UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

Martinez v. WinCo Holdings, Inc.

Martinez · No. 1:25-cv-00935-JLT-SAB · Decided September 5, 2025

SUMMARY

The United States District Court for the Eastern District of California ordered WinCo Holdings, Inc. to show cause why the action should not be remanded for lack of subject matter jurisdiction. The order addresses diversity jurisdiction, alleged fraudulent joinder of California defendants, and whether the court should assess the original or amended complaint. Plaintiff was also directed to respond regarding jurisdiction and was advised that any late opposition to the motion to dismiss would require leave of court.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Stanley A. Boone
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	September 5, 2025
DOCKET	1:25-cv-00935-JLT-SAB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff filed an action in Fresno County Superior Court. WinCo removed the action on diversity grounds, asserting that the California individual defendants were fraudulently joined. After Plaintiff filed an amended complaint, WinCo moved to dismiss under Federal Rule of Civil Procedure 12(b)(6). The court issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction before addressing the motion to dismiss.
STANDARD OF REVIEW	The court must consider subject matter jurisdiction sua sponte. For fraudulent joinder, the removing party must establish either outright fraud in the pleading of jurisdictional facts or that there is absolutely no possibility the plaintiff can establish a cause of action against the in-state defendant in state court.
PRECEDENTIAL VALUE	Unpublished district court order; limited persuasive value

TOPICS

subject matter jurisdiction · civil procedure · motions to dismiss · pleadings · torts

PRACTICE AREAS

civil procedure · removal and remand · diversity jurisdiction · intentional infliction of emotional distress

QUESTIONS PRESENTED

1. Whether the court had subject matter jurisdiction where Plaintiff and two individual defendants were alleged to be California citizens and WinCo relied on fraudulent joinder to establish diversity jurisdiction.
2. Whether the court should determine fraudulent joinder by examining the original complaint at the time of removal or a subsequently filed amended complaint.
3. Whether the court should address WinCo's Rule 12(b)(6) motion before resolving the existence of subject matter jurisdiction.

HOLDINGS

1. The court must determine whether it has subject matter jurisdiction before making any determination on the merits of WinCo's motion to dismiss.
2. A defendant is not fraudulently joined merely because the claim against that defendant may fail under Rule 12(b)(6); fraudulent joinder requires proof of outright fraud in the jurisdictional allegations or that there is absolutely no possibility the plaintiff can establish a cause of action against the in-state defendant in state court.

KEY QUOTATIONS

> *"The test for fraudulent joinder and for failure to state a claim under Rule 12(b)(6) are not equivalent."* (at 1)

> *"if there is a possibility that a state court would find that the complaint states a cause of action against any of the resident defendants, the federal court must find that the joinder was proper and remand the"* (at 1-2)

FACTUAL BACKGROUND

Mia Martinez, alleged to be a California citizen, sued WinCo Holdings, Inc., an Idaho corporation with its principal place of business in Idaho, and two alleged California citizens, Kwasi Addo-Boateng and Odell Hill. The amended complaint asserted intentional infliction of emotional distress claims against Addo-Boateng and Hill and added factual allegations to the original pleading. WinCo contended that the individual defendants were sham defendants and could not be liable as a matter of law.

PROCEDURAL HISTORY

On June 12, 2025, Plaintiff initiated the action in Fresno County Superior Court. WinCo removed on July 30, 2025, alleging diversity jurisdiction and fraudulent joinder of the California defendants. Plaintiff filed a first amended complaint on August 6, 2025, and WinCo moved to dismiss on August 20, 2025. The court determined that subject matter jurisdiction had to be addressed first and ordered WinCo to show cause why the case should not be remanded, while allowing Plaintiff to respond.

DISPOSITION

other

REMAND INSTRUCTIONS

WinCo was ordered to show cause in writing by September 12, 2025, why the action should not be remanded to Fresno County Superior Court for lack of subject matter jurisdiction. Plaintiff was ordered to file a response limited to subject matter jurisdiction and WinCo's response by September 19, 2025. The order did not finally remand the case.

CASES CITED

- Valdez v. Allstate Ins. Co., 372 F.3d 1115, 1116 (9th Cir. 2004)
- Grancare, LLC v. Thrower by & through Mills, 889 F.3d 543, 549 (9th Cir. 2018)
- McGrann v. AT&T Mobility Servs., LLC, No. 2:16-CV-00701 TLN KJN, 2016 WL 6205596, at *3 (E.D. Cal. Oct. 24, 2016)
- Barsell v. Urban Outfitters, Inc., No. CV 09-02604 MMM (RZx), 2009 WL 1916495, at *7 (C.D. Cal. July 1, 2009)
- Madayag v. McLane/Suneast, Inc., No. 1:16-CV-1082 AWI SAB, 2017 WL 30014, at *3 (E.D. Cal. Jan. 3, 2017)

OPINION

Martinez v. WinCo Holdings, Inc.
PER CURIAM.
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
MIA MARTINEZ, Case No. 1:25-cv-00935-JLT-SAB Plaintiff, ORDER TO SHOW CAUSE WHY CASE
SHOULD NOT BE REMANDED FOR
v. LACK OF SUBJECT MATTER
JURISDICTION
WINCO HOLDINGS, INC., et al., Defendants. On June 12, 2025, Plaintiff, a California citizen, initiated this action in Fresno County Superior Court against Defendants WinCo Holdings, Inc. (“WinCo”); Kwasi Addo-Boateng, an alleged citizen of California; and Odell Hill, an alleged citizen of California. (ECF No. 1-1 at 6- 14.) On July 30, 2025, WinCo

removed the action to this Court based on diversity jurisdiction. 21 (ECF No. 1.) In its notice of removal, Defendant WinCo alleges it is an Idaho corporation with 22 its principal place of business in Boise, Idaho. (Id. at 3.) WinCo further alleges that individual 23 defendants Addo-Boateng and Hill, both California residents, should be disregarded because 24 they are sham defendants and cannot be found liable as a matter of law. (Id. at 4.) 25 On August 6, 2025, Plaintiff filed a first amended complaint ("FAC") alleging a claim for 26 intentional infliction of emotional distress ("IIED") against Addo-Boateng and Hill, with 27 additional factual allegations than those contained in the original complaint. (See ECF No. 1-1 at 6-14.) The FAC fails to provide a short and plain statement of the grounds for the court's 1 jurisdiction. See Fed. R. Civ. P 8(a)(1). It does not appear that the Court has subject matter 2 jurisdiction over this action because no federal question is alleged, and Plaintiff and Defendants 3 are not completely diverse. See also Valdez v. Allstate Ins. Co., 372 F.3d 1115, 1116 (9th Cir. 4 2004) (noting federal courts are "obligated to consider sua sponte whether [they] have subject 5 matter jurisdiction"); see 28 U.S.C. § 1447(c) ("If at any time before final judgment it appears 6 that the district court lacks subject matter jurisdiction, the case shall be remanded."). 7 On August 20, 2025, Defendant WinCo filed a motion to dismiss the FAC. (ECF No. 6.) 8 The arguments presented at the time of removal related to fraudulent joinder in the original 9 complaint are not contained within the motion to dismiss. Upon a cursory review of the motion, 10 Defendant WinCo moves for dismissal with prejudice on behalf of non-appearing defendants 11 Addo-Boateng and Hill under Rule 12(b)(6) but does not address fraudulent joinder at the time 12 the action was removed. Defendant re-asserts that Plaintiff's complaint is devoid of any 13 allegations that could plausibly constitute extreme and outrageous conduct by either Addo- 14 Boateng or Hill; neither can be individually liable for IIED under the doctrine of managerial 15 privilege; and Plaintiff's IIED claim is preempted by the Worker's Compensation Act. (Id. at 16 14-18.) 17 "The test for fraudulent joinder and for failure to state a claim under Rule 12(b)(6) are not 18 equivalent. A claim against a defendant may fail under Rule 12(b)(6), but that defendant has not 19 necessarily been fraudulently joined." Grancare, LLC v. Thrower by & through Mills, 889 F.3d 20 543, 549 (9th Cir. 2018); see also McGrann v. AT&T Mobility Servs., LLC, No. 2:16-CV-00701 21 TLN KJN, 2016 WL 6205596, at *3 (E.D. Cal. Oct. 24, 2016) (noting that "a defendant is not 22 fraudulently joined simply because the action is likely to be dismissed against the defendant. 23 Rather, it requires the removing party to prove that there is absolutely no possibility that the 24 plaintiff will be able to establish a cause of action against the in-state defendant in state court, or 25 that there has been outright fraud in the plaintiff's pleadings of jurisdictional facts."). "[I]f there 26 is a possibility that a state court would find that the complaint states a cause of action against any 27 of the resident defendants, the federal court must find that the joinder was proper and remand the 1 (citation and quotation omitted). Further, in cases "in which defendants have argued that a 2 supervisor's alleged conduct was not sufficiently outrageous to support an [IIED] claim, district 3 courts applying the fraudulent joinder standard have generally found a non-fanciful possibility of 4 liability, even where plaintiff's claim appeared ‘relatively weak.’ ” Barsell v. Urban Outfitters, Inc., No. CV 09-02604 MMM (RZx), 2009 WL 1916495, at *7 (C.D. Cal. July 1, 2009) (quotation and citation omitted). Courts have also remanded actions where the complaint failed to allege outrageous conduct because it was possible that the plaintiff could cure the deficiency by amendment. See Madayag v. McLane/Suneast, Inc., No. 1:16-CV-1082 AWI SAB, 2017 WL 30014, at *3 (E.D. Cal. Jan. 3, 2017) (collecting cases). Before the Court makes any determination related to the merits of the motion to dismiss of the FAC, the Court must first have subject matter jurisdiction, which requires a finding that the individual California resident defendants are fraudulently joined. The Court shall therefore order that Defendant separately show cause why this Court has subject matter jurisdiction. The Court will afford Plaintiff an opportunity to respond. The parties are directed to address whether the Court looks to Plaintiff’s original complaint at the time of removal or a subsequently filed amended complaint to determine whether the individual defendants are fraudulently joined. Additionally, Plaintiff’s opposition to Defendant’s motion to dismiss was due by September 3, 2025. L.R. 230(c). That deadline has passed, and Plaintiff has not filed any response. The Local Rules provides that a party who fails to file a timely opposition is not entitled to be heard in opposition to the motion at oral argument. L.R. 230(c). Plaintiff is advised that any opposition to Defendant’s motion to dismiss will be disregarded if it is not filed with a supporting application for leave to file a late opposition. Accordingly, IT IS HEREBY ORDERED that: 1. Defendant shall show cause in writing on or before September 12, 2025, why this action should not be remanded to Fresno County Superior Court for lack of subject matter jurisdiction; and / / / 2. Plaintiff SHALL file a response limited to addressing this Court’s subject matter jurisdiction and Defendant’s response to this order to show cause on or before September 19, 2025.

IT IS SO ORDERED. FA. ee

| Dated: _ September 5, 2025

STANLEY A. BOONE

United States Magistrate Judge