

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Jonathan Graham v. Stryker Corporation, et al.

No. 2:24-CV-01411-DJC-JDP (E.D. Cal. Dec. 4, 2025) · No. 2:24-CV-01411-DJC-JDP · Decided December 5,
2025

SUMMARY

The United States District Court for the Eastern District of California denied Stryker Employment Company, LLC’s motion to amend its answer in Jonathan Graham’s wage-and-hour class action. The court held that the motion was subject to Federal Rule of Civil Procedure 16 because it was filed after the scheduling-order deadline, and that Stryker had not shown the required diligence and good cause. The proposed amendments included offset and arbitration defenses and revisions to existing defenses.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Daniel A. Calabretta
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	December 5, 2025
DOCKET	2:24-CV-01411-DJC-JDP
DISPOSITION	other
PROCEDURAL POSTURE	Defendant Stryker Employment Company, LLC moved for leave to amend its answer to add offset and arbitration affirmative defenses and clarify existing defenses. The motion was denied.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure 16(b), modification of a scheduling-order deadline requires good cause and the judge's consent; good cause primarily turns on the diligence of the party seeking amendment.
PRECEDENTIAL VALUE	Unknown

TOPICS

- motion to amend
- affirmative defenses
- civil procedure
- wage and hour
- class actions

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether a motion to amend an answer filed after the scheduling-order deadline is governed by Federal Rule of Civil Procedure 16 rather than Rule 15.
2. Whether Stryker demonstrated the Rule 16(b)(4) good cause required to amend the scheduling order and add the proposed affirmative defenses.

HOLDINGS

1. Once the deadline for amending pleadings in a scheduling order has passed, Rule 16 governs the requested amendment, and the moving party must first show good cause before the court considers whether amendment is proper under Rule 15.
2. Stryker did not establish good cause because it was not diligent in seeking to add the offset and arbitration defenses.

KEY QUOTATIONS

“Under Rule 16(b), “[a] schedule may be modified only for good cause and with the judge’s consent.””
(Analysis at 1)

“If the party seeking the modification “was not diligent, the inquiry should end.”” (Analysis at 5)

FACTUAL BACKGROUND

Graham brought a California Labor Code wage-and-hour class action against Stryker. Stryker sought to add an offset defense based on an alleged commission overpayment and an arbitration defense based on arbitration agreements involving certain putative class members. Although Stryker asserted that the overpayment was discovered in June 2025 and that the arbitration issue became significant after denial of bifurcation, the court found that Stryker possessed or should have assessed the relevant information before the March 12, 2025 amendment deadline.

PROCEDURAL HISTORY

Graham filed a California wage-and-hour class action in state court, and Stryker removed it to the Eastern District of California. The court denied Graham's motion to remand, dismissed two Stryker entities by stipulation, issued a scheduling order setting a deadline for amendments to pleadings, and later denied Stryker's motion to bifurcate. Stryker then moved to amend its answer after the amendment deadline; the court denied the motion for lack of good cause under Rule 16.

DISPOSITION

other

CASES CITED

- Coleman v. Quaker Oats Co., 232 F.3d 1271, 1294 (9th Cir. 2000)
- Johnson v. Mammoth Recreations, Inc., 975 F.2d 604, 608-09 (9th Cir. 1992)
- Phila. Indemn. Ins. Co. v. IEC Corp., No. 8:16-cv-00295-DOC-DFM, 2017 WL 5664988, at *3 (C.D. Cal. July 27, 2017)
- U.S. Dominator, Inc. v. Factory Ship Robert E. Resoff, 768 F.2d 1099, 1104 (9th Cir. 1985)
- Bastidas v. Chappell, 791 F.3d 1155 (9th Cir. 2015)
- AmerisourceBergen Corp. v. Dialysist West, Inc., 465 F.3d 946, 952 (9th Cir. 2006)
- Wake Forest Acquisitions, L.P. v. Vanderbilt Com. Lending, Inc., No. 2:15-cv-02167-KJM-DB, 2018 WL 1586362, at *3 (E.D. Cal. Apr. 2, 2018)
- Cervantes v. Zimmerman, Nos. 17-cv-1230-BAS-NLS, 18-cv-1062-BAS-NLS, 2019 WL 1129154, at *5 (S.D. Cal. Mar. 12, 2019)
- Powell v. County of Solano, No. 2:19-cv-02459-JAM-DB, 2022 WL 484837, at *2 (E.D. Cal. Feb. 16, 2022)

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 FOR THE EASTERN DISTRICT OF
CALIFORNIA 10 11 JONATHAN GRAHAM, No. 2:24-CV-01411-DJC-JDP 12 Plaintiff, 13 v.
ORDER 14 STRYKER CORPORATION, et al., 15 Defendants. 16 17 Before the Court is Stryker
Employment Company, LLC's Motion to Amend 18 Answer. (Mot. (ECF No. 36).) Stryker seeks
leave to allege two additional affirmative 19 defenses to Plaintiff Jonathan Graham's wage-and-
hour class action lawsuit: (1) Offset 20 and (2) Arbitration, and to make clarifying revisions to
previously asserted affirmative 21 defenses of Failure to Exhaust Administration Remedies and
Good Faith.

For the 22 reasons discussed below, the Motion is DENIED. 23 //// 24 //// 25 //// 26 //// 27 //// 28
//// 1 BACKGROUND 2 On April 11, 2024, Plaintiff Jonathan Graham ("Plaintiff") initiated this
wage-and- 3 hour class action in state court against Defendants Stryker Corporation, Stryker 4
Employment Company, LLC, and Stryker Medical and Surgical Equipment 5 Corporation
("Stryker"), alleging violations of the California Labor Code.

(See 6 generally Compl. (ECF No. 1-1).) On May 17, 2024, Stryker removed the action to this 7
Court. (NOR (ECF No. 1.) Plaintiff filed a motion to remand, which this Court denied. 8 (ECF
Nos. 10, 19.) Subsequently, Stryker notified the Court it had previously filed an 9 Answer to
Plaintiff's Complaint in state court. (ECF No. 20.) Pursuant to the parties' 10 stipulation, Stryker
Corporation and Stryker Medical and Surgical Equipment 11 Corporation were dismissed from the
case.

(ECF No. 26.) 12 The Court issued a Scheduling Order on March 12, 2025. (ECF No. 22.) 13
Thereafter, Stryker filed objections to the scheduling order and a request to modify 14 the
discovery and class certification deadlines and class certification briefing 15 schedule. (ECF No.
23.)

The Court granted Stryker's objections in part and denied 16 them in part, permitting an extended class certification briefing schedule but denying 17 the request to revise the discovery and class certification deadlines. (ECF No. 27.) No 18 other changes to the scheduling order were made. (Id.)

On May 28, 2025, Stryker 19 filed a Motion to Bifurcate, which this Court denied. (ECF Nos. 28, 35.) 20 Stryker now moves for leave to file an amended Answer to add new affirmative 21 defenses and modify certain existing ones. (See generally Mot.)

The Motion is fully 22 briefed. (Opp'n (ECF No. 38); Reply (ECF No. 39).) Pursuant to Local Rule 230(g), the 23 Motion was ordered submitted without appearance and without oral argument. (ECF 24 No. 40.) 25 ANALYSIS 26 Once the deadline for amending pleadings established in a pretrial scheduling 27 order passes, Rule 16, which controls the modification of a district court's scheduling 28 order, governs the amendment of pleadings.

Coleman v. Quaker Oats Co., 232 F.3d 1 1271, 1294 (9th Cir. 2000); *Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 609 2 (9th Cir. 1992). District courts are not required to imply a de facto motion to modify 3 the scheduling order when a motion to amend is untimely filed, as here. *Phila. 4 Indemn. Ins. Co. v. IEC Corp.*, No. 8:16-cv-00295-DOC-DFM, 2017 WL 5664988, at *3 5 (C.D.

Cal. Jul. 27, 2017) ("The Ninth Circuit does not automatically consider an 6 untimely motion to amend a [pleading] to be a motion to modify the scheduling 7 order.") If the district court chooses to construe the motion to amend as a motion to 8 modify the scheduling order, however, Federal Rule of Civil Procedure 16 applies. 9 Under Rule 16(b), "[a] schedule may be modified only for good cause and with the 10 judge's consent." Fed.

R. Civ. Proc. 16(b)(4). If "good cause" is shown, then the party 11 seeking amendment must demonstrate that amendment is proper under Rule 15. 12 *Johnson*, 975 F.2d at 608. 13 This Court's scheduling order issued on March 12, 2025, provided that no 14 further amendments to pleadings would be permitted without leave of Court and a 15 showing of good cause. (ECF No. 22 at 1.)

The modified scheduling order left this 16 March 12, 2025, deadline unchanged. (See generally ECF No. 29.) While Stryker's 17 motion to amend its answer is untimely and may be denied on that basis, see U.S. 18 *Dominator, Inc. v. Factory Ship Robert E. Resoff*, 768 F.2d 1099, 1104 (9th Cir. 1985) 19 (holding that a district court properly denied a motion as untimely where it was filed 20 after the applicable scheduling order deadline and the movant did not request a 21 modification of the scheduling order), superseded by statute on other grounds as 22 stated in *Bastidas v. Chappell*, 791 F.3d 1155 (9th Cir.

2015), the Court will address 23 whether Stryker has made a showing of good cause. 24 In its moving papers seeking leave to amend, Stryker appeals to Federal Rule of 25 Civil Procedure 15, but Stryker cannot not rely on those liberal amendment 26 procedures after the deadline to amend pleadings has passed. Rather, Stryker's 27 "tardy motion ha[s] to satisfy the more stringent good cause showing required under 28 Rule 16." *AmerisourceBergen Corp. v. Dialysist West, Inc.*, 465 F.3d 946, 952 (9th Cir.

1 2006) (cleaned up). "Rule 16(b)'s 'good cause' standard primarily considers the 2 diligence of the party seeking amendment." *Johnson*, 975 F.2d at 609. Courts assess 3 the following factors: 4 [T]o demonstrate diligence under Rule 16's "good cause" standard, the movant may be required to show the 5 following: (1) that she was diligent in assisting the Court in creating a workable Rule 16 order; (2) that her 6 noncompliance with a Rule 16 deadline occurred or will occur, notwithstanding her diligent efforts to comply, 7 because of the development of matters which could not have been reasonably foreseen or anticipated at the time 8 of the Rule 16 scheduling conference; and (3) that she was diligent in seeking amendment of the Rule 16 order, once 9 it became apparent that she could not comply with the order.

10 11 *Wake Forest Acquisitions, L.P. v. Vanderbilt Com. Lending, Inc.*, No. 2:15-cv-02167- 12 KJM-DB, 2018 WL 1586362, at *3 (E.D. Cal. Apr. 2, 2018). 13 Plaintiff notes that Stryker represented in the March 3, 2025 Joint Status Report, 14 which was filed before the Scheduling Order was issued, that "[n]o amendments to 15 the pleadings are anticipated." (ECF No. 21 at 4.)

As to the offset defense, however, 16 Stryker contends that "it could not have reasonably discovered the commission 17 overpayment underlying its offset defense any earlier," as such a discovery would 18 have required "tens of thousands of hours" to identify, given the scale and complexity 19 of the data. (Reply at 12–13.) Stryker points out that the discovery of the commission 20 overpayment did not occur until June 6, 2025, when a commission analyst 21 investigating an unrelated commission matter inadvertently discovered it.

(Buczek 22 Decl. (ECF No. 36-3) ¶ 3.) Stryker asked Plaintiff about the overpayment in the July 2, 23 2025, deposition and "Plaintiff testified that the sale in question was an 'incentivized' 24 deal and speculated as to why he may have been entitled to a larger commission on 25 the sale." (Nordlander Decl. (ECF No. 36-2) ¶ 6.) 1 After investigating the matter, 26 27 1 The parties dispute the reasonableness of Stryker's actions taken during the July 2, 2025 deposition 28 with respect to Exhibit 15, however, it appears that Plaintiff authorized certain redactions that he later 1 Stryker sought Plaintiff's agreement to stipulate to amending the Answer and failing to 2 secure that, Stryker filed the instant motion within eleven days of Plaintiff's denial.

3 (Reply at 14.) 4 The Court finds that Stryker has not established good cause. "Diligence is a 5 case-specific inquiry that turns primarily on the length of time between the ground 6 necessitating amendment and the movant's request to amend." *Cervantes v. 7 Zimmerman*, Nos. 17-cv-1230-

BAS-NLS, 18-cv-1062-BAS-NLS, 2019 WL 1129154, at *5 8 (S.D. Cal. Mar. 12, 2019) (cleaned up and citations omitted).

Here, Stryker had 9 possession of the commission reports, and the overpayment information, since the 10 initiation of the lawsuit in April 2024. The Court does not find credible Stryker's 11 argument that it would require investing "tens of thousands of hours" in reviewing 12 these reports.

In any event, the commission overpayment pertains to Plaintiff's 13 individual claims, which Stryker should have been assessing from the outset of the 14 case. 15 So, too, with the arbitration defense. Stryker appears to suggest that the 16 ground necessitating amendment for the arbitration defense was the Court's denial of 17 the motion to bifurcate, but it is undisputed that Stryker knew of the class action 18 nature of the lawsuit from the outset of litigation and Stryker concedes that it "had 19 access to arbitration agreements for certain putative class members." (Reply at 15.)

20 "A party is not considered to have acted diligently where the proposed amendment is 21 based on information that the party knew, or should have known, in advance of the 22 [scheduling order] deadline." *Powell v. County of Solano*, No. 2:19-cv-02459-JAM-DB, 23 2022 WL 484837, at *2 (E.D. Cal. Feb. 16, 2022) (citation omitted). 24 At bottom, Defendant was not diligent in utilizing information that it had at its 25 own disposal since the initiation of this litigation.

Because Stryker has not met the 26 Rule 16 requirement of good cause, the Court need not analyze the factors under Rule 27 Stryker adequately explains the basis for providing Exhibit 15 as an excerpt during the deposition. (Id. 28 ¶ 3.) 1 | 15. If the party seeking the modification "was not diligent, the inquiry should end." 2 | *Johnson*, 975 F.2d at 609. 3 CONCLUSION 4 For the foregoing reasons, IT |S HEREBY ORDERED that Defendant's Motion to 5 | Amend Answer (ECF No. 36) is DENIED.

6 j IT IS SO ORDERED. 8 | Dated: _December 4, 2025 "Daniel A CoD tto— Hon. Daniel alabretta? UNITED STATES DISTRICT JUDGE 10 11 DJC8-Stryker.24cv1411.mot. to amend answer 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28