

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Daisy Razo v. McLane/Suneast, Inc., et al.

Razo v. McLane/Suneast · No. CV 25-4277-JFW(ASx · Decided July 17, 2025

SUMMARY

The United States District Court for the Central District of California granted Daisy Razo’s motion to remand her FEHA employment-discrimination action to Los Angeles County Superior Court. The court held that the individual defendants were not fraudulently joined and therefore their California citizenship defeated diversity jurisdiction; the defendants’ motions to dismiss were denied without prejudice.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	John F. Walter
JURISDICTION	United States District Court for the Central District of California
DECIDED	July 17, 2025
DOCKET	CV 25-4277-JFW(ASx
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff moved to remand an employment-discrimination action removed from Los Angeles County Superior Court on diversity grounds. The removing defendants opposed remand and asserted that the nondiverse individual defendants were fraudulently joined. The court also addressed defendants' motions to dismiss and/or strike and to dismiss for lack of personal jurisdiction.
STANDARD OF REVIEW	A removal challenge is governed by strict construction of the removal statute, with doubts resolved in favor of remand. The removing defendant bears the burden of establishing federal jurisdiction and must prove fraudulent joinder by clear and convincing evidence. Remand is proper if there is any possibility that the plaintiff may prevail against the nondiverse defendant, with disputed facts and ambiguities in state law resolved in favor of the nonremoving party.
PRECEDENTIAL VALUE	unpublished district court opinion

PARTIES

Daisy Razo v. McLane/Suneast, Inc., McLane Company, Inc., Alicia Hutchinson, Gail Gonzales

TOPICS

subject matter jurisdiction

joinder

civil procedure

motions to dismiss

hostile work environment

PRACTICE AREAS

civil procedure

employment law

civil rights

QUESTIONS PRESENTED

1. Whether the individual defendants were fraudulently joined so that their California citizenship could be disregarded for purposes of diversity jurisdiction.
2. Whether the allegations and asserted limitations defense against the individual defendants required denial of remand because the harassment claim was not possibly viable under California law.
3. Whether the defendants' motions to dismiss under Federal Rules of Civil Procedure 12(b)(6), 12(f), and 12(b)(2) should be resolved in federal court after remand.

HOLDINGS

1. The individual defendants were not fraudulently joined because defendants failed to establish by clear and convincing evidence that Razo could not possibly state a harassment claim against them under California law. Their California citizenship therefore could not be disregarded, complete diversity was absent, and the district court lacked diversity jurisdiction.
2. The action must be remanded to Los Angeles County Superior Court because the court lacked diversity jurisdiction.

KEY QUOTATIONS

“The standard is not whether plaintiffs will actually or even probably prevail on the merits, but whether there is a possibility that they may do so.”

“Parties may not expand federal jurisdiction beyond its statutory boundaries by using fraudulent joinder-based removal as a replacement for a state court demurrer.”

FACTUAL BACKGROUND

Daisy Razo worked for the McLane defendants from 2011 until her termination effective August 31, 2021. She alleged that she developed work-related hip and back injuries, took medical leave, and was harassed and pressured by defendants to return to work despite her disability and accommodation requests. Her state-court complaint asserted FEHA discrimination, accommodation, interactive-process, harassment, retaliation, prevention, and failure-to-hire claims, including a harassment claim against individual defendants Alicia Hutchinson and Gail Gonzales.

PROCEDURAL HISTORY

Razo filed a California state-court complaint asserting FEHA claims against the McLane defendants and a harassment claim against individual defendants Alicia Hutchinson and Gail Gonzales. The McLane defendants removed the action under 28 U.S.C. § 1332(a), contending that the individual California defendants had been fraudulently joined. The district court found that defendants had not established fraudulent joinder, concluded that complete diversity was absent, granted remand, and denied the pending dismissal motions without prejudice.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to Los Angeles County Superior Court. The McLane defendants' motions to dismiss and/or strike under Rules 12(b)(6) and 12(f), and McLane Company, Inc.'s motion to dismiss under Rule 12(b)(2), are denied without prejudice.

CASES CITED

- N. Cal. Dist. Council of Laborers v. Pittsburg-Des Moines Steel Co., 69 F.3d 1034, 1038 (9th Cir. 1995)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Prize Frize, Inc. v. Matrix, Inc., 167 F.3d 1261, 1265 (9th Cir. 1999)
- Duncan v. Stuetzle, 76 F.3d 1480, 1485 (9th Cir. 1996)
- Hunter v. Philip Morris USA, 582 F.3d 1039, 1043 (9th Cir. 2009)
- McCabe v. Gen. Foods Corp., 811 F.2d 1336, 1339 (9th Cir. 1987)
- Morris v. Princess Cruises, Inc., 236 F.3d 1061, 1067 (9th Cir. 2001)
- Plute v. Roadway Package Sys., Inc., 141 F. Supp. 2d 1005, 1008 (N.D. Cal. 2001)
- Hamilton Materials, Inc. v. Dow Chemical Corp., 494 F.3d 1203, 1206 (9th Cir. 2007)
- Lieberman v. Meshkin, Mazandarani, 1996 WL 732506, at *3 (N.D. Cal. Dec. 11, 1996)
- Roby v. McKesson Corp., 47 Cal. 4th 686, 707-09 (2009)
- Reno v. Baird, 18 Cal. 4th 640, 646-47 (1998)
- Ramirez v. Speltz, 2015 WL 5882065, at *3 (N.D. Cal. Oct. 8, 2015)
- Aguilar v. Avis Rent A Car Sys., Inc., 21 Cal. 4th 121, 130 (1999)
- Meritor Sav. Bank v. Vinson, 477 U.S. 57, 67 (1986)
- Vazquez v. Costco Wholesale Corp., 2021 WL 1784342, at *3 (C.D. Cal. May 5, 2021)
- Stanbrough v. Georgia-Pacific Gypsum LLC, 2009 WL 137036, at *2 (C.D. Cal. Jan. 20, 2009)
- Guilford v. APM Terminals Pacific LLC, 2024 WL 4416816 (C.D. Cal. Sept. 30, 2024)
- Lizari v. CVS Pharmacy Inc., 2011 WL 223806, at *3 (C.D. Cal. Jan. 20, 2011)

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