

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Sandra Arguello, et al. v. Costco Wholesale Corporation, et al.

Arguello v. Costco · No. EDCV 25-2445 JGB (SPx) · Decided November 6, 2025

SUMMARY

The United States District Court for the Central District of California granted Plaintiffs’ motion to remand a premises-liability and related tort action to California state court. The court held that Defendant Costco failed to establish by clear and convincing evidence that the nondiverse defendant was fraudulently joined, and it vacated the scheduled hearing.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Jesus G. Bernal
JURISDICTION	United States District Court for the Central District of California
DECIDED	November 6, 2025
DOCKET	EDCV 25-2445 JGB (SPx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiffs moved to remand a removed personal-injury action to state court, arguing that the nondiverse California defendant was not fraudulently joined. The district court granted the motion and remanded the case.
STANDARD OF REVIEW	On a motion to remand, the removing party bears the burden of establishing federal subject-matter jurisdiction. Fraudulent joinder must be proven by clear and convincing evidence, and doubts concerning removability are resolved in favor of remand.
PRECEDENTIAL VALUE	unpublished
PARTIES	Sandra Arguello, Louis Arguello v. Costco Wholesale Corporation, Kahresa Jeff, Jane Doe 1, Does 2-50

TOPICS

- subject matter jurisdiction
- civil procedure
- pleadings
- premises liability
- personal injury

PRACTICE AREAS

civil procedure

personal injury

premises liability

negligence

QUESTIONS PRESENTED

1. Whether the California defendant, Kahresa Jeff, was fraudulently joined so that her citizenship could be disregarded for purposes of diversity jurisdiction.
2. Whether Costco established by clear and convincing evidence that plaintiffs could not state or amend a valid cause of action against Jeff under California law.
3. Whether the action should be remanded because the presence of Jeff destroyed complete diversity.

HOLDINGS

1. Costco failed to establish by clear and convincing evidence that Kahresa Jeff was fraudulently joined because the pleadings and declarations did not eliminate the possibility that plaintiffs could state a valid or amendable cause of action against her.
2. Complete diversity did not support federal jurisdiction because plaintiffs and defendant Kahresa Jeff were alleged to be California residents, and Costco did not establish that Jeff's citizenship could be disregarded as a fraudulently joined defendant.

KEY QUOTATIONS

“Where it is not facially evident from the complaint that more than \$75,000 is in controversy, the removing party must prove, by a preponderance of the evidence, that the amount in controversy meets the jurisdictional threshold.” (at 2)

“But if there is a possibility that a state court would find that the complaint states a cause of action against a resident defendant, then the federal court must find that the joinder was proper and remand the case to the state court.” (at 3)

“Defendant Costco has failed to show by clear and convincing evidence that there is no valid cause of action against Ms. Jeff, or one that could not be amended to properly state a cause of action.” (at 4)

FACTUAL BACKGROUND

Sandra Arguello allegedly slipped and fell on a liquid or other substance in the refrigerated dairy section of a Costco store in Moreno Valley, California, sustaining serious injuries. The complaint named Costco and California resident Kahresa Jeff, who was alleged to have been responsible for store maintenance at the time of the incident. Costco submitted declarations asserting that Jeff did not create the hazard, conduct safety inspections, or participate in the incident, but the court found that evidence insufficient to eliminate the possibility of liability.

PROCEDURAL HISTORY

Plaintiffs filed the action in the Superior Court of California for Riverside County on July 10, 2025. Costco removed the action to the Central District of California on September 17, 2025. Plaintiffs moved to remand,

Costco opposed, and the district court granted remand and closed the federal case.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case is remanded to the Riverside Superior Court. The Clerk is directed to close the federal file. The November 10, 2025 hearing is vacated.

CASES CITED

- Am. Fam. Ass'n, Inc. v. City & Cnty. of San Francisco, 277 F.3d 1114, 1120 (9th Cir. 2002)
- Gunn v. Minton, 568 U.S. 251, 256 (2013)
- In re Digimarc Corp. Derivative Litig., 549 F.3d 1223, 1234 (9th Cir. 2008)
- Emrich v. Touche Ross & Co., 846 F.2d 1190, 1195 (9th Cir. 1988)
- Matheson v. Progressive Specialty Ins. Co., 319 F.3d 1089, 1090 (9th Cir. 2003)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Grancare, LLC v. Thrower by & through Mills, 889 F.3d 543, 548 (9th Cir. 2018)
- Nasrawi v. Buck Consultants, LLC, 776 F. Supp. 2d 1166, 11670 (E.D. Cal. 2011)
- Morris v. Princess Cruises, Inc., 236 F.3d 1061, 1068 (9th Cir. 2001)
- Hamilton Materials, Inc. v. Dow Chem. Corp., 494 F.3d 1203, 1206 (9th Cir. 2007)
- Hunter v. Phillip Morris USA, 582 F.3d 1039, 1044 (9th Cir. 2009)
- Tipton v. Airport Terminal Servs., Inc., 2019 WL 185687, at *5 (C.D. Cal. Jan. 14, 2019)