

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA

Peterfai v. USA Logistics Inc.

No. 23-cv-1695-WQH-KSC (S.D. Cal. May 30, 2025) · No. 23-cv-1695-WQH-KSC · Decided June 2, 2025

SUMMARY

The United States District Court for the Southern District of California rules on defendants’ motion to dismiss the First Amended Complaint in an interstate household-goods moving dispute. The court grants dismissal of the civil RICO claims for failure to plead predicate acts and a pattern of racketeering with sufficient particularity, declines to consider an unauthenticated Bill of Lading at the motion-to-dismiss stage, and rejects Carmack Amendment preemption of claims against alleged non-carrier defendants. The excerpt does not include the complete disposition of all claims.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	William Q. Hayes
JURISDICTION	United States District Court for the Southern District of California
DECIDED	June 2, 2025
DOCKET	23-cv-1695-WQH-KSC
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the First Amended Complaint asserting federal and California RICO claims, Carmack Amendment and state-law claims, conversion, constructive fraud, negligence, unfair competition, and rescission of contract.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and determines whether the complaint contains sufficient factual matter to state a facially plausible claim. Fraud-based claims, including civil RICO claims, must satisfy Rule 9(b)'s particularity requirement.
PRECEDENTIAL VALUE	unpublished federal district court order; persuasive value only
PARTIES	Laszlo G. Peterfai, Sarah Jane Peterfai v. USA Logistics Inc., dba USA Movers, Top Moving Specialists Inc. dba Hercules Moving Solutions, Ackermann Express LLC, Monopoly Moving LLC, Rado Express

TOPICS

motions to dismiss

civil procedure

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contracts

PRACTICE AREAS

civil procedure

commercial litigation

consumer protection

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racketeering

QUESTIONS PRESENTED

1. Whether the court could consider the defendants' bill of lading under the incorporation-by-reference doctrine.
2. Whether the First Amended Complaint plausibly pleaded civil RICO claims and identified predicate acts with the particularity required by Rule 9(b).
3. Whether the Carmack Amendment preempted Plaintiffs' state-law claims against carrier and noncarrier defendants.
4. Whether Plaintiffs adequately pleaded conversion against the noncarrier defendants.
5. Whether Plaintiffs adequately pleaded constructive fraud against Hercules.
6. Whether the individual defendants could be liable for their own alleged tortious acts and related unfair-competition claims.
7. Whether the claims against Rado were supported by allegations identifying specific conduct by Rado.

HOLDINGS

1. The court declined to consider the defendants' bill of lading under the incorporation-by-reference doctrine because Plaintiffs disputed its authenticity.
2. The First Amended Complaint failed to plead the civil RICO claims because it did not identify which defendants committed which predicate acts and when those acts occurred with the specificity required by Rule 9(b), and it did not adequately allege a pattern of racketeering activity.
3. The Carmack Amendment did not preempt Plaintiffs' state-law claims against defendants who were not alleged to be carriers.
4. Plaintiffs' rescission claim against the carrier defendants was preempted by the Carmack Amendment and was dismissed.
5. Plaintiffs adequately pleaded conversion against the noncarrier defendants.
6. Plaintiffs adequately pleaded constructive fraud against Hercules.
7. The motion to dismiss the remaining claims against the individual defendants was denied because agents may be liable for their own tortious acts even when the principal is also liable, and the UCL claim could proceed where its underlying conversion theory was adequately alleged.

8. The court declined to dismiss the rescission claim against the individual defendants to the extent Plaintiffs alleged that they contracted with those defendants.
9. The remaining claims against Rado were dismissed because the First Amended Complaint did not identify any specific act by Rado or its employees, officers, or agents.

KEY QUOTATIONS

“The elements of a civil RICO claim are “(1) conduct (2) of an enterprise (3) through a pattern (4) of racketeering activity (known as ‘predicate acts’) [and] (5) causing injury to plaintiff’s business or property.”” (at 10-11)

“Although the statements in the FAC highlighted by Plaintiffs in their opposition allow for some inference that specific Defendants may have engaged in acts such as extortion or theft from interstate shipment on certain dates, the remaining alleged predicate acts—such as wire fraud, embezzlement, and conspiracy—are not sufficiently supported by factual allegations to satisfy the heightened pleading standard of Rule 9(b).” (at 12-13)

“The elements of a conversion cause of action are (1) plaintiffs’ ownership or right to possession of the property at the time of the conversion; (2) defendants’ conversion by a wrongful act or disposition of plaintiffs’ property rights; and (3) damages.” (at 23-24)

“In that capacity, Plaintiffs have sufficiently alleged that Hercules owed Plaintiffs a fiduciary duty—at minimum, to accurately represent the terms of the transportation arrangement that it arranged on Plaintiffs’ behalf.” (at 34-35)

“If a tortious act has been committed by an agent acting under authority of his principal, the fact that the principal thus becomes liable does not of course exonerate the agent from liability.” (at 35-36)

FACTUAL BACKGROUND

Plaintiffs hired moving companies to transport household goods from California to Texas after receiving estimates totaling \$6,597.49. When movers arrived, they allegedly demanded substantially higher payments, threatened to leave or dump Plaintiffs’ property, transported the property, demanded additional cash or money orders, and ultimately delivered damaged or missing goods. Plaintiffs alleged that the defendants operated an affiliated moving enterprise and asserted RICO, Carmack Amendment, contract, tort, and consumer-protection claims.

PROCEDURAL HISTORY

Plaintiffs filed the action on September 14, 2023. After earlier motions to dismiss were granted in part and denied in part, Plaintiffs filed a First Amended Complaint. The court granted the motion to dismiss the federal and California RICO claims and the rescission claim against carrier defendants, and dismissed the remaining claims against Rado, all without prejudice and with leave to amend. The court otherwise denied the motion, including as to incorporation of the bill of lading, Carmack preemption of claims against noncarrier defendants, conversion, constructive fraud against Hercules, and claims against the individual defendants.

DISPOSITION

CASES CITED

- Shroyer v. New Cingular Wireless Servs., Inc., 622 F.3d 1035, 1041 (9th Cir. 2010)
- Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Sprewell v. Golden State Warriors, 266 F.3d 979, 988 (9th Cir. 2001)
- Moss v. U.S. Secret Serv., 572 F.3d 962, 969 (9th Cir. 2009)
- Edwards v. Marin Park, Inc., 356 F.3d 1058, 1065-66 (9th Cir. 2004)
- Alan Neuman Prods., Inc. v. Albright, 862 F.2d 1388, 1392 (9th Cir. 1989)
- Lancaster Cmty. Hosp. v. Antelope Valley Hosp. Dist., 940 F.2d 397, 405 (9th Cir. 1991)
- Bly-Magee v. California, 236 F.3d 1014, 1019 (9th Cir. 2001)
- Odom v. Microsoft Corp., 486 F.3d 541, 545 (9th Cir. 2007)
- United Bhd. of Carpenters & Joiners of Am. v. Bldg. & Constr. Trades Dep't, AFL-CIO, 770 F.3d 834, 837 (9th Cir. 2014)
- Living Designs, Inc. v. E.I. Dupont de Nemours & Co., 431 F.3d 353, 361 (9th Cir. 2005)
- Canyon County v. Syngenta Seeds, Inc., 519 F.3d 969, 972 (9th Cir. 2008)
- Sever v. Ala. Pulp Corp., 978 F.2d 1529, 1535 (9th Cir. 1992)
- H.J. Inc. v. Nw. Bell Tel. Co., 492 U.S. 229, 239, 241-42 (1989)
- Chaset v. Fleer/Skybox Int'l, LP, 300 F.3d 1083, 1087 (9th Cir. 2002)
- Hal Roach Studios, Inc. v. Richard Feiner & Co., 896 F.2d 1542, 1555 n.19 (9th Cir. 1990)
- In re Silicon Graphics Inc. Sec. Litig., 183 F.3d 970, 986 (9th Cir. 1999)
- Asvesta v. Petroutsas, 580 F.3d 1000, 1010 n.12 (9th Cir. 2009)
- Miller v. Sawant, 18 F.4th 328, 337 (9th Cir. 2021)
- Knievel v. ESPN, 393 F.3d 1068, 1076 (9th Cir. 2005)
- Gerritsen v. Warner Bros. Ent. Inc., 112 F. Supp. 3d 1011, 1027 n.77 (C.D. Cal. 2015)
- Parrino v. FHP, Inc., 146 F.3d 699, 706 (9th Cir. 1998)
- Campbell v. Allied Van Lines Inc., 410 F.3d 618, 620 (9th Cir. 2005)
- White v. Mayflower Transit, LLC, 543 F.3d 581, 584 (9th Cir. 2008)
- Hall v. N. Am. Van Lines, Inc., 476 F.3d 683, 688 (9th Cir. 2007)
- N.Y., New Haven & Hartford R.R. Co. v. Nothnagle, 346 U.S. 128, 131 (1953)
- Gummer v. Am. Choice Van Lines, LLC, No. 3:11-CV-00808-SC, 2011 WL 5599854, at *2 (N.D. Cal. Nov. 17, 2011)
- Graham-Sult v. Clainos, 756 F.3d 724, 737 (9th Cir. 2014)
- Salahutdin v. Valley of Cal., Inc., 24 Cal. App. 4th 555, 562 (Ct. App. 1994)

- Younan v. Equifax Inc., 111 Cal. App. 3d 498, 516 n.14 (Ct. App. 1980)
- Edumoz, LLC v. Republic of Mozambique, No. CV 13-02309-MMM, 2014 WL 12802921, at *30 (C.D. Cal. July 21, 2014)
- Perkins v. Blauth, 163 Cal. 782, 787 (1912)
- PMC, Inc. v. Kadisha, 78 Cal. App. 4th 1368, 1381 (Ct. App. 2000)
- Russo v. Fed. Med. Servs., Inc., 744 F. Supp. 3d 914, 924 (N.D. Cal. 2024)

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