

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Albert Daniels, et al. v. APEX California Region Holdco, LLC, et al.

Daniels v. APEX California Region Holdco · No. 8:24-cv-02671-CV (KESx) · Decided June 23, 2025

SUMMARY

The United States District Court for the Central District of California grants Plaintiffs’ motion to remand a putative California wage-and-hour class action removed under the Class Action Fairness Act. The court concludes that Defendants failed to establish by a preponderance of the evidence that the amount in controversy exceeded \$5 million because their damages calculations relied on unreasonable assumptions and insufficient evidence. The court denies the motion to compel arbitration as moot.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Cynthia Valenzuela
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 23, 2025
DOCKET	8:24-cv-02671-CV (KESx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiffs filed a putative California wage-and-hour class action in Orange County Superior Court. Defendants removed under the Class Action Fairness Act and moved to compel arbitration. Plaintiffs moved to remand.
STANDARD OF REVIEW	A removing defendant bears the burden of establishing federal jurisdiction. At the pleading stage under CAFA, the notice of removal need contain only a plausible allegation that the amount in controversy exceeds the jurisdictional threshold; when the allegation is challenged, the defendant must prove by a preponderance of the evidence that the amount in controversy exceeds \$5 million.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive authority only

TOPICS

- subject matter jurisdiction
- class actions
- civil procedure
- wage and hour
- arbitration

PRACTICE AREAS

civil procedure

employment law

class actions

wage and hour

arbitration

QUESTIONS PRESENTED

1. Whether Defendants established by a preponderance of the evidence that the amount in controversy exceeded CAFA's \$5 million jurisdictional threshold.
2. Whether Defendants' damages calculations were based on reasonable assumptions and sufficient evidence.
3. Whether the motion to compel arbitration remained justiciable after remand was ordered.

HOLDINGS

1. Defendants failed to prove by a preponderance of the evidence that more than \$5 million was in controversy, so federal subject matter jurisdiction under CAFA was not established.
2. The motion to compel arbitration was denied as moot because the case was remanded to state court.

KEY QUOTATIONS

"speculation is not enough to discharge a removing party's burden of production and persuasion." (Analysis § III.B)

"Because Defendants have not met their burden to show CAFA's amount-in-controversy requirement is satisfied, Plaintiffs' motion to remand is GRANTED and Defendants' motion to compel arbitration is DENIED AS MOOT." (Conclusion)

FACTUAL BACKGROUND

Plaintiffs brought a putative class action against their former employers alleging California wage-and-hour violations, including unpaid overtime and minimum wages, meal and rest-break violations, inaccurate wage statements, final-pay violations, unreimbursed business expenses, and unfair competition. The proposed class included current and former commission-based, hourly-paid, and nonexempt California employees over a four-year period. Defendants estimated the amount in controversy using assumptions about class size, wages, workweeks, and violation rates, but did not provide competent evidence supporting those assumptions.

PROCEDURAL HISTORY

Plaintiffs asserted eight California-law wage-and-hour claims in state court. Defendants removed the putative class action under CAFA, alleging more than \$5 million was in controversy. After Plaintiffs challenged federal jurisdiction, Defendants submitted revised damages calculations in opposition to remand. The court granted remand because Defendants failed to establish the CAFA amount-in-controversy requirement and denied the arbitration motion as moot.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to Orange County Superior Court because Defendants failed to establish CAFA's amount-in-controversy requirement. The motion to compel arbitration is denied as moot.

CASES CITED

- Abrego Abrego v. The Dow Chemical Co., 443 F.3d 676, 685 (9th Cir. 2006)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 87, 89 (2014)
- Ibarra v. Manheim Investments, Inc., 775 F.3d 1193, 1197, 1199 (9th Cir. 2015)
- Arias v. Residence Inn by Marriott, 936 F.3d 920, 922 (9th Cir. 2019)
- LaCross v. Knight Transportation, Inc., 775 F.3d 1200, 1201 (9th Cir. 2015)
- Sood v. FCA US, LLC, No. CV 21-4287-RSWL (SKx), 2021 WL 4786451, at *3 (C.D. Cal. Oct. 14, 2021)
- Limon-Gonzalez v. Kia Motors America, Inc., No. CV 20-4381 PA (JPRx), 2020 WL 3790838, at *2 (C.D. Cal. July 7, 2020)
- Anaya v. FCA US LLC, No. CV217255 FMO (PVCx), 2022 WL 1778388, at *2 (C.D. Cal. May 31, 2022)
- Hanon v. Dataproducts Corp., 976 F.2d 497, 508 (9th Cir. 1992)
- White v. Experian Information Solutions, Inc., No. SACV051070 DOC (MLGx), 2009 WL 10670553, at *8 (C.D. Cal. May 7, 2009)
- Gallegos v. Atria Management Co., LLC
- Garibay v. Archstone Communities, LLC, 539 F. App'x 763, 764-65 (9th Cir. 2013)
- Waltz v. Wal-Mart Associates, Inc., No. ED CV 2101538 TJH (RAOx), 2022 WL 489697, at *3 (C.D. Cal. Feb. 17, 2022)
- Wilkins v. Navigant Cymetrix Co., No. CV 19-09755 PAM (RWx), 2020 WL 1972280, at *3 (C.D. Cal. Jan. 8, 2020)
- Harris v. KM Industries, Inc., 980 F.3d 694, 700 (9th Cir. 2020)
- Jauregui v. Roadrunner Transportation Services, Inc., 28 F.4th 989, 996 (9th Cir. 2022)