

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Macedo v. Dolgen California, LLC

No. 1:23-cv-00840-KES-CDB (E.D. Cal. Aug. 1, 2025) · No. 1:23-cv-00840-KES-CDB · Decided August 4,
2025

SUMMARY

The United States District Court for the Eastern District of California denies plaintiff Cecilia Macedo’s motion to remand and denies defendants’ motion for sanctions. The court concludes that the amount in controversy requirement for diversity jurisdiction is satisfied based on the settlement demand, potential emotional-distress and punitive damages, and attorneys’ fees. The court also finds insufficient evidence of subjective bad faith to support sanctions under 28 U.S.C. § 1927.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Kirk E. Sherriff
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	August 4, 2025
DOCKET	1:23-cv-00840-KES-CDB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to remand a removed employment-discrimination action to state court for failure to establish the amount-in-controversy requirement for diversity jurisdiction. Defendants moved for sanctions under 28 U.S.C. § 1927 and the court's inherent authority based on plaintiff's filing and refusal to withdraw the motion to remand after making a settlement demand exceeding \$500,000.
STANDARD OF REVIEW	The removing party bears the burden of establishing federal jurisdiction. When the complaint does not make the amount in controversy evident and removal jurisdiction is contested, the defendant must establish by a preponderance of the evidence that the amount in controversy exceeds \$75,000. Sanctions under 28 U.S.C. § 1927 and the court's inherent authority are reviewed under the court's discretionary authority and require frivolousness and subjective bad faith.

PRECEDENTIAL VALUE	Unknown; district court order
PARTIES	Cecilia Macedo v. Dolgen California, LLC, DG Strategic VII, LLC

TOPICS

subject matter jurisdiction civil procedure employment discrimination pregnancy discrimination sanctions

PRACTICE AREAS

civil procedure employment law employment discrimination pregnancy discrimination sanctions attorney fees

QUESTIONS PRESENTED

1. Whether defendants established by a preponderance of the evidence that the amount in controversy exceeded \$75,000 for purposes of diversity jurisdiction.
2. Whether Macedo's post-removal settlement demand, together with the nature of her claims and requested damages, demonstrated that the jurisdictional threshold was satisfied.
3. Whether Macedo and her counsel acted in subjective bad faith by filing and refusing to withdraw the motion to remand, warranting sanctions under 28 U.S.C. § 1927 or the court's inherent authority.
4. Whether Macedo was entitled to attorneys' fees incurred as a result of removal.

HOLDINGS

1. Defendants established that the amount in controversy plausibly exceeded \$75,000. The settlement demand, emotional-distress and punitive-damages claims, attorneys' fees potentially recoverable through trial, and other claimed damages collectively satisfied the jurisdictional threshold.
2. Sanctions were not warranted under 28 U.S.C. § 1927 or the court's inherent authority because the settlement demand made after removal did not establish that the motion to remand was filed recklessly, frivolously, or in subjective bad faith.

KEY QUOTATIONS

“The amount in controversy is simply an estimate of the total amount in dispute, not a prospective assessment of defendant’s liability.” (at 7)

“The district court should weigh the reasonableness of the removing party’s assumptions, not supply further assumptions of its own.” (at 8)

“Macedo’s settlement demand in excess of the amount in controversy a year after removal does not automatically make Macedo’s motion to remand frivolous.” (at 14)

FACTUAL BACKGROUND

Macedo alleged that Dollar General terminated her employment the day after she informed human resources that she was pregnant and requested job-duty information for her physician to evaluate possible accommodations. She asserted claims under California's Fair Employment and Housing Act, the California Labor Code, the California Family Rights Act, and related employment laws, seeking lost wages, emotional-distress and punitive damages, attorneys' fees, and other damages. Her complaint alleged damages exceeding \$25,000 but did not specify a total amount. After removal, Macedo made a settlement demand exceeding \$500,000, including \$300,000 for emotional distress and approximately \$350,000 in attorneys' fees through trial.

PROCEDURAL HISTORY

Macedo filed the action in Kern County Superior Court on March 27, 2023. Defendants removed the case to the Eastern District of California on June 1, 2023, asserting complete diversity and an amount in controversy exceeding \$75,000. Macedo moved to remand and requested removal-related attorneys' fees. After Macedo later made a settlement demand exceeding \$500,000, defendants moved for sanctions. The court denied both motions.

DISPOSITION

other

CASES CITED

- Academy of Country Music v. Continental Casualty Co., 991 F.3d 1059, 1061 (9th Cir. 2021)
- California ex rel. Lockyer v. Dynegy, Inc., 375 F.3d 831, 838 (9th Cir. 2004)
- Provincial Government of Marinduque v. Placer Dome, Inc., 582 F.3d 1083, 1087 (9th Cir. 2009)
- Matheson v. Progressive Specialty Insurance Co., 319 F.3d 1089, 1090 (9th Cir. 2003)
- Dart Cherokee Basin Operating Co. v. Owens, 574 U.S. 81, 88-89 (2014)
- Canela v. Costco Wholesale Corp., 971 F.3d 845, 849 (9th Cir. 2020)
- Coleman v. Estes Express Lines, Inc., 730 F. Supp. 2d 1141, 1148 (C.D. Cal. 2010)
- Korn v. Polo Ralph Lauren Corp., 536 F. Supp. 2d 1199, 1204-1205 (E.D. Cal. 2008)
- Chavez v. JPMorgan Chase & Co., 888 F.3d 413, 414-415 (9th Cir. 2018)
- Gonzales v. CarMax Auto Superstores, LLC, 840 F.3d 644, 648-649 (9th Cir. 2016)
- Lewis v. Verizon Communications, Inc., 627 F.3d 395, 400 (9th Cir. 2010)
- Valdez v. Allstate Insurance Co., 372 F.3d 1115, 1117 (9th Cir. 2004)
- Kroske v. U.S. Bank Corp., 432 F.3d 976, 980 (9th Cir. 2005)
- Lenau v. Bank of America, N.A., 131 F. Supp. 3d 1003, 1005 (E.D. Cal. 2015)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 840 & n.1 (9th Cir. 2002)
- Jauregui v. Roadrunner Transportation Services, Inc., 28 F.4th 989, 993-996 (9th Cir. 2022)
- Arias v. Residence Inn by Marriott, 936 F.3d 920, 922, 924 (9th Cir. 2019)
- Estrada v. KAG West, LLC, No. 24-cv-257-KES-CDB, 2024 WL 2874591, at *5 (E.D. Cal. June 6, 2024)
- Owens v. Westwood College, Inc., No. CV 13-4334-CAS-(FFMx), 2013 WL 4083624, at *3 (C.D. Cal. Aug. 12, 2013)

- Leon v. Gordon Trucking, Inc., 76 F. Supp. 3d 1055, 1070-1071 (C.D. Cal. 2014)
- Guillen v. Kindred Healthcare Operating, Inc., No. CV 17-02196, 2018 WL 1183354, at *3-4 (E.D. Cal. Mar. 7, 2018)
- Guidry v. Dow Chemical Co., No. 19-12233, 2020 U.S. Dist. LEXIS 202274, at *9 (E.D. La. Oct. 28, 2020)
- Commodore Home Systems, Inc. v. Superior Court, 32 Cal. 3d 211, 220-221 (1982)
- Peralta Community College District v. Fair Employment & Housing Commission, 52 Cal. 3d 40, 48 (1990)
- Owuor v. Wal-Mart Associates, Inc., No. 2:21-cv-02232, 2022 WL 1658738, at *3, *8-9 (E.D. Cal. May 25, 2022)
- Simmons v. PCR Technology, 209 F. Supp. 2d 1029, 1033-1034 (N.D. Cal. 2002)
- Fritsch v. Swift Transportation Co., 899 F.3d 785, 788, 793-795 (9th Cir. 2018)
- Ackerman v. Western Electric Co., 860 F.2d 1514, 1520 (9th Cir. 1988)
- Crommie v. Public Utilities Commission, 840 F. Supp. 719, 724-725 (N.D. Cal. 1994)
- Sasso v. Noble Utah Long Beach, LLC, No. CV-14-09154, 2015 WL 898468, at *6 (C.D. Cal. Mar. 3, 2015)
- Lake v. Gates, 130 F.4th 1064, 1068-1070 (9th Cir. 2025)
- Blixseth v. Yellowstone Mountain Club, LLC, 796 F.3d 1004, 1007 (9th Cir. 2015)
- In re Girardi, 611 F.3d 1027, 1062, 1066-1067 (9th Cir. 2010)
- Fink v. Gomez, 239 F.3d 989, 991, 994 (9th Cir. 2001)
- Roadway Express, Inc. v. Piper, 447 U.S. 752, 766 (1980)
- Chambers v. NASCO, Inc., 501 U.S. 32, 40-41, 50, 58 (1991)
- Haynes v. City and County of San Francisco, 688 F.3d 984, 987 (9th Cir. 2012)
- In re Keegan Management Co., 78 F.3d 431, 437 (9th Cir. 1996)
- Lahiri v. Universal Music & Video Distribution Corp., 606 F.3d 1216, 1223 (9th Cir. 2010)
- Preiss v. S & R Production Co., No. 2:10-CV-01795-RLH, 2011 WL 4402952, at *3 (D. Nev. Sept. 20, 2011), aff'd sub nom. Preiss v. Horn, 533 F. App'x 715 (9th Cir. 2013)
- Ayer v. White, No. CV 21-8773, 2022 WL 2343040, at *4 (C.D. Cal. June 28, 2022)
- Lee v. City of Los Angeles, 250 F.3d 668, 688-689 (9th Cir. 2001)
- Perez v. Hermetic Seal Corp., No. CV 16-05211-BRO (FFMx), 2016 WL 5477990, at *3 n.3 (C.D. Cal. Sept. 27, 2016)
- Hagan v. Archdiocese of Los Angeles, BC146615, 2001 WL 803303 (Cal. Super. Ct. May 28, 2001)
- Vasquez v. Del Rio Sanitarium, Inc., BC411724, 2010 Jury Verdicts LEXIS 51699 (Cal. Super. Ct. Dec. 3, 2010)
- Wrysinski v. Agilent Technologies, Inc., SCV 13516, 2004 Jury Verdicts LEXIS 49775 (Cal. Super. Ct. June 17, 2004)
- Moore v. JMK Golf LLC, CU-11-00162, 2013 Jury Verdicts LEXIS 9416 (Cal. Super. Ct. Sept. 16, 2013)
- Lopez v. Bimbo Bakeries USA, Inc., No. A119263, 2009 WL 1090375 (Cal. Ct. App. Apr. 23, 2009)

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