

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Jennifer J. Walter v. Sterling Jewelers Inc.

Walter v. Sterling Jewelers · No. CV 24-05581-MWF (PVCx) · Decided February 25, 2025

SUMMARY

The Central District of California granted Plaintiff Jennifer J. Walter’s motion to remand a putative wage-and-hour class action against Sterling Jewelers Inc. The court held that the defendant failed to establish by a preponderance of the evidence that more than \$5 million was in controversy under the Class Action Fairness Act because its violation-rate assumptions were unsupported by the complaint or evidence. The court denied the defendant’s motion to dismiss as moot and remanded the action to Los Angeles County Superior Court.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Michael W. Fitzgerald
JURISDICTION	United States District Court for the Central District of California
DECIDED	February 25, 2025
DOCKET	CV 24-05581-MWF (PVCx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff filed a putative wage-and-hour class action in Los Angeles County Superior Court. Defendant removed under the Class Action Fairness Act and moved to dismiss; plaintiff moved to remand.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal jurisdiction by a preponderance of the evidence. In evaluating the amount in controversy, the court considers the allegations existing at the time of removal and may consider summary-judgment-type evidence, but the defendant may not rely on speculation, conjecture, or unreasonable assumptions.
PRECEDENTIAL VALUE	unpublished, nonprecedential district-court order

TOPICS

- subject matter jurisdiction
- class actions
- wage and hour
- motions to dismiss
- civil procedure

PRACTICE AREAS

civil procedure

employment law

class actions

wage and hour

QUESTIONS PRESENTED

1. Whether defendant established by a preponderance of the evidence that more than \$5 million was in controversy for purposes of CAFA jurisdiction.
2. Whether defendant could establish the amount in controversy through assumed violation rates unsupported by the complaint or additional evidence.
3. Whether defendant's motion to dismiss remained justiciable after remand.

HOLDINGS

1. Defendant failed to establish by a preponderance of the evidence that more than \$5 million was in controversy, so the action had to be remanded.
2. The phrase "systematic pattern" alone does not support any particular assumed violation rate for calculating the amount in controversy.
3. Defendant's motion to dismiss was denied as moot after the action was remanded to state court.

KEY QUOTATIONS

“Defendant has failed to meet its burden to prove that more than \$5,000,000 is in controversy in this action.”

*“To pin a particular violation rate on the allegations in the Complaint would be to “pull[]” an assumption “from thin air.”” (at *4)*

*“The important point here is that there simply is no clarity with respect to violation-rates in the Complaint, as is almost always the situation in such cases.” (at *3)*

FACTUAL BACKGROUND

Plaintiff alleged that Sterling Jewelers engaged in a systematic pattern of California wage-and-hour violations, including unpaid minimum and overtime wages, missed meal and rest periods, unreimbursed business expenses, inaccurate wage statements, and untimely payment of wages at separation. The complaint did not specify the frequency of the alleged violations. Defendant removed under CAFA based on assumptions about violation rates and calculated an amount in controversy of approximately \$14.98 million, including damages and attorney fees.

PROCEDURAL HISTORY

Plaintiff commenced the putative class action in Los Angeles County Superior Court on April 17, 2024. Defendant removed the action to the Central District of California on July 1, 2024, asserting CAFA jurisdiction and calculating more than \$5 million in controversy. Plaintiff moved to remand, and defendant moved to dismiss. The court decided the motions on the papers, granted remand, and denied the motion to dismiss as moot.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to Los Angeles County Superior Court. The motion to dismiss is denied as moot.

CASES CITED

- Pullman Co. v. Jenkins, 305 U.S. 534, 537 (1939)
- Abrego Abrego v. The Dow Chem. Co., 443 F.3d 676, 684-85 (9th Cir. 2006) (per curiam)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Kelton Arms Condo. Owners Ass’n, Inc. v. Homestead Ins. Co., 346 F.3d 1190, 1192 (9th Cir. 2003)
- Korn v. Polo Ralph Lauren Corp., 536 F. Supp. 2d 1199, 1205 (E.D. Cal. 2008)
- Ibarra v. Manheim Invs., Inc., 775 F.3d 1193, 1197, 1199 (9th Cir. 2015)
- Singer v. State Farm Mut. Auto. Ins. Co., 116 F.3d 373, 377 (9th Cir. 1997)
- Harris v. KM Indus., Inc., 980 F.3d 694, 701 (9th Cir. 2020)
- White v. Torrance Refining Co., No. CV 23-03216-GW (PVCx), 2023 WL 5505871, at *2-*4 (C.D. Cal. June 30, 2023)
- McCollum v. TGI Friday’s, Inc., No. SACV 22-00392-FWS (JDEx), 2022 WL 2663870, at *4-*8 (C.D. Cal. July 11, 2022)
- Salonga v. Aegis Senior Cmtys., LLC, No. 22-cv-00525-LB, 2022 WL 1439914, at *7-*8 (N.D. Cal. May 6, 2022)
- Villa v. Xanitos, Inc., No. CV 22-02991-PA (Ex), 2022 WL 1720357, at *2 (C.D. Cal. May 26, 2022)
- Castillo v. Trinity Servs. Grp., Inc., No. 1:19-cv-01013-DAD-EPG, 2020 WL 3819415, at *4-*6 (E.D. Cal. July 8, 2020)
- Weaver v. Amentum Servs., Inc., No. 22-cv-00108-AJB-NLS, 2022 WL 959789, at *2-*3 (S.D. Cal. Mar. 30, 2022)
- Dunn v. SHC Servs., Inc., No. 1:21-cv-00744-NONE-SAB, 2021 WL 5122057, at *12 (E.D. Cal. Nov. 4, 2021)
- Dunn v. SHC Servs., Inc., No. 1:21-cv-00744-NONE-SAB, 2021 WL 5371426 (E.D. Cal. Nov. 18, 2021)
- Cabrera v. S. Valley Almond Co., No. 1:21-CV-00748-AWI-JLT, 2021 WL 5937585, at *8 (E.D. Cal. Dec. 16, 2021)
- Rapisura v. BMW of N. Am., LLC, No. 2:22-cv-00455 WBS AC, 2022 WL 1557001, at *2 (E.D. Cal. May 17, 2022)
- Danielsson v. Blood Ctrs. of the Pac., No. 19-cv-04592-JCS, 2019 WL 7290476, at *6 (N.D. Cal. Dec. 30, 2019)
- Kastler v. Oh My Green, Inc., No. 19-cv-02411-HSG, 2019 WL 5536198, at *1 (N.D. Cal. Oct. 25, 2019)
- Arreola v. Finish Line, No. 14-CV-03339-LHK, 2014 WL 6982571, at *4 (N.D. Cal. Dec. 9, 2014)

