**UNITED STATES DISTRICT COURT**

**SOUTHERN DISTRICT OF CALIFORNIA**

RANA C. EWARDS, BELINDA A. WILLIAMS,

Plaintiff,

vs.

SAN DIEGO URBAN LEAGUE,

Defendant.

CASE NO. 06CV1788-H (WMc)

**ORDER TO SHOW CAUSE**

On September 7, 2006, Plaintiffs Rana Edwards and Belinda Williams ("Plaintiffs") filed a complaint against Defendant the San Diego Urban League ("Defendant") asserting claims for breach of contract, breach of contract by non-performance, breach of contract by omission, breach of obligation arising from contract, and negligence. (Doc. No. 1.) "A federal court can decide cases only when it has subject matter jurisdiction." Shamrock Dev. Co. v. Concord, 656 F.2d 1380, 1384 (9th Cir. 1981). Federal courts are courts of limited subject matter jurisdiction; they can only adjudicate cases that the Constitution or Congress authorize them to adjudicate. Kokkonen v. Guardian Life Ins. Co. of America, 511 U.S. 375, 380-81 (1994). Essentially, federal jurisdiction is limited to actions based on diversity of citizenship under 28 U.S.C. § 1332 or federal question jurisdiction. See Finley v. United States, 490 U.S. 545, 551-52 (1989). Federal question jurisdiction is based on the Constitution or federal statute. See Kokkonen, 511 U.S. at 380-81. In their

complaint, Plaintiffs allege Defendant received funding under the Veterans' Benefits Act, 38 U.S.C. 101 *et seq.* However, from the Court's review of the complaint, it is unclear whether Plaintiffs assert that Defendant violated a provision of that statute or if Congress has created a federal cause of action for their state law breach of contract and negligence claims under these circumstances. Furthermore, it does not appear that diversity jurisdiction exists. Accordingly, the Court **ORDERS** Plaintiffs to show cause why this Court has jurisdiction in this matter. Plaintiffs shall file a response to this order on or before **October 2, 2006**.

IT IS SO ORDERED.

DATED: 9/11/06

MARILYN L. HUFF, District Judge
UNITED STATES DISTRICT COURT

**COPIES TO:**

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