

Mohammadali Babazadehnamini,
Plaintiff,
v.
Toyota Motor Sales, U.S.A., Inc.,
Defendant.

Case No. 2:21-cv-06703-VAP-(ADSx)

**Order DENYING
Motion to Remand (Dkt. 13)**

Before the Court is a Motion to Remand (“Motion”) filed by Plaintiff Mohammadali Babazadehnamini (“Plaintiff”) on September 17, 2021. (Dkt. 13). Defendant Toyota Motor Sales (“Defendant”) filed its Opposition on October 28, 2021. (Dkt. 14). The Court finds this matter appropriate for resolution without oral argument pursuant to Local Rule 7-15. After considering all papers filed in support of, and in opposition to, the Motion, the Court **DENIES** Plaintiff’s Motion.

I. BACKGROUND

Plaintiff filed this action in the Los Angeles Superior Court on July 14, 2021, asserting claims for breach of written warranty under the federal Magnuson-Moss Warranty Act (“MMWA”), breach of implied warranty under the MMWA, and two violations of California’s Song-Beverly Consumer Warranty Act (“Song-Beverly Act”). (Dkt. 1-1, Ex. A). Plaintiff’s claims arise

1 out of his purchase of an allegedly defective 2020 Toyota Tundra (the
2 "Vehicle"). (Dkt.1-1, Ex. A). Defendant removed the action to this Court on
3 August 18, 2021, based on federal question jurisdiction arising under the
4 MMWA. (Dkt. 1, ¶ 6); 15 U.S.C. § 2301. Plaintiff then filed this Motion,
5 challenging Defendant's allegations as to the existence of jurisdiction. (See
6 Dkt. 13).

7

8 **II. LEGAL STANDARD**

9 Under 28 U.S.C. § 1441(a), a civil action may be removed from state
10 to federal court if the action is one over which the federal courts could
11 exercise their original jurisdiction. A district court has federal question
12 jurisdiction over actions "arising under the Constitution, laws, or treaties of
13 the United States." 25 U.S.C. § 1333.

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15 "The burden of establishing federal jurisdiction is on the party seeking
16 removal, and the removal statute is strictly construed against removal
17 jurisdiction." *Prize Frize, Inc. v. Matrix (U.S.) Inc.*, 167 F.3d 1261, 1265 (9th
18 Cir. 1999), *superseded by statute on other grounds as stated in Abrego*
19 *Abrego v. The Dow Chem. Co.*, 443 F.3d 676, 681 (9th Cir. 2006). There is
20 a strong presumption against removal jurisdiction, and federal jurisdiction
21 "must be rejected if there is any doubt as to the right of removal in the first
22 instance." *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992) (citation
23 omitted). A defendant "always has the burden of establishing that removal
24 is proper." *Id.* "If at any time before final judgment it appears that the
25 district court lacks subject matter jurisdiction, the case shall be remanded."
26 28 U.S.C. § 1447(c).

1

2 III. DISCUSSION

3 Although Plaintiff contends that Defendant fails to show that the
4 amount in controversy meets the \$75,000 threshold necessary for diversity
5 jurisdiction, (Dkt. 13-2), the Court notes Defendant based its Notice of
6 Removal on federal question jurisdiction under MMWA. (Dkt. 1-2). The
7 Court thus considers the amount of controversy under the MMWA.

8

9 A. Amount in Controversy

10 The MMWA creates federal question jurisdiction only when the
11 amount in controversy exceeds “\$50,000 (exclusive of interests and costs
12 computed on the bases of all claims to be determined in the suit.)” 15
13 U.S.C. § 2310(d)(3)(B); *see also Milicevic v. Fletcher Jones Imports, Ltd.*,
14 402 F.3d 912, 917 (9th Cir. 2005) (“[T]he Magnuson–Moss Warranty Act
15 creates a federal private cause of action for a warrantor’s failure to comply
16 with the terms of a written warranty”); *Grable & Sons Metal Prods., Inc.*
17 v. *Darue Eng’g & Mfg.*, 545 U.S. 308, 312 (2005) (“Th[e] provision for
18 federal-question jurisdiction is invoked by and large by plaintiffs pleading a
19 cause of action created by federal law”). A defendant who removes an
20 action to federal court bears the burden of proving by a preponderance of
21 the evidence that the amount in controversy meets the jurisdictional
22 threshold. *See Valdez v. Allstate Ins. Co.*, 372 F.3d 1115, 1117 (9th Cir.
23 2004); *Matheson v. Progressive Specialty Ins. Co.*, 319 F.3d 1089, 1090 (9th
24 Cir. 2003) (*per curiam*).

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26

1 Here, although Plaintiff argues Defendant fails to show by a
2 preponderance of the evidence that the amount in controversy exceeds both
3 \$75,000 and \$50,000 (Dkt. 13-2), Defendant met its burden of showing that
4 the amount in controversy is at least \$50,000.

5

6 1. Actual Damages

7 As the MMWA is silent on the question of remedies, courts “turn[] to
8 the applicable state law to determine what remedies are available under the
9 Act, which of necessity informs the potential amount in controversy.” See
10 *Romo v. FFG Ins. Co.*, 397 F. Supp. 2d 1237, 1239 (C.D. Cal. 2005); see
11 also *Reniger v. Hyundai Motor America*, 122 F. Supp. 3d 888, 906 (N.D.
12 Cal. 2015); *Hastings v. Ford Motor Company*, 495 F. Supp. 3d 919, 924
13 (S.D. Cal. 2020).

14

15 Here, Plaintiff asserts two claims under California’s Song-Beverly Act,
16 (Dkt. 1-1), and thus the Court calculates the jurisdictional threshold under
17 these claims. See *Romo*, 397 F. Supp. 2d at 1239.

18

19 Actual damages under the Song-Beverly Act are the “amount equal to
20 the actual price paid or payable by the buyer,” less the reduction in value
21 “directly attributable to use by the buyer.” Cal. Civ. Code § 1793.2(d)(2)(B)-
22 (C). The reduction is based on the number of miles the buyer has driven
23 prior to the first attempted repair (often called the “use offset”). *Id.* To
24 determine the amount directly attributable to the buyer’s use of the vehicle,
25 the manufacturer multiplies the price of the vehicle the buyer paid or will pay
26 by a fraction, the denominator of which is 120,000, and the numerator the

1 number of miles the buyer drove the car before the first relevant repair. *Id.*
2 This calculation provides the actual damages that Plaintiff suffered.
3

4 The lease agreement for the Vehicle here lists the total amount
5 payable as \$21,889.08. (Dkt. 1-1, Ex. A) The lease agreement further
6 indicates Plaintiff paid a \$3,000 lump sum as a down payment for the
7 Vehicle. (*Id.*) Accordingly, the total price for the Vehicle is \$24,889.08. The
8 Court adopts Defendant's mileage offset of \$974.61. (Dkt. 1-1) ("\$974.61
9 calculated as follows: (5,354-11)/120,000 x \$21,998.08"). The Court thus
10 estimates the amount of restitution available to Plaintiff under the Song-
11 Beverly Act to be \$24,889.08 minus the mileage offset of \$974.61, or
12 \$23,914.47.

13
14 2. Civil Penalty

15 If a court determines that a defendant's failure to comply with the
16 terms of the Act is willful, a successful plaintiff is entitled to recover civil
17 penalties of up to twice the amount of the actual damages. Cal. Civ. Code
18 §§ 1794(c).

19
20 Here, Plaintiff's third claim alleges that Defendant "willfully violated the
21 provisions of [the Song-Beverly Act] by knowing of its obligations to refund
22 or replace Plaintiff's vehicle but failing to do so." (Dkt. 1-1). Plaintiff also
23 asked for judgment in the form of a "civil penalty pursuant to Cal. Civ. Code
24 § 1974(c)." (*Id.*). As the amount of actual damages available under the
25 Song-Beverly Act to Plaintiff is \$23,914.47, the maximum available civil
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1 penalty is twice that amount, or \$47,828.94. Accordingly, the sum of the
2 restitution and civil penalty amounts in controversy is \$71,743.41.
3

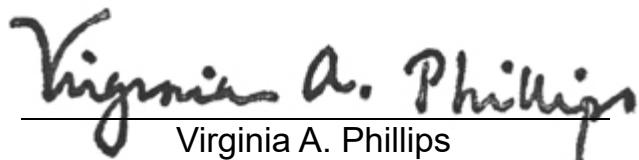
4 The Court therefore finds that the \$50,000 jurisdictional requirement
5 under the MMWA is satisfied. See *Carlos v. Jaguar Land Rover North*
6 *America, L.L.C.*, No. 19-1318 GW (FFMx), 2019 WL 2068465, at *3 (C.D.
7 Cal. May 10, 2019) (denying a plaintiff's motion to remand when the plaintiff
8 brought claims under the MMWA, and the plaintiff sought a "refund of the full
9 purchase price of the vehicle" and a civil penalty under California Civil Code
10 § 1794(c)); *Park v. Jaguar Land Rover N. Am., LLC*, No. 20-0242 BAS
11 (MSBx), 2020 WL 3567275, at *4 (S.D. Cal. July 1, 2020) ("Plaintiff's own
12 allegations support the conclusion that the maximum amount of civil
13 penalties is properly included in the amount in controversy determination").
14

15 **IV. CONCLUSION**

16 For the reasons stated above, the Court **DENIES** Plaintiff's Motion to
17 Remand this action to the Los Angeles Superior Court.
18

19 **IT IS SO ORDERED.**

20 Dated: 11/17/21

21 
22 Virginia A. Phillips
23 Virginia A. Phillips
24 United States District Judge
25
26