

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)

