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

MILENA GARCIA, individually and on behalf of all current and former employees of TASK VENTURES, dba SPORT CLIPS, PINNACLE PEO CORPORATION and SPORT CLIPS HAIRCUT FRANCHISEES in the State of California,

Plaintiff,

v.

TASK VENTURES, LLC dba SPORTS CLIPS, *et al.*,

Defendants.

Case No. 16-cv-809-BAS(JLB)

**ORDER GRANTING
PLAINTIFF’S MOTION TO
REMAND**

[ECF No. 6]

On May 24, 2013, Plaintiff Milena Garcia commenced this wage-and-hour class action in San Diego Superior Court against Defendants Task Ventures, LLC d/b/a Sports Clips, Terry Klinker, and Pinnacle PEO Corporation (“Pinnacle”). In July 2014, Ms. Garcia filed an amended complaint to add Sports Clips, Inc. as a defendant, and then in January 2016, Ms. Garcia filed a Second Amended Complaint (“SAC”), the operative complaint, to add Albert Martinez as a defendant. Mr. Martinez subsequently removed this action to federal court. Ms. Garcia now moves

1 to remand this action to state court. Mr. Martinez opposes.

2 The Court finds this motion suitable for determination on the papers submitted
3 and without oral argument. *See* Fed. R. Civ. P. 78(b); Civ. L.R. 7.1(d)(1). For the
4 following reasons, the Court **GRANTS** Ms. Garcia’s motion to remand.

5
6 **I. BACKGROUND¹**

7 Ms. Garcia is a resident of San Diego, California and worked as a non-exempt
8 employee of Task Ventures and Pinnacle in San Diego from June 2011 to October
9 2012. (SAC ¶¶ 13, 25.) Mr. Klinker is the owner, president, and manager of Task
10 Ventures. (SAC ¶ 17.) And Mr. Martinez is the owner and CEO of Pinnacle. (SAC ¶
11 18.) Ms. Garcia brings this class action on behalf of all current or former employees
12 of Pinnacle and/or Task Ventures who work or have worked as hair stylists in the
13 State of California since May 24, 2009. (SAC ¶¶ 83-87.)

14 Hair stylists are non-exempt employees eligible for minimum wages, overtime
15 wages, meal and rest breaks, and other protections of the California Labor Code and
16 Wage Order of the Industrial Welfare Commissions (“IWC Wage Order”). (SAC ¶
17 26.) It is alleged that Defendants failed to provide Ms. Garcia and its hair stylists the
18 required benefits and protections of California wage-and-hour laws. (SAC ¶ 27.)
19 These failures include, among other things, Defendants not paying its employees the
20 proper rate of pay for overtime hours, providing adequate meal periods, timely paying
21 overtime wages, and maintaining accurate itemized wage statements. (SAC ¶¶ 33-
22 43, 45-52, 96-101, 109-12, 115, 123-27)

23 On May 24, 2013, Ms. Garcia commenced this action against Task Ventures,
24 Mr. Klinker, and Pinnacle in the San Diego Superior Court. (Roysdon Decl. Ex. 1.)
25 A First Amended Complaint was then filed on July 7, 2014, making “no change[s]
26

27
28 ¹ For the purposes of this order, the Court collectively refers to Task Ventures, Pinnacle,
Mr. Klinker, and Mr. Martinez as “Defendants.”

1 to [Ms. Garcia's] substantive allegations, other than adding a cause of action against
2 Sport Clips." (*Id.* ¶ 7, Ex. 2.)

3 In April 2015, the parties attempted to resolve this action in mediation, which
4 was ultimately unsuccessful. (Roysdon Decl. ¶ 8; McCarter Decl. ¶¶ 15-16.) Though
5 the circumstances that produced an unsuccessful mediation are disputed, Ms. Garcia
6 eventually dismissed Sport Clips as a defendant. (Roysdon Decl. ¶ 8.)

7 After obtaining leave from the court, Ms. Garcia filed her SAC on February 8,
8 2016, "which added Defendant Martinez as a defendant to the PAGA representative
9 claim and did not change Plaintiff's substantive allegations, other than to delete the
10 cause of action against Sport Clips." (Roysdon Decl. ¶ 9.) According to Ms. Garcia,
11 Mr. Martinez, the owner and CEO of Pinnacle, "has controlled Pinnacle's
12 involvement in this litigation at all times, by, for example, assisting Pinnacle with
13 preparing its discovery responses and requiring that Pinnacle obtain his approval
14 before making any substantial discovery decisions." (*Id.* ¶ 12.) To support that
15 assertion, Mr. Garcia submits an excerpt from Pinnacle's interrogatory responses that
16 unequivocally identify Mr. Martinez as a "Responding Party." (*Id.* ¶ 12, Ex. 3.)
17 Despite Pinnacle's involvement in this action from the very beginning, it has not
18 sought removal at any point. (*Id.* ¶ 11.)

19 On February 8, 2016, Ms. Garcia filed her SAC, asserting ten causes of action
20 for: (1) failure to pay overtime wages; (2) failure to provide compliant meal periods;
21 (3) failure to authorize and permit rest periods; (4) failure to timely pay all wages due
22 during employment and upon separation of employment; (5) failure to provide
23 accurate itemized wage statements; (6) failure to reimburse all expenses incurred; (7)
24 representative claims under PAGA; (8) violation of California Business &
25 Professions Code § 17200 *et seq.*; (9) wrongful termination in violation of public
26 policy; and (10) unlawful retaliation. Specifically, Plaintiff asserts the first eight
27 causes of action on behalf of all class members and the California Labor and
28 Workforce Development Agency ("LDWA"). (SAC ¶¶ 182-87.) In an individual

1 capacity, Ms. Garcia asserts that Defendants wrongfully terminated her in violation
2 of public policy and unlawfully retaliated against her for complaining about unsafe
3 working conditions. (SAC ¶¶ 192-200, 209-14.)

4 In the notice of removal, Mr. Martinez asserts the basis for removal is diversity
5 jurisdiction under 28 U.S.C. § 1332(d), the Class Action Fairness Act (“CAFA”).
6 (Removal Notice ¶ 9.) Ms. Garcia now moves to remand based on, among other
7 things, a CAFA exception known as the “local controversy exception,” which
8 mandates federal courts to decline jurisdiction if certain conditions are met in cases
9 that are truly local in nature. *See* 28 U.S.C. § 1332(d)(4). Mr. Martinez opposes.

10 11 **II. LEGAL STANDARD**

12 “Federal courts are courts of limited jurisdiction.” *Kokkonen v. Guardian Life*
13 *Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). “They possess only that power authorized
14 by Constitution or a statute, which is not to be expanded by judicial decree.” *Id.*
15 (internal citations omitted). “It is to be presumed that a cause lies outside this limited
16 jurisdiction and the burden of establishing the contrary rests upon the party asserting
17 jurisdiction.” *Id.* (internal citations omitted); *see also Abrego Abrego v. The Dow*
18 *Chem. Co.*, 443 F.3d 676, 684 (9th Cir. 2006).

19 Consistent with the limited jurisdiction of federal courts, the removal statute is
20 strictly construed against removal jurisdiction. *Gaus v. Miles, Inc.*, 980 F.2d 564, 566
21 (9th Cir. 1992); *see also Sygenta Crop Prot. v. Henson*, 537 U.S. 28, 32 (2002);
22 *O’Halloran v. Univ. of Wash.*, 856 F.2d 1375, 1380 (9th Cir. 1988). “The strong
23 presumption against removal jurisdiction means that the defendant always has the
24 burden of establishing that removal is proper.” *Gaus*, 980 F.2d at 566; *see also*
25 *Nishimoto v. Federman-Bachrach & Assoc.*, 903 F.2d 709, 712 n.3 (9th Cir. 1990);
26 *O’Halloran*, 856 F.2d at 1380. “Federal jurisdiction must be rejected if there is any
27 doubt as to the right of removal in the first instance.” *Gaus*, 980 F.2d at 566.

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1 CAFA confers federal jurisdiction over class actions involving: (a) minimal
2 diversity; (b) at least 100 putative class members; and (c) at least \$5 million in
3 controversy, inclusive of attorneys' fees but exclusive of interest and costs. 28 U.S.C.
4 §§ 1223(d)(2), (5). CAFA maintains the historical rule that places the burden on the
5 removing party to establish a *prima facie* case of removal jurisdiction. *Serrano v. 180*
6 *Connect, Inc.*, 478 F.3d 1018, 1020 (9th Cir. 2007) (citing *Abrego*, 443 F.3d at 684-
7 85). However, when a plaintiff moving to remand seeks to rely on a statutory
8 exception to CAFA, the burden shifts to the plaintiff to prove by a preponderance of
9 the evidence that the exception applies. *Serrano*, 478 F.3d at 1022.

10 11 **III. DISCUSSION**

12 CAFA's local-controversy exception is intended to identify a controversy that
13 "uniquely affects a particular locality and to ensure that it is decided by a state rather
14 than a federal court." *Bridewell-Sledge v. Blue Cross of Cal.*, 789 F.3d 923, 928 (9th
15 Cir. 2015) (quoting *Evans*, 449 F.3d at 1163-64)). CAFA's language favors federal
16 jurisdiction over class actions, and its legislative history suggests that Congress
17 intended the local-controversy exception to be a narrow one. *Benko v. Quality Loan*
18 *Serv. Corp.*, 789 F.3d 1111, 1116 (9th Cir. 2015) (citing *Evans v. Walter Indus. Inc.*,
19 449 F.3d 1159, 1163 (11th Cir. 2006)).

20 Under CAFA's local-controversy exception, a district court must decline to
21 exercise jurisdiction if the following conditions are satisfied: (1) greater than two-
22 thirds of the proposed class members are citizens of the State in which the action was
23 originally filed; (2) at least one defendant is a defendant from whom significant relief
24 is sought by the proposed class members, whose alleged conduct forms a significant
25 basis for the claims asserted by the proposed class members, and who is a citizen of
26 the State in which the action was originally filed; (3) the principal injuries resulting
27 from the alleged conduct or any related conduct of each defendant were incurred in
28 the State in which the action was originally filed; and (4) no similar class action has

1 been filed against any of the defendants in the preceding three years. 28 U.S.C. §
2 1332(d)(4)(A)(i)-(ii). The last two conditions are not disputed by Mr. Martinez.

3 The plaintiff bears the burden of showing by a preponderance of the evidence
4 that the local-controversy exception applies to the facts of a given case. *Mondragon*
5 *v. Capital One Auto Finance*, 736 F.3d 880, 883 (9th Cir. 2013); *Coleman v. Estes*
6 *Exp. Lines, Inc.*, 631 F.3d 1010, 1013 (9th Cir. 2011); *Serrano*, 478 F.3d at 1019. But
7 the burden of proof placed upon a plaintiff should not be exceptionally difficult to
8 bear, and district courts are permitted to make reasonable inferences from facts in
9 evidence in applying CAFA's local-controversy exception. *Mondragon*, 736 F.3d at
10 886. In this instance, Ms. Garcia must establish (1) that greater than two-thirds of the
11 proposed class members are citizens of California; and (2) at least one defendant is a
12 citizen of California from whom the members of the plaintiff class seek significant
13 relief and whose conduct forms a significant basis for the claims asserted in the SAC.
14 *See* 28 U.S.C. § 1332(d)(4)(A)(i)(I)-(II).

15 Based on the following reasons, the Court finds that Ms. Garcia satisfies her
16 burden in establishing that the local-controversy exception applies to this case.

17 18 **A. Class Member Citizenship**

19 To avail herself of the local-controversy exception, Ms. Garcia must prove that
20 greater than two-thirds of the putative class members are California citizens. *See* 28
21 U.S.C. § 1332(d)(4)(A)(i). The citizenship of the class is a question of fact and may
22 be established through evidence beyond the complaint. *Coleman*, 631 F.3d at 1015.
23 Though plaintiffs may submit evidence for the court's consideration, they are not
24 required to submit multiple points of data probative of citizenship for each potential
25 class member, but rather plaintiffs "may rely on the presumption of continuing
26 domicile, which provides that, once established, a person's state of domicile
27 continues unless rebutted with sufficient evidence of change." *Mondragon*, 736 F.3d
28 at 886. That said, a plaintiff may also not simply rely on her own allegations that

1 greater than two-thirds of the plaintiff class are citizens of California to satisfy the
2 burden. *Id.* at 884 (“The statute does not say that remand can be based simply on a
3 plaintiff’s allegations [regarding citizenship] when they are challenged by the
4 defendant,” and “[a] complete lack of evidence does not satisfy the [preponderance
5 of the evidence] standard.”).

6 The Ninth Circuit has also observed that numerous courts treat a person’s
7 residence as *prima facie* evidence of the person’s domicile. *Mondragon*, 736 F.3d at
8 886 (citations omitted). The court in *Mondragon* admonished that there “must
9 ordinarily be at least some facts in evidence from which the district court may make
10 findings regarding class members’ citizenship for purposes of CAFA’s local
11 controversy exception,” and explained that a “court should consider ‘the entire
12 record’ to determine whether evidence of residency can properly establish
13 citizenship.” *Id.* at 884, 886 (citing *Preston v. Tenet Healthsystem Mem’l Med. Ctr.*
14 *Inc.*, 485 F.3d 793, 800 (5th Cir. 2007)).

15 Ms. Garcia presents evidence pertaining to a 17.2% sample of the total putative
16 class. (Pl.’s Mot. 19.) According to Ms. Garcia, Pinnacle only provided access to
17 such information for an 18% random sample of the putative class, or about 461 class
18 members. (Roysdon Decl. ¶ 14.) Of those 461 class members, 439 consented to the
19 release of their names and contact information. (*Id.* ¶ 15.) Out of the 439 putative
20 class members’ information provided, 97% have mailing addresses in California. (*Id.*
21 ¶ 16, Ex. 4.) Relying on the assumption that the mailing addresses of the employees
22 serve as a proxy for their citizenship, Ms. Garcia argues that it can be reasonably
23 inferred from the evidence that greater than two-thirds of the total class are citizens
24 of California. The Court agrees. From the sampling method used by Ms. Garcia, the
25 Court concludes that she satisfies the two-thirds class-citizenship threshold.

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1 Ms. Garcia's position is further supported by allegations in the SAC. Other
2 district courts have found that if a complaint asserts that a case is brought only on
3 behalf of California plaintiffs, the presumption that greater than two-thirds of the
4 class are California citizens arises. *See Flores v. Chevron Corp.*, No. 2:11-cv-02551-
5 JHN-FMOx, 2011 WL 2160420, at *4 (C.D. Cal. May 31, 2011); *Quesada v. Herb*
6 *Thyme Farms, Inc.*, No. CV 11-00016 ODW(SSx), 2011 WL 1195952, at *4 (C.D.
7 Cal. Mar. 28, 2011); *Rotenberg v. Brain Research Labs, LLC*, No. C-09-2914 SC,
8 2009 WL 2984722, at *3 (N.D. Cal. Sept. 15, 2009). It appears the only relevant
9 places of employment for the potential class members are in California, as all claims
10 invoke only California law and the class is limited to "[a]ll current and former
11 employees [of Defendants] *in the state of California.*" (SAC ¶¶ 87-92 (emphasis
12 added).) While the class definitions could have been clearer, the most reasonable
13 reading of the complaint is that Ms. Garcia, by including "in the state of California"
14 in all five class definitions, intended to limit the claims to California plaintiffs. (SAC
15 ¶¶ 87-92). In the absence of contrary evidence, it is reasonable to infer that greater
16 than two-thirds of the putative class members live and intend to remain in California.

17 In his opposition, Mr. Martinez fails to provide any evidence rebutting Ms.
18 Garcia's reasonable inference that she satisfies the two-thirds class-citizenship
19 threshold based on her sampling method. Instead, Mr. Martinez attacks Ms. Garcia's
20 definition of citizenship, specifically that she conflates "citizenship" with
21 "residence." (Def.'s Opp'n 22.) However, that attack lacks merit because numerous
22 courts have treated a person's residence as *prima facie* evidence of citizenship.
23 *Mondragon*, 736 F.3d at 886.

24 Relying on *Mondragon* and *Hart v. Rick's NY Cabaret International, Inc.*, 967
25 F. Supp. 2d 955 (S.D.N.Y. 2014), Mr. Martinez also argues that Ms. Garcia offers
26 evidence of where the class members resided four years ago, but fails to provide any
27 evidence of where the class members resided at the time of removal. (Def.'s Opp'n
28 22-23.) However, plaintiffs "may rely on the presumption of continuing domicile,

1 which provides that, once established, a person’s state of domicile continues unless
2 rebutted with sufficient evidence of change.” *Mondragon*, 736 F.3d at 886. This
3 presumption has been widely accepted, including by the Ninth Circuit. *See*
4 *Mondragon*, 736 F.3d at 885-86 (citing *Lew v. Moss*, 797 F.2d 747, 751 (9th Cir.
5 1986); *Anderson v. Watts*, 138 U.S. 694, 706 (1891); *Hollinger v. Home State Mut.*
6 *Ins. Co.*, 654 F.3d 564, 571 (5th Cir. 2011) (per curiam)). Despite having possession
7 of relevant information pertaining to the putative class members’ residences, Mr.
8 Martinez has not offered any such evidence.

9 Thus, Mr. Martinez’s reliance on *Hart* is misplaced. In *Hart*, the defendant
10 provided specific examples of class members who had left New York since the
11 relevant time period. 967 F. Supp. 2d. at 964-65. Here, Mr. Martinez merely suggests
12 the possibility that employees either left California or never resided there to begin
13 with, but fails to produce any evidence to actually support that suggestion. (*See* Def.’s
14 Opp’n 22.) That suggestion is tantamount to pure speculation, which is wholly
15 inadequate to rebut the presumption regarding the class’ citizenship. Thus, the
16 putative class members who had residential addresses in California four years ago
17 are presumed to have continued to be domiciled in California. *Mondragon*, 736 F.3d
18 at 885-86.

19 Consequently, Ms. Garcia successfully demonstrates by a preponderance of
20 the evidence that greater than two-thirds of the putative class members are citizens
21 of California. *See* 28 U.S.C. § 1332(d)(4)(A)(i).

22 23 **B. Significant-Defendant Requirement**

24 The local-controversy exception also requires that at least one defendant be a
25 citizen of the state where the action was originally filed. 28 U.S.C. §
26 1332(d)(4)(A)(II)(cc). The local defendant must be a defendant “from whom
27 significant relief is sought by members of the plaintiff class” and “whose alleged
28 conduct forms a significant basis for the claims asserted by the proposed plaintiff

1 class.” 28 U.S.C. § 1332(d)(4)(A)(II)(aa)-(bb). In deciding whether “significant relief
2 is sought” from a defendant who is a citizen of the state in which the suit is filed and
3 whether the defendant’s “alleged conduct forms a significant basis for the claims
4 asserted by the plaintiff class,” the district court may look only to the complaint.
5 *Coleman*, 631 F.3d at 1015.

6 For purposes of diversity jurisdiction, a limited liability company is a citizen
7 of every state of which its members are citizens. *Johnson v. Columbia Properties*
8 *Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006).

9 10 **1. Task Ventures’ Citizenship**

11 Ms. Garcia asserts that Task Ventures, a limited liability company, holds
12 California citizenship because its only two members, Terry Klinker and his wife,
13 Susan Klinker, have lived in San Diego since 2000 and there is no evidence that they
14 are no longer citizens of California. (Roysdon Decl. ¶¶ 17-18, Exs. 5-6.) Mr. Martinez
15 responds, arguing that Ms. Garcia failed to show that Terry Klinker was a citizen of
16 California at the time of removal. (Def.’s Opp’n 25.) In support of his argument, Mr.
17 Martinez directs the Court to a March 2015 email from Terry Klinker to Pinnacle’s
18 payroll coordinator asking her to send all future correspondence to their new address
19 in Georgia. (*Id.*; McCarter Decl. ¶ 17, Ex. B.) However, given the undisputed fact
20 that the Klinkers were California citizens for nearly 15 years prior to Terry Klinker
21 informing Pinnacle of his new address in Georgia, the Court finds that Mr. Martinez’s
22 evidence, without more, is insufficient to establish Terry Klinker is no longer a
23 citizen of California or intends to remain in Georgia. For example, Mr. Martinez
24 offered no evidence the Klinker sold their home in San Diego or that intend to remain
25 in Georgia indefinitely. *See, e.g., Lew v. Moss*, 797 F.2d 747, 752 (9th Cir. 1986).

26 Further supporting the argument that Task Ventures is a California citizen is
27 the fact that Task Ventures is organized under the laws of California with its principle
28 place of business being California. (SAC ¶ 14.) Therefore, Ms. Garcia meets her

1 burden to demonstrate that Task Ventures is also a citizen of California. *See* 28
2 U.S.C. § 1332(d)(4)(A)(II)(cc).

3 4 **2. Significant Basis for Ms. Garcia's Claims**

5 In determining whether Task Ventures' alleged conduct forms a "significant
6 basis" for Ms. Garcia's claims, this Court may only look to the allegations in the SAC
7 and may not consider extrinsic evidence for purposes of the local-controversy
8 exception. *Coleman*, 627 F.3d at 1015. Whether the "significant basis" condition is
9 met requires a "substantive analysis comparing the local defendant's alleged conduct
10 to the alleged conduct of all the other, non-local defendants." *Benko*, 789 F.3d at
11 1118 (quoting *Kaufman v. Allstate New Jersey Ins. Co.*, 561 F.3d 144, 156 (3d Cir.
12 2009)). In the SAC, Ms. Garcia alleges that Task Ventures engaged in the exact same
13 wage-and-hour violations as the other defendants. The SAC further alleges that Task
14 Ventures employed members of the plaintiff class during the relevant period and
15 violated California law in a number of ways previously mentioned with respect to
16 those employees. Furthermore, Ms. Garcia seeks damages equally from all
17 defendants. These allegations sufficiently satisfy the "significant basis" requirement.
18 *See* 28 U.S.C. § 1332(d)(4)(A)(II)(bb).

19 Likewise, whether Ms. Garcia seeks "significant relief" from Task Ventures
20 also requires a comparison of the relief sought from Task Ventures to the relief sought
21 from the other, non-local defendants. *Benko*, 789 F.3d at 1119. A "defendant from
22 whom significant relief is sought" does not mean a "defendant from whom significant
23 relief may be obtained." *Coleman*, 631 F.3d at 1015 (citing *Coffey v. Freeport*
24 *McMoran Copper & Gold*, 581 F.3d 1240, 1245 (10th Cir. 2009)). "[N]othing in
25 CAFA's language indicates Congress intended district courts to wade into the factual
26 swamp of assessing the financial viability of a defendant as part of a preliminary
27 consideration." *Id.* In *Coleman*, the plaintiffs alleged that both the in-state defendant
28 and the out-of-state defendant violated California law and sought damages equally

1 from both. 631 F.3d at 1013, 1020. The court found those allegations sufficient to
2 satisfy the “significant relief” requirement from the in-state defendant. *Id.* at 1020.
3 Additionally, in *Benko*, the court held that claims for general damages, punitive
4 damages, and equitable relief were sufficient to show that the plaintiffs claim
5 “significant relief” from the in-state defendant. 789 F.3d at 1119.

6 Considering the allegations in the SAC, Ms. Garcia sufficiently alleges that
7 members of the class have suffered harm as a result Defendants’ violations of the
8 California Labor Code and IWC Wage Order. *See Coleman*, 627 F.3d at 1015. While
9 Ms. Garcia did not quantify the alleged damages, she seeks damages from all
10 defendants equally for their alleged wrongful conduct.² These damages appear to be
11 the same whether caused by Task Ventures or another defendant. While Task
12 Ventures’ employees may constitute a smaller percentage of the total class, nothing
13 on the face of the SAC suggests Task Ventures is a nominal defendant or that relief
14 from Task Ventures would be insignificant.³

15 Furthermore, the SAC seeks injunctive relief and restitution against Task
16 Ventures. (SAC ¶¶ 197(g)-(h).) There is nothing in the SAC to suggest either that the
17 injunctive relief and/or restitution is itself insignificant, or that Task Ventures would
18 be incapable of complying with an injunction or restitution order.

19 Therefore, Ms. Garcia also carries her burden with respect to the “significant
20 relief” requirement to the local-controversy exception to CAFA. *See* 28 U.S.C. §
21 1332(d)(4)(A)(II)(aa).

22
23 ² In the SAC, Ms. Garcia specifically seeks relief against all defendants for general damages,
24 special damages, actual damages pursuant to Labor Code § 226(e), liquidated damages in an amount
25 equal to the wages unlawfully paid and interest thereon, reasonable attorney’s fees, statutory and
civil penalties, injunctive relief, restitution, among other things. (*See* SAC ¶¶ 197(a)-(r).)

26 ³ The Court declines to consider evidence of Task Ventures’ financial problems for two
27 reasons: (1) the Court must only rely on the face of the SAC; and (2) evidence of Task Ventures’
28 financial condition is irrelevant to determining whether it is a defendant from whom significant
relief is sought. *See Coleman*, 631 F.3d 1015 (stating that a “defendant from whom significant relief
is sought” does not mean a “defendant from whom significant relief may be obtained.”).


1 **IV. CONCLUSION & ORDER**

2 In light of the foregoing, the Court finds that the local-controversy exception
3 to CAFA applies to this case.⁴ *See* 28 U.S.C. § 1332(d)(4); *see also Benko*, 789 F.3d
4 at 1116 (“If the statutory conditions for the application of [CAFA’s] local controversy
5 exception are met, a district court is required to remand the class action back to the
6 originating state court.”). Accordingly, the Court **GRANTS** Ms. Garcia’s motion to
7 remand, and **REMANDS** this action to the San Diego Superior Court.

8 **IT IS SO ORDERED.**

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10 **DATED: December 6, 2016**


Hon. Cynthia Bashant
United States District Judge

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28 ⁴ Because the Court finds that the local controversy exception applies to the facts of this case, it need not address Ms. Garcia’s other arguments that removal was improper, removal was untimely, or that the amount in controversy did not exceed \$5 million.