

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Donnie Yarn and Deshawn Murphy v. Trader Joe's

Yarn v. Trader Joe's · No. 3:25-cv-01403-SB · Decided December 5, 2025

SUMMARY

The United States District Court for the District of Oregon granted Trader Joe’s motion to dismiss the plaintiffs’ amended complaint. The court dismissed claims for breach of contract, defamation, intentional infliction of emotional distress, and First Amendment violations under 42 U.S.C. § 1983, allowing leave to amend. The court concluded that the plaintiffs had not adequately pleaded the contract terms and breach, falsity for defamation, conduct sufficiently outrageous for IIED, or state action by Trader Joe’s.

CASE DETAILS

COURT	United States District Court for the District of Oregon
WRITING FOR THE COURT	Stacie F. Beckerman
JURISDICTION	United States District Court for the District of Oregon
DECIDED	December 5, 2025
DOCKET	3:25-cv-01403-SB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs, proceeding without counsel, filed an amended complaint asserting breach of contract, defamation, intentional infliction of emotional distress, and First Amendment claims under 42 U.S.C. § 1983. After removal from Oregon state court, Defendant moved to dismiss for failure to state a claim.
STANDARD OF REVIEW	On a motion to dismiss, the court accepts well-pleaded factual allegations as true, construes them in the light most favorable to the plaintiff, and determines whether the complaint states a plausible claim for relief. Pro se pleadings are construed liberally, but the court may not supply essential elements that were not pleaded.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Donnie Yarn, Deshawn Murphy v. Trader Joe's

TOPICS

motions to dismiss

civil procedure

breach of contract

defamation

section 1983

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether Plaintiffs plausibly pleaded a breach of contract claim based on an alleged settlement agreement.
2. Whether Plaintiffs plausibly pleaded a defamation claim based on statements that they were banned or unwanted at Trader Joe's.
3. Whether Plaintiffs plausibly pleaded an intentional infliction of emotional distress claim under Oregon law.
4. Whether Plaintiffs plausibly pleaded that Trader Joe's was a state actor or acted under color of state law for purposes of a First Amendment claim under 42 U.S.C. § 1983.

HOLDINGS

1. Plaintiffs failed to state a breach of contract claim because they did not allege the relevant terms of the purported settlement agreement, how Trader Joe's breached those terms, Yarn's full performance and lack of breach, or facts plausibly showing that Murphy was a third-party beneficiary.
2. Plaintiffs failed to state a defamation claim because they could not plausibly allege that statements implying they were banned or unwanted on Trader Joe's property were demonstrably false.
3. Plaintiffs failed to state an IIED claim because the alleged harassment, false allegations, interference with nonprofit activity, and public humiliation did not plausibly constitute an extraordinary transgression of the bounds of socially tolerable conduct.
4. Plaintiffs failed to state a First Amendment claim under § 1983 because they did not plausibly allege that Trader Joe's was a state actor or acted under color of state law.

KEY QUOTATIONS

“To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” (Legal Standards)

“If the action of the [defendant] is not state action, our inquiry ends.” (Discussion § IV.B)

FACTUAL BACKGROUND

Plaintiffs alleged that they represented a nonprofit organization and raised funds from a table on a public sidewalk outside a Trader Joe's store in Portland, Oregon. Yarn had previously resolved a dispute with Trader Joe's through a settlement that was dismissed with prejudice, and Plaintiffs alleged that Trader Joe's later continued harassing Yarn and falsely stated that he was banned from the premises. Plaintiffs also alleged that Trader Joe's accused Murphy of being a vendor and banned him from the premises, although he claimed to be

present for restroom use and nonprofit representation. The amended complaint asserted breach of contract, defamation, IIED, and First Amendment claims under § 1983.

PROCEDURAL HISTORY

Plaintiffs filed the action in Multnomah County Circuit Court on July 8, 2025, and filed an amended complaint on July 14, 2025. Trader Joe's removed the case to the District of Oregon on August 7, 2025, based on diversity jurisdiction. Plaintiffs moved to remand, but the court denied that motion on November 3, 2025. The court granted Trader Joe's motion to dismiss the amended complaint, allowing Plaintiffs fourteen days to file a second amended complaint if they could cure the identified deficiencies in good faith.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. The court granted the motion to dismiss and dismissed the first amended complaint with leave to amend. Plaintiffs may file a second amended complaint within fourteen days if they can cure the identified pleading deficiencies in good faith; otherwise, the case will be dismissed with prejudice.

CASES CITED

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 556-57, 570, 572 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Daniels-Hall v. Nat'l Educ. Ass'n, 629 F.3d 992, 998 (9th Cir. 2010)
- Sernas v. Cantrell, 857 F. App'x 400, 401 (9th Cir. 2021)
- Seals v. L.A. Unified Sch. Dist., 797 F. App'x 327, 327 (9th Cir. 2020)
- Draper v. Coombs, 792 F.2d 915, 924 (9th Cir. 1986)
- Huffman v. Lindgren, 81 F.4th 1016, 1021 (9th Cir. 2023)
- Lopez v. Smith, 203 F.3d 1122, 1130-31 (9th Cir. 2000)
- Hebbe v. Pliler, 627 F.3d 338, 342 (9th Cir. 2010)
- Litmon v. Harris, 768 F.3d 1237, 1241 (9th Cir. 2014)
- Schoene v. Spirit Airlines, Inc., 726 F. Supp. 3d 1248, 1260-61 (D. Or. 2024)
- Slover v. Or. State Bd. of Clinical Soc. Workers, 927 P.2d 1098, 1101 (Or. Ct. App. 1996)
- Neumann v. Liles, 369 P.3d 1117, 1121 (Or. 2016)
- Wallulis v. Dymowski, 918 P.2d 755, 757-58 (Or. 1996)
- Farnsworth v. Hyde, 512 P.2d 1003, 1004 (Or. 1973)
- Lowell v. Wright, 512 P.3d 403, 411 (Or. 2022)
- Reesman v. Highfill, 965 P.2d 1030, 1034-35 (Or. 1998)
- Harley-Davidson v. Markley, 568 P.2d 1359, 1361-62 (Or. 1977)
- Kolwitz v. Lincoln Cnty. ex rel. Lincoln Cnty. Sheriff's Off., 520 F. App'x 570, 570-71 (9th Cir. 2013)

- State v. Cervantes, 493 P.3d 1106 (Or. Ct. App. 2021)
- Milkovich v. Lorain Journal Co., 497 U.S. 1, 19-20 (1990)
- King v. Menolascino, 555 P.2d 442 (1976)
- Dossett v. Ho-Chunk, Inc., 472 F. Supp. 3d 900, 910-11 (D. Or. 2020)
- Babick v. Or. Arena Corp., 40 P.3d 1059, 1063 (Or. 2002)
- McGanty v. Staudenraus, 901 P.2d 841, 849 (Or. 1995)
- Harris v. Pameco Corp., 12 P.3d 524, 529 (Or. Ct. App. 2000)
- Upchurch v. Multnomah Univ., No. 3:19-cv-00850-AC, 2021 WL 6066283, at *4 (D. Or. Dec. 7, 2021)
- Austin v. Univ. of Or., 205 F. Supp. 3d 1214, 1230 (D. Or. 2016), aff'd, 925 F.3d 1133 (9th Cir. 2019)
- Shay v. Paulson, 884 P.2d 870, 872 (Or. Ct. App. 1994)
- Rendell-Baker v. Kohn, 457 U.S. 830, 837 (1982)
- Lugar v. Edmondson Oil Co., 457 U.S. 922, 937 (1982)
- Kiss v. Best Buy Stores, No. 3:22-cv-00281-SB, 2022 WL 17480936, at *5 (D. Or. Dec. 6, 2022), aff'd, No. 23-35004, 2023 WL 8621972 (9th Cir. Dec. 13, 2023)
- Cobb v. Dyemartin, 584 F. App'x 404, 406 (9th Cir. 2014)

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