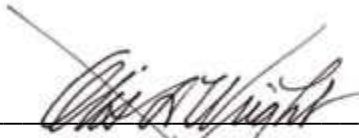
1 Although Plaintiff's complaint does not indicate the nature of the trucking at
2 issue, Defendant has produced evidence showing that it was interstate. (Glass Aff.,
3 ECF No. 18.) Defendant obtained numbers corresponding with bills of lading from
4 Plaintiff and then used those bills of lading to find the corresponding itineraries. (*Id.*
5 ¶¶ 2-6.) In examining those itineraries, Defendant found trips which began in Illinois,
6 Pennsylvania, and Georgia and ended with deliveries in California. (Glass Aff. Ex.
7 A-D.) The Court finds this evidence is sufficient to show that the transport was
8 interstate and that this case is entirely preempted by the Carmack Amendment.

9 **V. CONCLUSION**

10 In light of the foregoing, the Court **DENIES** Plaintiff's motion to remand.
11 (ECF No. 11.)

12 IT IS SO ORDERED.

13 August 3, 2017

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17 **OTIS D. WRIGHT, II**

18 **UNITED STATES DISTRICT JUDGE**
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