

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Alexander Garcia v. ABM General Services, Inc., ABM Industries,
Inc., and Does 1 to 100, inclusive

Garcia v. ABM · No. 2:24-cv-08713-MEMF-AS · Decided March 11, 2025

SUMMARY

The United States District Court for the Central District of California grants Plaintiff Alexander Garcia’s motion to remand an employment wage-and-hour class action to Los Angeles County Superior Court. The court concludes that Defendants failed to establish by a preponderance of the evidence that the amount in controversy exceeded the Class Action Fairness Act’s \$5 million threshold, but denies Garcia’s request for attorneys’ fees because removal was objectively reasonable.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Maame Ewusi-Mensah Frimpong
JURISDICTION	United States District Court for the Central District of California
DECIDED	March 11, 2025
DOCKET	2:24-cv-08713-MEMF-AS
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand a California wage-and-hour putative class action removed under the Class Action Fairness Act.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing by a preponderance of the evidence that the CAFA amount-in-controversy requirement is satisfied.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

- subject matter jurisdiction
- civil procedure
- wage and hour
- employment law

PRACTICE AREAS

- civil procedure
- employment law
- wage and hour

QUESTIONS PRESENTED

1. Whether defendants established by a preponderance of the evidence that the amount in controversy exceeded CAFA's \$5,000,000 jurisdictional threshold.
2. Whether defendants' assumed violation rates for wage-statement and waiting-time claims were supported by the complaint or other evidence.
3. Whether Garcia was entitled to attorney fees under 28 U.S.C. § 1447(c) after remand.

HOLDINGS

1. Defendants failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$5,000,000.
2. Defendants' assumed 100% and alternative 20% violation rates were unsupported and facially unreasonable for purposes of proving the amount in controversy.
3. Garcia was not entitled to attorney fees because defendants had an objectively reasonable basis for removal.

KEY QUOTATIONS

“The defendant who removed the case bears the burden “to show the amount in controversy by a preponderance of the evidence.”” (at 2)

“However, ABM has provided no basis to support a 20% meal period violation rate, or any particular percentage at all.” (at 5)

“ABM’s underlying assumptions are untethered to the language of the Complaint and therefore unreasonable.” (at 6)

“A court may award fees and costs under § 1447(c) “only where the removing party lacked an objectively reasonable basis for seeking removal.”” (at 8)

FACTUAL BACKGROUND

Garcia was employed by ABM as an hourly, non-exempt employee from approximately 2021 through July 25, 2024. He alleged that ABM required employees to clock out for meal periods while continuing to work, failed to provide required meal and rest breaks, failed to pay accrued sick days and final wages, and issued inaccurate wage statements. The complaint asserted eight California-law causes of action on behalf of Garcia and similarly situated employees.

PROCEDURAL HISTORY

Garcia filed the action in Los Angeles County Superior Court on September 5, 2024. Defendants removed the action to the Central District of California on October 9, 2024, invoking CAFA jurisdiction. Garcia moved to remand, and the court granted the motion, remanding the matter to state court and denying Garcia's request for attorney fees.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The matter was remanded forthwith to the Los Angeles County Superior Court. Garcia's request for attorney fees was denied.

CASES CITED

- Richardson v. United States, 943 F.2d 1107, 1112 (9th Cir. 1991)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 89 (2014)
- Jauregui v. Roadrunner Transportation Services, Inc., 28 F.4th 989, 993-96 (9th Cir. 2022)
- Ibarra v. Manheim Investments, Inc., 775 F.3d 1193, 1197, 1199 (9th Cir. 2015)
- Singer v. State Farm Mutual Automobile Insurance Co., 116 F.3d 373, 377 (9th Cir. 1997)
- Arias v. Residence Inn by Marriott, 936 F.3d 920, 925 (9th Cir. 2019)
- Pineda v. Bank of America, N.A., 50 Cal. 4th 1389 (2010)
- Toribio v. ITT Aerospace Controls LLC, No. CV 19-5430-GW-JPRX, 2019 WL 4254935, at *3 (C.D. Cal. Sept. 5, 2019)
- Otay Land Co. v. United Enterprises Ltd., 672 F.3d 1152, 1156 (9th Cir. 2012)

OPINION

Alexander Garcia v. ABM General Services, Inc.

PER CURIAM.

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UNITED STATES DISTRICT COURT

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CENTRAL DISTRICT OF CALIFORNIA

9 10 Case No.: 2:24-cv-08713-MEMF-AS

ALEXANDER GARCIA,

11 Plaintiff, ORDER GRANTING PLAINTIFF'S

12 MOTION TO REMAND [ECF NO. 16]

v. 13 14

ABM GENERAL SERVICES, INC.; ABM

15 INDUSTRIES, INC.; and DOES 1 to 100, inclusive, 16 Defendants. 17 18 19 20 21 Before the Court is Plaintiff's Motion to Remand. ECF No. 16. For the reasons stated herein, 22 the Court GRANTS the Motion. 23 24 25 26 / / / 27 / / / 28 1 I. Factual Background1 2 Plaintiff Alexander Garcia was employed by Defendants ABM General Services, Inc. and 3 ABM Industries, Inc. (collectively, "ABM") as an hourly non-exempt employee from in or around 4 2021 until on or about July 25, 2024. Compl. ¶ 4. 5 Garcia and similarly situated hourly non-exempt employees

worked more minutes per shift 6 than ABM credited them with having worked. Compl. ¶ 15. ABM failed to pay Garcia and other 7 employees all wages for all hours worked due to certain policies, practices, or procedures, including 8 requiring employees to clock out for their meal breaks while continuing to work throughout that 9 time. Id. This caused ABM to fail to pay Garcia and other employees required overtime. Id. ¶¶ 21, 10 22. ABM also failed to provide employees with required meal periods and failed to pay them for 11 working through the meal period. Id. ¶¶ 28, 30. Garcia and similarly situated employees were not 12 given required ten-minute rest breaks and were not allowed to accrue sick days. Id. ¶¶ 34, 40. Due to 13 the foregoing violations, ABM ultimately failed to provide accurate wage and hour statements to 14 Garcia and other employees. Id. ¶ 44. Finally, ABM did not pay unpaid wages after an employee's 15 employment ended. Id. ¶ 46. 16 II. Procedural History 17 Garcia filed suit in Los Angeles County Superior Court on September 5, 2024. See ECF No. 18 1 ("NOR"). Garcia brings eight causes of action based on California law: (1) failure to pay wages for 19 all hours worked; (2) failure to pay overtime wages; (3) failure to authorize and permit meal periods; 20 (4) failure to authorize and permit rest periods; (5) failure to pay wages for accrued pay sick days; 21 (6) failure to provide complete and accurate wage statements; (7) failure to timely pay all earned 22 wages and final paychecks; (8) unfair business practices. See generally Compl. 23 Defendants removed the action to this Court on October 9, 2024, under the jurisdiction of the 24 Class Action Fairness Act ("CAFA"). See NOR. Garcia filed the instant motion to remand on 25 26 27 1 The following factual allegations are derived from the allegations in Plaintiff's Complaint, ECF No. 1, Ex. A ("Compl."), except where otherwise indicated. The Court makes no finding on the truth of these allegations 28

1 January 27, 2025. ECF No. 16 (the "Motion"). ABM filed their opposition on February 14, 2025. 2 ECF No. 22 ("Opposition"). Garcia filed his reply on February 21, 2025. ECF No. 23 ("Reply"). 3 III. Applicable Law 4 "Federal courts are courts of limited jurisdiction," and can only hear cases where there is a 5 valid basis for federal jurisdiction. *Richardson v. United States*, 943 F.2d 1107, 1112 (9th Cir. 1991). 6 Although there are several possible bases for federal jurisdiction, only one is relevant to this Order: 7 the diversity jurisdiction provisions of the Class Action Fairness Act of 2005 ("CAFA"). See 28 8 U.S.C. § 1332(d)(2). Federal district courts have jurisdiction over class action lawsuits where the 9 amount in controversy exceeds \$5,000,000 and minimal diversity requirements are met.² See *id.* 10 When a plaintiff files an action in state court over which federal courts might have 11 jurisdiction, the defendant may remove the action to federal court. See 28 U.S.C. § 1446. When the 12 defendant does so pursuant to CAFA, the defendant must make a "plausible allegation that the 13 amount in controversy exceeds the jurisdictional threshold." *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). If the plaintiff contests whether the amount of controversy is 15 sufficient for jurisdiction, "evidence establishing the amount is required." *Id.* 16 The defendant who removed the case bears the burden "to show the amount in controversy 17 by a preponderance of the evidence." *Jauregui v. Roadrunner Transp. Servs., Inc.*, 28 F.4th 989, 994 18 (9th Cir. 2022). There is "no antiremoval presumption" in cases

invoking CAFA jurisdiction. *Dart Cherokee*, 574 U.S. at 89. In other words, while a defendant bears the burden of showing removal is proper, there is no “thumb on the scale against removal.” *Jauregui*, 28 F.4th at 994. Rather, the procedure is that “[t]he parties may submit evidence outside the complaint, including affidavits or declarations, or other ‘summary-judgment-type evidence relevant to the amount in controversy at the time of removal.’” *Ibarra v. Manheim Invs., Inc.*, 775 F.3d 1193, 1197 (9th Cir. 2015) (quoting *Singer v. State Farm Mut. Auto. Ins. Co.*, 116 F.3d 373, 377 (9th Cir. 1997) (internal quotation marks omitted)). In determining the amount in controversy, the defendant may rely on “a chain of reasoning that includes assumptions.” *Arias v. Residence Inn by Marriott*, 936 F.3d 920, 925 (9th Cir. 2019). “An assumption may be reasonable if it is founded on the allegations of the complaint.” *Id.* But “a defendant cannot establish removal jurisdiction by mere speculation and conjecture, with unreasonable assumptions.” *Ibarra*, 775 F.3d at 1197. It is settled law in the Ninth Circuit that CAFA’s provisions should be interpreted broadly with a “strong preference” for class actions to be heard in federal court when properly removed. *Jauregui*, 28 F.4th at 993. And in the early stages of litigation, a defendant has no choice but to rely on assumptions when calculating an amount in controversy using the plaintiff’s complaint before resolving any disputes over key facts. *Id.* As a result, it is inappropriate to demand exact certainty from a defendant in their calculations of the amount in controversy. *Id.* However, “[w]here a defendant’s assumption is unreasonable on its face without comparison to a better alternative, a district court may be justified in simply rejecting that assumption and concluding that the defendant failed to meet its burden.” *Id.* at 996. On the other hand, where “a defendant’s assumption is rejected is because a different, better assumption is identified . . . the district court should consider the claim under the better assumption—not just zero-out the claim.” *Id.* In those circumstances, the Court should identify, applying a preponderance of the evidence standard, the best possible assumptions, and use these to calculate the total amount in controversy. See *id.* On the other hand, where “a defendant’s assumption is rejected is because a different, better assumption is identified . . . the district court should consider the claim under the better assumption—not just zero-out the claim.” *Id.* In those circumstances, the Court should identify, applying a preponderance of the evidence standard, the best possible assumptions, and use these to calculate the total amount in controversy. See *id.* If the total amount is found to be greater than \$5,000,000, the action will remain in federal court. See 28 U.S.C. § 1332(d)(2). If not, it should be remanded to state court. See *id.*

IV. Discussion

In removing the case initially, ABM calculated the amount in controversy to exceed \$5,000,000 through assumptions based on Garcia’s Sixth and Seventh Causes of Action alone. In particular, by applying a 100% violation rate to the alleged failure to provide accurate wage statements and failure to timely pay wages upon separation, ABM calculated the amount in controversy of the two causes of action alone to be \$5,025,613.60. NOR at 14. In moving for remand, Garcia contends that an assumption of the 100% violation rate is unsupported by the allegations of the Complaint. As explained next, the

Court does not find a 100% violation rate 9 supported, nor the alternative 20% violation rate suggested by ABM in opposition. Accordingly, the 10 Court does not find that ABM has shown by a preponderance of the evidence that the amount in 11 controversy has been met. 12 A. The Court Does Not Find ABM's Assumptions Supported 13 ABM contends that a violation rate of 100% for the derivative claims is reasonable based on 14 the allegations in the Complaint, and, from that, calculates that the amount in controversy is met 15 from the Sixth and Seventh Causes of Action alone. 16 For the Sixth Cause of Action (Failure to Provide Accurate Wage Statements), ABM submits 17 evidence through affidavit that it issued at least 7,950 wage statements in the one-year prior to the 18 filing of the Complaint. NOR at 35.3 There were 412 people who received at least one wage 19 statement, thus making 412 wage statements "initial" wage statements and 7,538 "subsequent" wage 20 statements with no one person credited with more than 40 wage statements. Id. Thus, ABM 21 calculates as follows: $(412 \text{ "initial" statements} \times \$50) + (7,538 \text{ "subsequent" statements} \times \$100) = 22 \$774,400$ in controversy for this claim. 23 For the Seventh Cause of Action (Failure to Timely Pay Wages Upon Separation), ABM 24 submits that 887 employees separated from employment with ABM in the three-year period prior to 25 26 27 28 3 1 the filing of the Complaint. NOR at 42.4 ABM also submits that the average hourly rate of pay in 2 that period of time was \$19.97, with an average shift length exceeding 8 hours. Id. Therefore, ABM 3 calculates the waiting time penalty as $887 \text{ employees} \times \$19.97 \times 8 \text{ hours} \times 30 \text{ days} = \$4,251,213.60$. 4 While the Court finds these calculations technically sound, the Court finds the language 5 pointed to by ABM insufficient to presume a 100% violation rate, even for derivative claims. ABM 6 contends that "the only fair reading of the Complaint is that each wage statement issued" was 7 defective and "that each former employee was owed wages." Opposition at 11. To support this, 8 ABM hypothesizes that even a 20% meal period violation rate will result in 100% of wages being 9 inaccurate and not paid. Id. However, ABM has provided no basis to support a 20% meal period 10 violation rate, or any particular percentage at all. Even presuming that every employee with some 11 underlying violation of one of Garcia's direct claims did not have an accurate wage statement and 12 were not timely paid their wages, there is no evidence of how many employees have underlying 13 violations. For example, the 20% meal period violation rate could just as likely be for 20% of all 14 employees as it is for 20% for each employee. In the former scenario, that would translate to only 15 20% of violations as to the derivative claims. 16 ABM relies heavily on several paragraphs of the complaint that allege certain "policies, 17 practices, and/or procedures" of ABM. However, that something is a policy, practice, or procedure 18 does not provide any indication of how many employees it affects or how often it affects them. 19 ABM alternatively contends that the amount in controversy is satisfied by calculating a 20% 20 violation rate as to the derivative claims combined with various rates of violation for the other 21 claims. Opposition at 16. Again, the problem is that the percentage provided appears to be arbitrary 22 and not tethered to any evidence nor the language of the Complaint. Although a defendant "must be 23 able to rely on a chain of reasoning that includes assumptions," this is only

the case “as long as the 24 reasoning and underlying assumptions are reasonable.” Jauregui, 28 F.4th at 994. ABM’s underlying 25 assumptions are untethered to the language of the Complaint and therefore unreasonable. Although 26 27 4 The statute of limitations for this claim is three years. See *Pineda v. Bank of Am., N.A.*, 50 Cal. 4th 1389, 28 1 ABM claims they are taken from the language of the Complaint, this Court finds that in reality, they 2 are the equivalent of the “speculation” and “assumptions . . . pulled from thin air” that the Ninth 3 Circuit has prohibited. See *Ibarra*, 775 F.3d at 1197, 1199. As the Ninth Circuit made clear in 4 Jauregui, if the removing party’s assumption “is unreasonable on its face without comparison to a 5 better alternative,” then the Court may “simply reject that assumption and conclude that the 6 defendant failed to meet its burden,” without identifying specific alternative assumptions. *Id.* Here, 7 as described above, the Court finds that ABM’s assumptions were unsupported by the Complaint 8 and facially unreasonable, and thus the Court rejects them without needing to identify alternative 9 assumptions. 10 ABM also calculates attorneys’ fees to be 25% of the amount established by the other claims. 11 However, setting aside whether 25% is an appropriate percentage, as the Court finds that the 12 underlying assumptions are unreasonable, any resulting calculation from the attorneys’ fees is 13 unsupported. 14 Finally, ABM asserts that because Garcia alleges “off the clock” work, there is no way for 15 ABM to show at this stage further support for its assumptions, and to require greater support is not 16 what CAFA requires. Be that as it may, this Court is limited by the plain language of the statute and 17 is bound by Ninth Circuit authority. Neither the statute nor case law permit the Court to relax or 18 modify the applicable requirements under the circumstances presented by this case. 19 Moreover, it does not appear that the Court’s requirement is an onerous one. As other courts 20 have found, another approach would be for Defendants to obtain the information needed to show the 21 amount in controversy in state court and seek to remove at that time. *Toribio v. ITT Aerospace 22 Controls LLC*, No. CV 19-5430-GW-JPRX, 2019 WL 4254935, at *3 (C.D. Cal. Sept. 5, 2019) 23 (“Faced with a vague pleading, it seems to this Court that the much-more-sensible route would be to 24 try to pin Plaintiff down, in state court (with no one-year time-limit staring Defendants in the face), 25 with respect to what the Complaint’s allegations actually mean with respect to violation rates. 26 Perhaps Defendants do this by serving interrogatories or requests for admission, perhaps by 27 deposition, perhaps by moving for a more definite statement. Perhaps they simply get Plaintiff to 28 identify what the violation rates would be for Plaintiff, and then use that information as a sample to 1 extrapolate out the calculation for the entire class.”). It certainly appears to the Court that should the 2 Defendants later obtain information showing the amount in controversy, they could attempt removal 3 at that time. See 28 U.S.C. § 1446; *Rutter Group Prac. Guide Fed. Civ. Pro. Before Trial Ch. 2D-7 4* (Time for Removal), §§ 2:3230 (“Where removability is uncertain, the 30-day period is measured 5 from the point at which defendant had notice that the action is removable”); 2:3247.2 6 (“Uncertainty as to amount in controversy under CAFA: Even where it would be a fair assumption 7 from the named plaintiff’s alleged damages to conclude that the amount in

controversy is met, 8 defendant is not charged with notice of removability absent the receipt of a paper indicating the 9 amount demanded by the putative class as a whole.”). 10 Accordingly, the Court does not find that ABM has met its burden in showing that any 11 particular violation rate is reasonable to apply. The Court therefore rejects the assumptions and 12 concludes that ABM has failed to meet their burden of showing by preponderance of the evidence 13 that the amount in controversy is over \$5,000,000.5 14 B. The Court Denies Garcia’s Request for Attorneys’ Fees 15 In connection with the Motion, Garcia seeks attorneys’ fees under 28 U.S.C. § 1447(c). A 16 court may award fees and costs under § 1447(c) “only where the removing party lacked an 17 objectively reasonable basis for seeking removal.” *Otay Land Co. v. United Enters. Ltd.*, 672 F.3d 18 1152, 1156 (9th Cir. 2012). Here, although the Court disagrees with ABM that the particular 19 percentage rates it set forward were supported, the Court does not find that ABM lacked an 20 objectively reasonable basis for the removal—ABM provided technically sound calculations based 21 on what they believed to be a conservative estimate of the amount in controversy. 22 Accordingly, the Court DENIES Garcia’s request for attorneys’ fees. 23 24 5 The Court issued a tentative ruling in advance of the hearing proposing to the grant the Motion. At the hearing, counsel for ABM suggested—without any support in the tentative, but apparently relying on the fact 25 that the Court has granted motions to remand in other cases—that the Court was contemplating granting the motion to remand as a case management measure in light of the “avalanche” of wage and hour claims before 26 the federal courts. Counsel then had the temerity to suggest other, preferable ways of addressing this alleged “avalanche.” As the Court advised counsel in the hearing, and as the Court reminds the parties here, this Court 27 takes seriously its obligation to handle each motion based upon the applicable facts and law and has done so in this case. Any suggestion to the contrary is completely inappropriate. Counsel is reminded of its obligations 28 1 V. Conclusion 2 For the foregoing reasons, the Motion to Remand is GRANTED. This matter is remanded to 3 || the Los Angeles County Superior Court forthwith. 4 5 IT IS SO ORDERED. Mf ——— 7 Dated: March 11, 2025

8 MAAME EWUSI-MENSAH FRIMPONG

9 United States District Judge 10 1] 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28