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

CAMILA S. RUVALCABA,

Plaintiff,

v.

OCWEN LOAN SERVICING, LLC,
et al.,

Defendants.

Case No. 15-cv-00744-BAS-DHB

ORDER:

**(1) DISMISSING WITHOUT
PREJUDICE OCWEN’S STATE
LAW CROSS-CLAIMS AGAINST
EQUITY**

**(2) TERMINATING AS MOOT
EQUITY’S MOTION FOR
JUDGMENT ON THE
PLEADINGS [ECF No. 204]**

AND RELATED CROSS-CLAIMS

Pending before the Court is Cross-Defendant Equity Title Company’s (“Equity”) motion for judgment on the pleadings as to Cross-Plaintiff Ocwen Loan Servicing LLC’s (“Ocwen”) state law cross-claims for equitable indemnity, contribution, apportionment of fault, and declaratory relief. (ECF No. 204.) Ocwen has opposed (ECF No. 207) and Equity has replied (ECF No. 209). The Court, however, concludes that it is proper to decline to exercise supplemental jurisdiction over Ocwen’s state law cross-claims, as a matter of its discretionary authority to do

1 so. Declining to exercise supplemental jurisdiction moots Equity’s motion for
2 judgment on the pleadings.

3 DISCUSSION

4 Ocwen’s state law cross-claims are expressly premised on this Court’s exercise
5 of supplemental jurisdiction. (ECF No. 111 ¶8 (“This Cross-Claim against CROSS-
6 DEFENDANTS and RUVALACABA are supplemental to the main action and arise
7 out of the same transaction/property alleged in the main action and jurisdiction is
8 proper under 28 USC §1367(a.”). After Equity moved for judgment on the pleadings
9 as to Ocwen’s state law cross-claims, the Court dismissed with prejudice Plaintiff
10 Camila Ruvalcaba’s federal and state law claims against Ocwen on February 12,
11 2018. (ECF No. 206.) The Court has therefore dismissed all claims over which it
12 has original jurisdiction. Moreover, Owen’s state law cross-claims against Equity are
13 the only claims remaining in this litigation. (ECF Nos. 201, 206.)

14 “[W]here a district court has dismissed all claims over which it has original
15 jurisdiction, it may *sua sponte* decline to exercise supplemental jurisdiction over
16 remaining state law claims.” *Andrews v. Wash. State Dep’t of Soc. & Health Servs.*,
17 No. C15-5871BHS, 2017 WL 320621, at *1 (W.D. Wash. Jan. 23, 2017) (alterations
18 in original) (quoting *Sikhs for Justice “SFJ”, Inc. v. Facebook, Inc.*, 144 F. Supp. 3d
19 1088, 1096 (N.D. Cal. 2015)); *see also Acri v. Varian Assocs., Inc.*, 114 F.3d 999,
20 1001 n.3 (9th Cir.), *supplemented*, 121 F.3d 714 (9th Cir. 1997), *as amended* (Oct. 1,
21 1997). District courts may decline to exercise supplemental jurisdiction if: (1) the
22 claim raises a novel or complex issue of state law; (2) the state law claim substantially
23 predominates over the federal claim; (3) the district court has dismissed all claims
24 over which it has original jurisdiction; or (4) if there is some other exceptional and
25 compelling reason to decline jurisdiction. *See* 28 U.S.C. §1367(c). In deciding
26 whether to exercise supplemental jurisdiction, the court should consider the interests
27 of judicial economy, convenience, fairness and comity. *City of Chi. v. Int’l College*
28 *of Surgeons*, 522 U.S. 156, 173, (1997); *Smith v. Lenches*, 263 F.3d 972, 977 (9th

1 Cir. 2001).

2 “[I]n the usual case in which all federal-law claims are eliminated before trial,
3 the balance of factors to be considered under the pendent jurisdiction doctrine—
4 judicial economy, convenience, fairness, and comity—will point toward declining to
5 exercise jurisdiction over the remaining state-law claims.” *Sanford v. MemberWorks,*
6 *Inc.*, 625 F.3d 550, 561 (9th Cir. 2010). These factors point toward declining to
7 exercise supplemental jurisdiction because exercising jurisdiction would neither
8 promote judicial economy nor convenience to the parties because the cross-claims
9 have not progressed beyond the pleading stage. Further investment of judicial energy
10 does not justify the retention of jurisdiction over Ocwen’s state law cross-claims. *See*
11 *Otto v. Heckler*, 802 F.2d 337, 338 (9th Cir. 1986) (“[T]he district court, of course,
12 has the discretion to determine whether its investment of judicial energy justifies
13 retention of jurisdiction or if it should more properly dismiss the claims without
14 prejudice.” (citation omitted)); *Pugh v. Wells Fargo Bank, N.A.*, No. 2:13-cv-01617-
15 GEB-DAD, 2013 WL 5673469, at *4 (E.D. Cal. Oct. 17, 2013). Moreover,
16 “[n]eedless decisions of state law should be avoided both as a matter of comity and
17 to promote justice between the parties, by procuring for them a surer-footed reading
18 of applicable law.” *United Mine Workers of Am. v. Gibbs*, 383 U.S. 715, 726 (1966);
19 *Madhvamuni K Das v. WMC Mortg. Corp.*, No. 10-cv-00650-LHK, 2012 WL
20 1657111, at *10 (N.D. Cal. May 10, 2012). Having dismissed all claims over which
21 it had original jurisdiction and finding that the relevant factors point toward declining
22 to exercise supplemental jurisdiction, the Court concludes that it is proper to decline
23 to exercise supplemental jurisdiction over Ocwen’s remaining state law cross-claims
24 against Equity under Section 1367(c)(3).


25 CONCLUSION & ORDER

26 For the foregoing reasons, the Court **DECLINES** to exercise supplemental
27 jurisdiction over Ocwen’s state-law cross claims against Equity (ECF No. 111) and
28 **DISMISSES WITHOUT PREJUDICE** the cross-claims. With no claims

1 remaining in this litigation, the Clerk of the Court is directed to close the case. The
2 Court further **TERMINATES AS MOOT** Equity's motion for judgment on the
3 pleadings. (ECF No. 204.)

4 **IT IS SO ORDERED.**

5 **DATED: March 8, 2018**

6 
7 **Hon. Cynthia Bashant**
8 **United States District Judge**

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