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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

THOMAS STEVENS DUMAS,

NO. CIV. S-10-1523 LKK/DAD

Plaintiff,

v.

O R D E R

FIRST NORTHERN BANK, dba
FIRST NORTHERN, et al.,

Defendants.

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This case was originally filed by plaintiff in Placer County Superior Court. The original complaint alleged both state and federal claims arising from a loan transaction and subsequent initiation of foreclosure proceedings on plaintiff's property. Defendants removed the case to this court on the basis of federal question jurisdiction only.

Plaintiff filed an amended complaint on October 20, 2010, alleging both state and federal claims. ECF No. 23. Defendants Paramount, Chase, and MERS filed motions to dismiss the amended complaint, which this court granted in part and denied in part. The

1 court granted plaintiff leave to amend the complaint, and plaintiff
2 filed a Second Amended Complaint. The Second Amended Complaint does
3 not allege any violations of federal law. No party has asserted any
4 other basis for federal court jurisdiction over this case. Under
5 28 U.S.C. § 1447(c), district courts shall remand a removed case
6 “[i]f at any time before final judgment it appears that the
7 district court lacks subject matter jurisdiction.” This court
8 issued an order to show cause why the case should not be remanded
9 to the state court. ECF No. 73.

10 Defendants JP Morgan Chase Bank, N.A., and Mortgage Electronic
11 Registration Systems, Inc. submitted a response to the order to
12 show cause stating that they do not object to an order remanding
13 the action to state court. ECF No. 74.

14 Plaintiff Dumas and defendant Paramount Residential Mortgage
15 each submitted responses requesting that the court exercise its
16 discretion to retain jurisdiction over the action despite the fact
17 that the federal claims no longer exist.

18 Defendant Paramount argues that the court should dismiss the
19 claims against Paramount before remanding the case to state court.
20 In support of this request, Paramount asserts that the court should
21 consider plaintiff’s state-law claims “from a federal statutory
22 purview.” From what the court can gather from Paramount’s nearly
23 incomprehensible response, Paramount believes that a federal issue
24 remains because Dumas’ claims against Paramount could be dismissed
25 under the federal pleading standards.

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1 Similarly, plaintiff Dumas, although he originally filed this
2 action in state court, asks the court to exercise its discretion to
3 retain jurisdiction over plaintiff's state-law claims. Plaintiff
4 asserts that doing so is warranted in the interest of judicial
5 economy.

6 "If the federal claims are dismissed before trial, even though
7 not insubstantial in a jurisdictional sense, the state claims
8 should be dismissed as well. . . There may, on the other hand, be
9 situations in which the state claim is so closely tied to questions
10 of federal policy that the argument for exercise of pendent
11 jurisdiction is particularly strong." United Mine Workers v. Gibbs,
12 383 U.S. 715, 726-727 (1966). This pendant jurisdiction doctrine
13 is "designed to enable courts to handle cases involving state-law
14 claims in the way that will best accommodate the values of economy,
15 convenience, fairness, and comity." Carnegie-Mellon Univ. v.
16 Cohill, 484 U.S. 343, 351 (1988). Pendant jurisdiction is a
17 doctrine of discretion, not of plaintiff's right, and when federal-
18 law claims have dropped out of the an action in its early stages,
19 the balance of these factors indicates that the case properly
20 belongs in state court. Id. (quoting Gibbs). Where remand, rather
21 than dismissal of a case will better accommodate these values,
22 remand is appropriate. Id. This is usually the case when the court
23 "relinquish[es] jurisdiction over a removed case involving pendent
24 claims." Id.

25 In this case, the court declines to exercise pendant
26 jurisdiction over plaintiff's action, which contains only state-law

1 claims. The contract, tort, and state statutory claims in this
2 foreclosure case are not closely tied to questions of federal
3 policy, and the court finds it appropriate for the claims to be
4 litigated in state court.

5 Accordingly, this action is REMANDED to the state court for
6 further proceedings. The Preliminary Injunction issued by this
7 court shall remain in place unless and until the state court
8 determines it to be inappropriate.

9 IT IS SO ORDERED.

10 DATED: April 4, 2012.

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LAWRENCE K. KARLTON
SENIOR JUDGE
UNITED STATES DISTRICT COURT