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THE BUSINESS COURT OF TEXAS
ELEVENTH DIVISION

Rashmin Dhannani, individually and derivatively on behalf of Select Novelties, LLC, *Plaintiff,* v. Syeda Misbah Batool, Syed Ali, Aslam Ajani, and Regal Imports, LLC, *Defendants.*	§ § § § § § § § § §	Cause No. 26-BC11A-0054

MEMORANDUM OPINION & ORDER

I. INTRODUCTION

¶1 On July 20, 2026, came to be heard Defendants' Motion to Remand and Brief Supporting Remand ("Motion"). At this juncture, having considered the Motion, Plaintiff's Response to Defendants' Motion for Remand ("Response"), the evidence presented, the arguments of counsel, the current status of the law, and all supporting briefs, the Court finds that the Motion should be **DENIED**.

II. Factual Background

¶2 On April 3, 2026, Plaintiff Rashmin Dhannani ("Dhannani"), individually, filed her Original Petition in Harris County district court against Syeda Misbah Batool, Syed Ali, and Regal Imports, LLC.[1] The Original Petition alleged that Defendants removed and converted approximately $500,000 of company inventory, transferred $36,772.23 from the company's operating account, seized or froze access to business social-media accounts, removed business phones containing customer information, and acted to form a competing business.[2]

¶3 Dhannani sought, among other relief, a temporary restraining order and temporary injunction and pleaded that she sought monetary relief of "$250,000.00 but not more than $1,000,000.00."[3] On April 21, 2026, Dhannani and Select Novelties LLC ("Select") filed a First Amended Petition that added Select as a plaintiff, added Aslam Ajani as a defendant, and changed the requested Texas Rules of Civil Procedure Rule 47 range to monetary relief "over $1,000,000."[4] On May 6, 2026, Dhannani filed a Second Amended Petition that reframed the action as one brought by Dhannani individually and derivatively on behalf of Select.[5] On May 29, 2026, Dhannani filed a Third Amended Petition that alleged that the amount in controversy exceeded $5 million and that Defendants removed approximately $500,000 in inventory from Select's premises, transferred company funds, withheld company

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[1] Pl.'s Orig. Pet. at ¶ 1.
[2] Pl.'s Orig. Pet. at ¶¶ 21–27.
[3] *Id.* at ¶¶ 1–3, 29, 124.
[4] Pls.' First Am. Pet. at ¶¶ 1–2, 9.
[5] Pls.' Second Am. Pet.

accounts and customer information, misappropriated trade secrets, interfered with Select's operations, as well as breached duties owed to Select.[6] Plaintiffs amended their petition on three occasions without significant alteration to the relief sought—modifying the parties and adding additional causes of action.[7]

¶4 Dhannani first applied for a temporary injunction and filed her original petition on April 3, 2026.[8] While that was pending, on April 21, 2026, Plaintiffs filed their First Amended Petition which likewise requested a temporary injunction.[9] On April 22, 2026, the district court granted an amended temporary restraining order and an order granting expedited discovery.[10] On May 28, 2026, the District Court granted, in part, Plaintiffs' request for temporary injunction.[11]

¶5 Following the entry of the temporary injunction, on May 29, 2026, Dhannani filed her Notice of Removal to the Business Court.[12] Dhannani asserted that the amount in controversy exceeded $5 million and that the action fell within the Business Court's jurisdiction; it included derivative claims, claims concerning Select's governance and internal affairs, claims that owners or managerial officials breached duties owed to Select, trade secret claims, as well as counterclaims seeking a receiver and judicial dissolution under the Texas Business Organizations Code.[13]

¶6 The Court held a status conference on June 8, 2026. Following the status

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[6] Pls.' Third Am. Pet. ¶¶ 24–30, 32–43, 49–51.
[7] *See* Pl. Orig. Pet.; Pls.' First Am. Pet.; Pls.' Second Am. Pet; Pls.' Third Am. Pet.
[8] Pl.'s Orig. Pet at ¶ 1.
[9] Pls.' First Am. Pet. at ¶ 62.
[10] Defendants' Motion to Remand and Brief Supporting Remand ("Motion"), Ex. 3.
[11] Motion, Ex. 4.
[12] Pls.' Notice of Removal at ¶¶ 1, 6–8.
[13] *Id.* ¶¶ 2–7.

conference, the Court set a briefing schedule to address (i) whether the removal of this action from the district court was timely; and (ii) whether the Court has subject-matter jurisdiction over this action.[14] Subsequently, Defendants filed their Motion on June 26, 2026, and Dhannani filed her response on July 6, 2026.[15]

III. Legal Standards and Analysis

A. Timeliness of Removal

¶7 Removal and remand in the Business Court are governed by the Texas Government Code § 25A.006, which sets forth the rule, *inter alia*, for opposed removal of cases involving a pending application for a temporary injunction:

> [I]f an application for temporary injunction is pending on the date the party requesting removal of the action discovered, or reasonably should have discovered, facts establishing the business court's jurisdiction over the action, not later than the 30th day after the date the application is granted, denied, or denied as a matter of law.

TEX. GOVT. CODE § 25A.006(f)(2).

¶8 This rule echoes the Texas Rules of Civil Procedure, which states that "if an application for temporary injunction is pending on the date the party requesting removal of the action discovered...," then the party must file their notice of removal "within 30 days after the date the application is granted, denied, or denied by operation of law." TEX. R. CIV. P. 355(c)(2)(B).

¶9 *SafeLease* articulates the operative rule regarding the timeliness of removal

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[14] For the purposes of this Memorandum Opinion and Order, the Court only discusses the issues posited at the status conference regarding (i) timeliness of the removal and (ii) subject matter jurisdiction—the threshold amount in controversy.

[15] Motion at 1; Response at ¶ 1.

following the grant or denial of a temporary injunction.[16]

> The Court holds that the 30-day removal deadlines in Section 25A.006 and Rule 355 do not begin running before the lawsuit is filed. ...*Because SafeLease filed its notice of removal within 30 days of when it filed suit and within eight days of the district court's TI ruling, the notice was timely.*[17]

Defendants argue that Plaintiffs have filed "successive and indefinite dispositions of new, additional and superseding temporary injunction applications to thwart the spirit of the removal statute."[18] The record suggests otherwise; there have been three iterations of injunctive relief: (i) an initial temporary restraining order granted on April 6, 2026; (ii) an amended temporary restraining order granted on April 22, 2026; and (iii) a temporary injunction order granted on May 28, 2026.[19] The subsequent filings do not appear to constitute successive or new requests for relief; rather, they appear to reiterate the relief previously sought while amending the petitions to add parties and causes of action.[20]

¶10 Dhannani's opposed Notice of Removal came 56 days after she filed her original petition.[21] However, since the temporary injunction had been granted just one day prior, removal was timely under the Texas Rules of Civil Procedure and the Texas Government Code, Section 25A.[22] Removal is timely within 30 days after an

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[16] *SafeLease Ins. Services LLC v. Storable, Inc.*, 2025 Tex. Bus. 6, ¶ 9, 707 S.W.3d 130, 132–33 (3rd Div.) (mem. op.) (emphasis added).
[17] *Id.*
[18] Motion at 33.
[19] Motion, Ex. 2—4.
[20] *See* Response at ¶¶ 25—27.
[21] Pls.' Notice of Removal at 1.
[22] TEX. GOVT. CODE § 25A.006; TEX. R. CIV. P. 355(c)(2)(A)-(B) (Generally, opposed notices of removal shall be filed "within 30 days after the date the party requesting removal of the action discovered, or reasonably should have discovered, facts establishing the business court's authority to hear the action[.]" The rule also notes that "if an application for temporary injunction is pending on the date

application for temporary injunction is granted or denied. TEX. R. CIV. P. 355(c)(2)(B)); *see SafeLease,* 2025 Tex. Bus. 6 at ¶ 7, 707 S.W.3d at 132. The Court finds the removal to be punctual.

B. Amount in Controversy Requirements

¶11 Subject matter jurisdiction is a question of law that determines the Court's authority to hear a case. *Yaun v. Battle & Sands Energy Corp.*, 2026 Tex. Bus. 9, ¶ 3, 2026 WL 598409, at *1 (11th Div.) (mem. op.) (citation omitted). Regarding jurisdictional challenges based upon amount in controversy, the pleadings control the analysis, and those pleadings are construed liberally in favor of jurisdiction.[23] *Id.* at ¶ 4; *Clean-Co Sys., Inc. v. Enter. Prods. Operating, LLC,* 2026 Tex. Bus. 32, ¶ 9, 2026 WL 1434278, at *3 (11th Div.) (mem. op.) (citations omitted). "[T]he Texas Business Court's enabling statute grants the [C]ourt jurisdiction if the suit involves (1) an amount in controversy of over five million dollars and (2) at least one of the enumerated topics in the relevant portions of the Texas Government Code's Chapter 25A." *Alamo Title Co. v. WFG Nat'l Title Co. of Tex., LLC,* 2026 Tex. Bus. 6, ¶ 4, 730 S.W.3d 656, 659 (4th Div.); TEX. GOV'T CODE § 25A.004(b), (d) (bestowing jurisdiction over claims including derivative proceedings, corporate governance,

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the party requesting removal of the action discovered, or reasonably should have discovered, facts establishing the business court's authority to hear the action," the party must file their notice of removal "within 30 days after the date the application is granted, denied, or denied by operation of law.").

[23] *Yaun,* 2026 Tex. Bus. 9 at ¶ 4, 2026 WL 598409, at *1 (quoting *M&M Livestock, LLC v. Robinson,* 2025 Tex. Bus. 29, ¶ 36, 2025 WL 2207943, at * 7 (8th Div.) ("what matters at this stage is only whether Plaintiffs' pleadings—liberally construed—evidence an intent to recover damages exceeding the minimum jurisdictional limits, regardless of how likely such a recovery might be.")).

breach of fiduciary duty, and qualified transactions, amongst other topics not relevant to this dispute.).

¶12 As the parties seeking removal, Plaintiffs bear the initial burden of establishing the Court's jurisdiction over this action. *See* TEX. GOV'T CODE ANN. § 25A.006(d); *see also* TEX. R. CIV. P. 355(b)(2)(A). The Business Court only has jurisdiction if the value of the rights at issue exceeds $5 million. *C Ten 31 LLC v. Tarbox*, 2025 Tex. Bus. 1, ¶¶ 13, 32, 708 S.W.3d 223, 231, 237 (3rd Div.).

> Over the last 140 years, the Texas Supreme Court has repeatedly held that, when a party challenges whether a suit is within the court's amount-in-controversy limits, the pleadings control unless the challenger shows that: (a) the pleadings are fraudulent, alleging a false amount as a "sham" to wrongfully obtain jurisdiction; or (b) the amount in controversy is "readily establish[ed]" as outside the Court's jurisdiction.[24]

Id. at ¶ 46 (citations omitted).

¶13 Under this burden-shifting standard, "a party's good-faith allegation of damages controls unless another party presents evidence that the amount was falsely asserted to wrongly obtain or avoid jurisdiction." *Yaun,* 2026 Tex. Bus. 9 at ¶ 4, 2026 WL 598409, at *1 (quoting *C Ten 31,* 2025 Tex. Bus. 1 at ¶¶ 49—50, 708 S.W.3d at 243). The question is what the parties seek to recover in their pleadings, not what they ultimately will recover at the conclusion of the case. *Black Mountain SWD, LP v. NGL Water Solutions Permian, LLC*, 2025 Tex. Bus. 24, ¶ 12, 718 S.W.3d 281, 286

[24] Defendants contend that the Plaintiffs have "inflate[d] and exaggerate[d]" the amount in controversy to forum shop. Motion at 24. That said, as the Business Court noted in *SafeLease*, while the removal process has the potential to be abused for forum shopping, this risk is not unique to the Business Court. *SafeLease*, 2025 Tex. Bus. 6 at ¶ 11, 707 S.W.3d at 134. Forum-shopping risks exist in various aspects of Texas Civil Procedure, and "regardless, the Court must effectuate the statute as written and will not second guess the policy determinations made by the Legislature—the body duly elected to make such policy decisions." *Id.*

(8th Div.) (citation omitted). The Court must construe the pleadings liberally in favor of jurisdiction. *Clean-Co Sys.*, 2026 Tex. Bus. 32 at ¶ 9, 2026 WL 1434278, at *3. "[T]he Texas Supreme Court has repeatedly held that a party should not have to marshal its evidence or prove its claims to survive early jurisdictional challenges." *C Ten 31*, 2025 Tex. Bus. 1 at ¶ 53, 708 S.W.3d at 244 (citations omitted).

¶14 We continue to apply that standard to removal and remand proceedings in the Business Court. The Court must presume as true, consistent with the letter and spirit of the law during the pleading stage of litigation, the facts purported in support of Plaintiffs' alleged amount in controversy in the Third Amended Petition.[25] Indeed, the Third Amended Petition states that the amount in controversy exceeds $5 million and that Select's going-concern value before Defendants' alleged conduct "far exceeded $5 million."[26]

¶15 Plaintiffs have met their burden of establishing an amount in controversy over the minimum threshold. Therefore, the burden shifts to the Defendants to demonstrate that (i) the amount was wrongly asserted (fraudulent or sham) to obtain jurisdiction, or (ii) the amount in controversy could be readily

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[25] Pls.' Third Am. Pet. at 1; *see Slant Operating, LLC v. Octane Energy Operating, LLC*, 2025 Tex. Bus. 22, ¶¶ 11—14, 717 S.W.3d 409, 415 (8th Div.) (discussing the standards during the pleading stage of litigation and confirming that, with respect to a plea to the jurisdiction, "[i]f the evidence implicates the merits of the case, the court must take all evidence favorable to the plaintiff as true and 'indulge every reasonable inference and resolve any doubts in the [plaintiff's] favor.'") (citations omitted).

[26] Pls.' Third Am. Pet. ¶¶ 8, 28 ("Select's revenues for just the past twelve months were over $2.5 million. Select's value as a going concern before Defendants' illegal actions far exceeded $5 million. Perfume stores are valued at anywhere from 2x to 3.5x seller's discretionary earnings, which would put Select's value well over $5 million. Through their actions, Defendants have destroyed Select's value in the market, its brand, and its following with customers, and have caused a substantial loss of revenue. Defendants further seek to dissolve Select, which would destroy the entirety of Select's value and success."); Response at ¶ 10. *See supra*, FACTUAL BACKGROUND.

established as below the threshold minimum. *Aspire Com., LLC v. Stephenson*, 2026 Tex. Bus. 23, ¶¶ 14—15, 2026 WL 1288105, at *2 (11th Div.) (mem. op.) (citing *C Ten 31,* 2025 Tex. Bus. 1 at ¶¶ 46, 49, 708 S.W.3d at 242—43).

¶16 Defendants' Motion does not satisfy either requirement under this burden. They fail to demonstrate that the damages asserted were pled in bad faith or wrongly asserted, and further fail to readily establish a damage amount below the jurisdictional threshold.[27] Defendants do not controvert the alleged amount with a verified affidavit or evidence.[28] *Contra Black Mountain SWD,* 2025 Tex. Bus. at ¶¶ 18—21, 718 S.W.3d at 288—89 (wherein the Defendant filed a declaration by the CFO outlining a damage calculation below the amount in controversy threshold, successfully meeting the burden shifting standard).[29] In essence, the Court must find that Plaintiffs have established subject matter jurisdiction, and Defendants have failed to provide evidence besides conclusory allegations to rebut it.[30]

IV. CONCLUSION

¶17 Plaintiffs timely removed their case to the Business Court and have adequately pled a sufficient amount in controversy to establish jurisdiction.

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[27] *See* Response at ¶¶ 20—21.
[28] *Id.* "Defendants could have easily controverted that pleading with their own evidence, establishing that the removal was wrongful, but instead, they make six conclusory, single sentence points, which are not evidence." (citations omitted).
[29] *Id.* at ¶ 26 "Ignoring the plain language of Tex Gov't Code §25A.0056 and *SafeLease,* Defendants instead engage in red-herring arguments…" (citations omitted).
[30] *See* Motion at 25–27; *see also* Response at ¶¶ 20—21.

It is hereby **ORDERED, ADJUDGED AND DECREED** that consistent with this opinion, the Court **DENIES** Defendants' Motion to Remand.

SO ORDERED.

SIGNED: September 11, 2026

Hon. Sofia Adrogué
Texas Business Court, Eleventh Division