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

**CHRIS L. JONES, et al.,**

**Plaintiffs,**

**v.**

**A BUYER’S CHOICE HOME  
INSPECTIONS, LTD., et al.,**

**Defendants.**

**Case No.: SACV 17-00768-CJC (ADSx)**

**ORDER REMANDING CASE TO  
ORANGE COUNTY SUPERIOR  
COURT**

A defendant may remove a civil action filed in state court to a federal district court if the federal court would have had original jurisdiction over the action. 28 U.S.C. § 1441. Federal courts have subject matter jurisdiction over cases that (1) involve questions arising under federal law or (2) are between diverse parties and involve an amount in controversy that exceeds \$75,000. 28 U.S.C. §§ 1331, 1332. Principles of federalism and judicial economy require courts to “scrupulously confine their [removal] jurisdiction to the precise limits which [Congress] has defined.” *See Shamrock Oil &*

1 *Gas Corp. v. Sheets*, 313 U.S. 100, 109 (1941). Indeed, “[n]othing is to be more  
2 jealously guarded by a court than its jurisdiction.” *See United States v. Ceja-Prado*, 333  
3 F.3d 1046, 1051 (9th Cir. 2003) (internal quotations omitted).

4  
5 When Defendants removed this case, they asserted that the Court has diversity  
6 jurisdiction. (Dkt. 1.) (The Complaint [Dkt. 1-2] asserts a single cause of action for  
7 breach of contract, so federal question jurisdiction plainly does not exist.) Specifically,  
8 Defendants asserted that “[c]omplete diversity exists in that Plaintiffs are both citizens of  
9 Canada and all Defendants are citizens of Florida or Canada.” (Dkt. 1 ¶ 18.) However,  
10 “Section 1332 has been interpreted to require ‘complete diversity.’” *Ruhrigas AG v.*  
11 *Marathon Oil Co.*, 526 U.S. 574, 580 n.2 (1999) (citing *Strawbridge v. Curtiss*, 3 Cranch  
12 267 (1806)). And “[d]iversity jurisdiction does not encompass foreign plaintiffs suing  
13 foreign defendants.” *Faysound Ltd. v. United Coconut Chemicals, Inc.*, 878 F.2d 290,  
14 294 (9th Cir. 1989).

15  
16 More specifically, diversity is incomplete in cases where, as appears to be the case  
17 here, all plaintiffs are foreign citizens and at least one defendant is also a foreign citizen.  
18 *See Ruhrigas*, 526 U.S. at 580 n.2 (explaining that “[t]he foreign citizenship of defendant  
19 Ruhrigas, a German corporation, and plaintiff Norge, a Norwegian corporation, rendered  
20 diversity incomplete”); *Faysound*, 878 F.2d at 295 (“Faysound’s original complaint  
21 asserting that there was federal jurisdiction in a suit between ‘citizens of a foreign state  
22 and citizens of foreign states and a citizen of a state of the United States’ asserted  
23 jurisdiction where none existed.”); *In re Toyota Motor Corp. Unintended Acceleration*  
24 *Mktg., Sales Practices, & Prod. Liab. Litig.*, 826 F. Supp. 2d 1180, 1197 n.15 (C.D. Cal.  
25 2011) (“[T]here is not *complete* diversity between foreign Plaintiffs and a foreign  
26 Defendant.”).

1 On March 26, 2020, the Court issued an order to show cause why this action  
2 should not be remanded to state court for lack of subject matter jurisdiction. (Dkt. 98.)  
3 In the order to show cause, the Court described the above authority, and also noted that  
4 the Court lacks complete information about the parties' citizenship. First, Plaintiffs  
5 allege that they are "current residents of Canada and were residents of the State of  
6 California." (Dkt. 1-2 [Complaint] ¶ 1.) But they do not allege their citizenship. *See*  
7 *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001) ("Plaintiffs' complaint  
8 and Pfizer's notice of removal both state that Plaintiffs were 'residents' of California.  
9 But the diversity jurisdiction statute, 28 U.S.C. § 1332, speaks of citizenship, not of  
10 residency."). Similarly, Plaintiffs allege that the various Defendant entities are Canadian  
11 corporations and Florida limited liability companies. (Compl. ¶¶ 2–3.) But they do not  
12 allege the citizenship of the LLC defendants' members, or the principal place of business  
13 of the corporation defendant. *See Johnson v. Columbia Properties Anchorage, LP*, 437  
14 F.3d 894, 899 (9th Cir. 2006) ("[A]n LLC is a citizen of every state of which its  
15 owners/members are citizens."); 28 U.S.C. § 1332(c)(1) ("[A] corporation shall be  
16 deemed to be a citizen of every State and foreign state by which it has been incorporated  
17 and of the State or foreign state where it has its principal place of business."). Finally,  
18 the Complaint does not appear to allege, the citizenship of Defendant Arne Trejno. Nor  
19 did Defendants address these issues in their Notice of Removal, despite their burden of  
20 establishing that the district court has subject matter jurisdiction over the action. *See*  
21 *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992).

22  
23 Neither party filed a response to the Court's order to show cause regarding  
24 jurisdiction. And the Court has serious doubts regarding jurisdiction in this case, where  
25 Plaintiffs are Canadian residents and Defendants are citizens of at least Canada and  
26 Florida, especially since neither side responded to the Court's order to show cause. *See*  
27 *Ruhrgas*, 526 U.S. at 580 n.2; *Faysound*, 878 F.2d at 295; *In re Toyota*, 826 F. Supp. 2d  
28 at 1197 n.15.

