

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Saul v. Lineage Logistics Services LLC

Saul · No. 2:24-cv-01331-DJC-CSK · Decided February 27, 2025

SUMMARY

The United States District Court for the Eastern District of California considers Defendants’ motion to compel arbitration in Felicia Saul’s employment-related wage and labor-law action. The court finds that two valid arbitration agreements encompass the disputed claims, but holds that Saul is a transportation worker exempt from arbitration under the Federal Arbitration Act. Applying California law, the court permits two wage-related causes of action to proceed, upholds the class-action waiver, and stays the remaining claims pending arbitration.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Daniel J. Calabretta
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	February 27, 2025
DOCKET	2:24-cv-01331-DJC-CSK
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to compel arbitration under the Federal Arbitration Act and California arbitration law in a putative wage-and-hour class action. The court granted the motion in part, denied it in part, dismissed the class claims that were not subject to arbitration, and stayed those individual claims pending arbitration.
STANDARD OF REVIEW	A motion to compel arbitration is evaluated under a standard similar to summary judgment. The party seeking arbitration bears the burden of proving by a preponderance of the evidence that an arbitration agreement exists and encompasses the dispute; the opposing party receives the benefit of reasonable doubts and reasonable inferences, and arbitration may be compelled only when no genuine dispute of material fact concerns the agreement's existence or applicability.
PRECEDENTIAL VALUE	unpublished

PARTIES

Lineage Logistics Services LLC, Perishable Shipping Solutions LLC
v. Felicia Saul

TOPICS

employment arbitration

wage and hour

class actions

contracts

civil procedure

PRACTICE AREAS

employment law

arbitration

wage and hour

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QUESTIONS PRESENTED

1. Whether defendants proved the existence of valid arbitration agreements encompassing Saul's claims.
2. Whether Saul qualified as a transportation worker exempt from FAA enforcement under 9 U.S.C. § 1.
3. Whether California arbitration law required arbitration of the claims not exempted by California Labor Code section 229.
4. Whether the arbitration agreements' class-action waiver was enforceable under the applicable California law.

HOLDINGS

1. Defendants proved by a preponderance of the evidence that two valid arbitration agreements existed and encompassed Saul's employment-related claims. The absence of a defendant signature on the Mutual Arbitration Agreement was not dispositive because the agreement and the parties' conduct demonstrated mutual intent to be bound.
2. Saul was a transportation worker exempt from the FAA under 9 U.S.C. § 1 because her warehouse duties played a tangible and meaningful role in preparing goods for movement through interstate commerce.
3. Because the FAA did not apply, the parties' agreements required arbitration under California law of causes of action two, three, four, five, seven, and eight, but Labor Code section 229 exempted causes of action one and six from mandatory arbitration.
4. The class-action waiver was enforceable as to the claims not subject to arbitration, and Saul could pursue causes of action one and six only on an individual basis.
5. The individual claims exempt from arbitration were stayed pending resolution of the claims ordered to arbitration.

KEY QUOTATIONS

“The party opposing arbitration receives the benefit of any reasonable doubts and the court draws reasonable inferences in that party's favor, and only when no genuine disputes of material fact surround the arbitration agreement's existence and applicability may the court compel arbitration.” (at 2)

“Although Defendant provides “food transportation in multiple states throughout the United States,” (Murphy Decl. ¶ 2) it is the specific nature of Plaintiff's work, rather than the employers', that is the basis for

any qualification as a transportation worker.” (at 9)

“The role of preparing boxes for egress from the facility or organizing them for storage before they are ready to be shipped is necessary to the subsequent transit of those goods out of the facility.” (at 12)

“The fact that a remedy may constitute wages for purposes of Naranjo is simply irrelevant in determining whether the action is brought to enforce the provisions of Article I of the Labor Code.” (at 16)

FACTUAL BACKGROUND

Felicia Saul worked at defendants' Sacramento warehouse during two periods between December 2021 and September 2023. Her duties included assembling and organizing boxes, inserting insulation, affixing labels, and sorting boxes for storage or shipment; the warehouse routinely sent goods to destinations outside California. Saul alleged off-the-clock work, meal and rest-break violations, unreimbursed expenses, inaccurate wage statements, unpaid termination wages, quota-law violations, and related Unfair Competition Law violations. She signed an Employee Agreement to Arbitrate and later a Mutual Arbitration Agreement containing a class-action waiver.

PROCEDURAL HISTORY

Saul filed a First Amended Complaint alleging California wage-and-hour and related statutory violations on behalf of herself and a proposed class. Defendants moved to compel arbitration; the motion was fully briefed and heard on October 17, 2024. The court ordered arbitration of six causes of action, permitted the first and sixth causes of action to proceed individually, dismissed the class claims as to those causes of action, and stayed the surviving individual claims pending arbitration.

DISPOSITION

other

CASES CITED

- Boardman v. Pac. Seafood Grp., 822 F.3d 1011, 1017 (9th Cir. 2016)
- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion, 563 U.S. 333, 343, 351 (2011)
- Shearson/Am. Exp., Inc. v. McMahon, 482 U.S. 220, 226 (1987)
- Concat LP v. Unilever, PLC, 350 F. Supp. 2d 796, 804 (N.D. Cal. 2004)
- Cox v. Ocean View Hotel Corp., 533 F.3d 1114, 1119 (9th Cir. 2008)
- Greystone Nevada, LLC v. Anthem Highlands Cmty. Ass'n, 549 F. App'x 621, 623 (9th Cir. 2013)
- Three Valleys Mun. Water Dist. v. E.F. Hutton & Co., Inc., 925 F.2d 1136, 1141 (9th Cir. 1991)
- Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 218, 221 (1985)
- Hansen v. LMB Mortg. Servs., Inc., 1 F.4th 667, 670 (9th Cir. 2021)
- First Options of Chi., Inc. v. Kaplan, 514 U.S. 938, 944 (1995)
- Alexander v. Codemasters Grp. Ltd., 104 Cal. App. 4th 129, 141 (2002)
- Reid v. Google, Inc., 50 Cal. 4th 512, 524 (2010)

- People v. Superior Ct. (Clark), 22 Cal. App. 4th 1541, 1548 (1994)
- Ortiz v. Nellson Nutraceutical, LLC, 2023 Cal. App. Unpub. WL 5425282 (Aug. 23, 2023)
- Sw. Airlines Co. v. Saxon, 596 U.S. 450, 453-58 (2022)
- Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 115 (2001)
- Ortiz v. Randstad Inhouse Servs., LLC, 95 F.4th 1152, 1158, 1160-62 (9th Cir. 2024)
- Ericksen, Arbuthnot, McCarthy, Kearney & Walsh, Inc. v. 100 Oak St., 35 Cal. 3d 312, 322 (1983)
- Gentry v. Superior Court, 42 Cal. 4th 443, 458, 463-64, 466 (2007)
- Naranjo v. Spectrum Sec. Servs., Inc., 13 Cal. 5th 93, 102-03, 105, 107, 111, 117 (2022)
- Kirby v. Immoos Fire Prot., Inc., 53 Cal. 4th 1244, 1255 (2012)
- Morales v. U.S. Dist. Ct. for Cent. Dist. of Cal., L.A., No. 24-536, 2024 WL 3565262, at *3 (9th Cir. July 29, 2024)
- Muller v. Roy Miller Freight Lines, LLC, 34 Cal. App. 5th 1056, 1070 (2019)

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