

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Latrice Nelson v. Macy's Retail Holdings, LLC

Nelson v. Macy's · No. 3:25-cv-05541-JSC · Decided January 7, 2026

SUMMARY

The United States District Court for the Northern District of California denied Macy's motion to compel arbitration in a wage-and-hour class action brought by a former employee. The court held that the plaintiff was a transportation worker engaged in interstate commerce and therefore exempt from the Federal Arbitration Act under 9 U.S.C. § 1. The court maintained the scheduled case management conference, subject to possible vacatur if Macy's appeals and seeks a stay.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jacqueline Scott Corley
JURISDICTION	United States District Court for the Northern District of California
DECIDED	January 7, 2026
DOCKET	3:25-cv-05541-JSC
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought a wage-and-hour class action in California state court. Defendant removed under the Class Action Fairness Act and moved to compel arbitration under an arbitration provision in Plaintiff's new-hire paperwork and to dismiss the putative class claims.
PRECEDENTIAL VALUE	Unknown

TOPICS

- wage and hour
- employment arbitration
- arbitration
- class actions
- civil procedure

PRACTICE AREAS

- employment law
- wage and hour
- arbitration
- civil procedur

QUESTIONS PRESENTED

1. Whether Plaintiff was a transportation worker engaged in interstate commerce and therefore exempt from the Federal Arbitration Act under 9 U.S.C. § 1.
2. Whether Macy's supplemental evidence created a factual dispute regarding the interstate nature of the merchandise Plaintiff handled sufficient to support compelling arbitration.

HOLDINGS

1. Plaintiff was a transportation worker engaged in interstate commerce and was therefore exempt from the Federal Arbitration Act under 9 U.S.C. § 1.
2. Macy's motion to compel arbitration was denied because Plaintiff falls within the FAA's Section 1 transportation-worker exemption.

KEY QUOTATIONS

“As in Ortiz v. Randstad Inhouse Servs., LLC, Plaintiff picks and packages merchandise “with the direct purpose of facilitating their continued travel through an interstate supply chain.”” (at 2)

“Based on controlling Ninth Circuit precedent Plaintiff is a transportation worker engaged in interstate commerce and thus exempt from the FAA under 9 U.S.C. § 1.” (at 2)

FACTUAL BACKGROUND

Latrice Nelson, a former Macy's employee, worked as a fulfillment associate who handled, picked, packed, or processed packages or goods for Macy's in California. She asserted that the merchandise included products from brands typically manufactured overseas or in Europe and brought a wage-and-hour class action on behalf of similarly situated fulfillment associates. Macy's submitted evidence concerning the California facilities through which merchandise passed, but the evidence did not establish where the merchandise handled by Nelson originated.

PROCEDURAL HISTORY

The action was initially filed in Contra Costa Superior Court and removed to the Northern District of California under CAFA. The court previously indicated that it was inclined to deny the motion to compel because Plaintiff was an exempt transportation worker under Section 1 of the FAA, then permitted Macy's to submit additional evidence regarding whether the merchandise Plaintiff handled originated out of state. After reviewing the supplemental submissions, the court found that Macy's evidence did not create a dispute regarding interstate commerce and denied the motion to compel arbitration.

DISPOSITION

other

CASES CITED

- Ortiz v. Randstad Inhouse Servs., LLC, 95 F.4th 1152, 1163 (9th Cir. 2024)
- Coinbase, Inc. v. Bielski, 599 U.S. 736, 747 (2023)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
LATRICE NELSON, Case No. 3:25-cv-05541-JSC 8 Plaintiff, ORDER RE: DEFENDANT’S
MOTION 9 v. TO COMPEL ARBITRATION 10 MACY’S RETAIL HOLDINGS, LLC, Re: Dkt.
Nos. 21, 31 Defendant. 11 12 13 Plaintiff, a former Macy’s employee, brings this wage and hour
class action on behalf of 14 “fulfillment associates” who “handled, picked, packed, or processed
packages or goods as part of 15 international and/or interstate commerce” for Macy’s in
California.

(Dkt. No. 1-1 at 7-8.) While 16 the action was initially filed in the Contra Costa Superior Court,
Macy’s removed the action to this 17 court under the Class Action Fairness Act (CAFA), 28
U.S.C. § 1453(b). Macy’s then moved to 18 compel arbitration in accordance with an arbitration
provision incorporated into Macy’s new hire 19 paperwork and to dismiss Plaintiff’s putative class
claims.

(Dkt. No. 21.1) 20 On December 9, 2025, the Court issued an order stating it was inclined to deny
Macy’s 21 motion to compel arbitration because Plaintiff was an exempt transportation worker
under Section 22 1 of the Federal Arbitration Act (FAA). (Dkt. No. 31.)

Because the Section 1 exemption only 23 applies to transportation workers engaged in interstate
commerce, the Court provided Macy’s the 24 opportunity to challenge Plaintiff’s assertion that the
merchandise delivered to her facility 25 originated out-of-state. (Id. at 7-9; see also Dkt. No. 25,
Nelson Declaration at ¶ 4 (attesting “the 26 merchandise I handled included brands such as
Versace, Dolce & Gabbana, Ralph Lauren, Adidas, 27 1 and Calvin Klein, among other brands.

My understanding is that these are the types of brands 2 || and/or products that are typically
manufactured overseas, such as in Asia or Europe.”).) Macy’s 3 thereafter submitted a declaration
from Daryl McDaniel, Director, Facility Operations Leader at 4 the Hayward Distribution Center.
(Dkt. No. 33 at 4.) Mr. McDaniel’s Declaration, however, says 5 nothing about where the
merchandise that is shipped to the Hayward Distribution Center (and then 6 || to the Concord
Sunvalley facility where Plaintiff works) originates.

Instead, he attests more than 7 55% of the merchandise came to the Hayward Distribution Center
from a third-party facility in 8 Santa Fe Springs, California, less than 40% came to the Hayward
Distribution Center “directly 9 from locations outside California,” and less than 5% came to the
Hayward Distribution Center 10 || from the MCS distribution center in City of Industry, California.

(Ud. at §{[5-6.) This is non- 11 responsive to Plaintiffs statement she handled merchandise that
came from overseas and thus 12 sheds no light on the interstate nature of merchandise at issue. So,
the McDaniel Declaration does 5 13 not create a dispute as to whether Plaintiff was engaged in
interstate commerce.

As in *Ortiz v. 14 || Randstad Inhouse Servs., LLC*, Plaintiff picks and packages merchandise “with the direct purpose 3 15 || of facilitating their continued travel through an interstate supply chain.” 95 F.4th 1152, 1163 (9th 16 || Cir. 2024). 3 17 Accordingly, having considered the parties’ original and supplemental submissions (Dkt. 18 || Nos. 34, 39), the Court DENIES Macy’s motion to compel arbitration for the reasons stated in the 19 || Court’s original order.

Based on controlling Ninth Circuit precedent Plaintiff is a transportation 20 || worker engaged in interstate commerce and thus exempt from the FAA under 9 U.S.C. § 1. 21 The February 4, 2026 case management conference remains on calendar.

The Court will 22 || vacate the case management conference if Macy’s files a notice of appeal and seeks a stay as it is 23 entitled to under *Coinbase, Inc. v. Bielski*, 599 U.S. 736, 747 (2023). 24 This Order disposes of Docket No. 21. 25 IT IS SO ORDERED. 26 || Dated: January 7, 2026, Std 27 JACQUELINE SCOTT CORL 28 United States District Judge