

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Turner v. Alclear, LLC

Turner · No. 2:24-cv-00530-TLN-AC · Decided March 11, 2025

OPINION

Turner v. Alclear, LLC

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 EASTERN DISTRICT OF CALIFORNIA

10

11 TYONNA TURNER,

12 Plaintiff, No. 2:24-cv-00530-TLN-AC 13 14 v. ORDER

ALCLEAR, LLC,

15 Defendant. 16

17 18 This matter is before the Court on Plaintiff Tyonna Turner’s (“Plaintiff”) Motion to 19
Remand. (ECF No. 5.) Defendant Alclear, LLC (“Defendant”) filed an opposition. (ECF No. 8.)
20 Plaintiff filed a reply. (ECF No. 9.) For the reasons set forth below, the Court DENIES 21
Plaintiff’s motion. 22 /// 23 /// 24 /// 25 /// 26 /// 27 /// 28 ///

1 I. FACTUAL AND PROCEDURAL BACKGROUND

2 The instant action arises out of Defendant’s alleged wage and hour violations. (ECF No. 3 1-4 at
8–27.) Plaintiff was employed by Defendant, a technology company, as a non-exempt 4 employee
with the title of “Sales Ambassador” out of the Sacramento office. (Id. at 11.) Plaintiff 5 worked
for Defendant from March 27, 2023, to October 12, 2023. (Id.) Plaintiff and other non- 6 exempt
employees were responsible for all aspects of Defendant’s business in California. (Id.) 7 Plaintiff
alleges she and non-exempt employees were often not afforded all the protections and 8 rights
conferred under state law. (Id.) On January 11, 2024, Plaintiff filed the operative 9 Complaint in
Sacramento County Superior Court, alleging the following claims: (1) failure to pay 10 all
overtime wages; (2) meal period violations; (3) rest period violations; (4) failure to pay sick 11
time; (5) wage statement violations; (6) waiting time penalties; (7) failure to reimburse necessary
12 business expenses; and (8) unfair competition. (Id. at 8–27.) 13 On February 20, 2024,
Defendant removed the action to this Court based on the Class 14 Action Fairness Act (“CAFA”).
(ECF No. 1.) Plaintiff filed the instant motion to remand on

15 March 21, 2024. (ECF No. 5.)

16 II. STANDARD OF LAW

17 A civil action brought in state court, over which the district court has original jurisdiction, 18 may be removed by the defendant to federal court in the judicial district and division in which the 19 state court action is pending. 28 U.S.C. § 1441(a). CAFA gives federal courts original 20 jurisdiction over certain class actions only if: (1) the class has more than 100 members; (2) any 21 member of the class is diverse from the defendant; and (3) the aggregated amount in controversy 22 exceeds \$5 million, exclusive of interest and costs. See 28 U.S.C. §§ 1332(d)(2), (5)(B). 23 Congress enacted CAFA “specifically to permit a defendant to remove certain class or 24 mass actions into federal court” and intended courts to interpret CAFA “expansively.” *Ibarra v. 25 Manheim Invs., Inc.*, 775 F.3d 1193, 1197 (9th Cir. 2015). As a general rule, removal statutes are 26 to be strictly construed against removal. *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). 27 However, “no antiremoval presumption attends cases invoking CAFA.” *Dart Cherokee Basin 28 Operating Co. v. Owens*, 574 U.S. 81, 89 (2014). Nonetheless, “[i]f at any time before final 1 judgment it appears that the district court lacks subject matter jurisdiction, the case shall be 2 remanded” to state court. 28 U.S.C. § 1447(c). 3 A defendant seeking removal under CAFA must file in the federal forum a notice of 4 removal “containing a short and plain statement of the grounds for removal.” *Dart Cherokee*, 574 U.S. at 83 (quoting 28 U.S.C. § 1446(a)). The notice of removal “need not contain evidentiary 6 submissions,” rather a defendant’s “plausible allegation that the amount in controversy exceeds 7 the jurisdictional threshold” suffices. *Id.* at 84, 89. When “a defendant’s assertion of the amount 8 in controversy is challenged . . . both sides submit proof and the court decides, by a 9 preponderance of the evidence, whether the amount-in-controversy requirement has been 10 satisfied.” *Id.* at 88. The parties may submit evidence outside the complaint including “affidavits 11 or declarations or other ‘summary-judgment-type evidence relevant to the amount in controversy 12 at the time of removal.’” *Hender v. Am. Directions Workforce LLC*, No. 2:19-cv-01951-KJM- 13 DMC, 2020 WL 5959908 *2 (E.D. Cal. Oct. 7, 2020) (citation omitted). 14 When “the defendant relies on a chain of reasoning that includes assumptions to satisfy its 15 burden of proof, the chain of reasoning and the underlying assumptions must be reasonable, and 16 not constitute mere speculation and conjecture.” *Id.* (citing *Ibarra*, 775 F.3d at 1197–99). 17 “CAFA’s requirements are to be tested by consideration of real evidence and the reality of what is 18 at stake in the litigation, using reasonable assumptions underlying the defendant’s theory of 19 damages exposure.” *Ibarra*, 775 F.3d at 1198. Then “the district court must make findings of 20 jurisdictional fact to which the preponderance standard applies.” *Dart Cherokee*, 574 U.S. at 89 21 (internal citation omitted).

22 III. ANALYSIS

23 Plaintiff argues Defendant cannot remove this action under CAFA because it has not 24 proven the requisite amount in controversy by a preponderance of the evidence. (ECF No. 5 at 25 8.) Specifically, Plaintiff contends: (1) Defendant has not submitted credible evidence that the 26 amount in controversy exceeds \$5 million; (2) Defendant’s waiting time penalty calculation 27 assumes a 100 percent violation rate; (3) Defendant did not offer a figure for the overtime, sick 28

pay, meal and rest period, and reimbursement claims; and (4) Defendant's attorneys' fees 1 calculations are unsupported and exaggerated. (Id. at 8–13.) The Court will consider each of 2 these arguments in turn. 3 A. Credible Evidence 4 Plaintiff argues the Complaint does not specify an amount of damages and the allegations 5 do not support Defendant's purported 100 percent violation rates and damages model 6 (specifically, an assumption of a 100 percent violation rate and 30 days of wages for more than 7 1,150 putative class members). (Id. at 10.) Plaintiff contends that despite having access to 8 Plaintiff's and other putative class members' time and payroll records, Defendant does not 9 provide any evidence or reasonable assumptions about Plaintiff's underlying overtime, sick pay, 10 or meal and rest period claims. (Id.) 11 In opposition, Defendant maintains it submitted with its notice of removal "authenticated 12 evidence" in the form of a sworn declaration of its Payroll Manager, Cecilia N. Kwok ("Kwok"), 13 who has access to and reviewed Defendant's current and former employees' records. (ECF No. 8 14 at 10.) Defendant also submitted a supplemental declaration from Kwok with its opposition to 15 confirm employees are regularly scheduled to work eight-hour shifts. (Id. at 11.) 16 In reply, Plaintiff contends Defendant has not met the preponderance of the evidence 17 standard, "as it is more likely than not that the amount in controversy fails to meet the \$5,000,000 18 threshold based solely on a self-serving declaration coupled with unreasonable assumptions 19 without evidentiary support." (ECF No. 9 at 5.) 20 Because Plaintiff challenges Defendant's estimate, Defendant bears the burden to 21 establish jurisdiction by a preponderance of the evidence. *Dart Cherokee*, 574 U.S. at 87–88; see 22 also *Ibarra*, 775 F.3d at 1197. Defendant must present "more than a plausible case to show it 23 satisfies the jurisdictional prerequisite." *Hender v. Am. Directions Workforce LLC*, No. 2:19-cv- 24 01951-KJM-DMC, 2020 WL 5959908, at *2 (E.D. Cal. Oct. 7, 2020). 25 As a preliminary matter, Defendant was not required to submit evidence with its notice of 26 removal. See *Dart Cherokee*, 574 U.S. at 84, 89 (holding that the notice of removal "need not 27 contain evidentiary submissions" and defendant's "plausible allegation that the amount in 28 controversy exceeds the jurisdictional threshold" is sufficient at that stage). To the extent 1 Plaintiff challenges the Kwok declarations in her motion and reply, courts have found this type of 2 evidence to be sufficient for establishing the amount in controversy in similar cases. See *Avila v. 3 Rue21, Inc.*, 432 F. Supp. 3d 1175, 1186 (E.D. Cal. 2020) (finding a declaration from defendant's 4 "Associate Director of the Operational Finance Department" based on "his personal knowledge of 5 [d]efendant's business records" to be sufficient); *Andrade v. Beacon Sales Acquisition, Inc.*, No. 6 CV 19-06963-CJC(RAOx), 2019 WL 4855997, at *4 (C.D. Cal. Oct. 1, 2019) (holding "a 7 declaration from a knowledgeable employee based on her analysis of regularly kept and created 8 business records" to be sufficient). 9 Here, Kwok's declarations establish that there were at least 1,150 putative class members 10 who separated from Defendant between January 11, 2020, 1 and December 12, 2023, and that the 11 average hourly rate for those employees at the time of termination was \$18.48. (ECF No. 1-3 at 12 2; ECF No. 8-1 at 2–3.) Kwok avers that, in connection with these declarations, she reviewed 13 records for Defendant's

non-exempt employees during the period between January 11, 2020, to 14 the present that were created, maintained, and kept by Defendant in the regular and ordinary 15 course of business. (Id.) Based on the content of these declarations — and in absence of any 16 evidence from Plaintiff to the contrary — the Court concludes there is a sufficient evidentiary 17 foundation laid to determine the amount in controversy. 18 Further, to the extent Plaintiff argues Ibarra, 775 F.3d at 1199, mirrors the instant 19 challenge to the credibility of evidence presented (ECF No. 9 at 6), the Court disagrees that 20 Ibarra is analogous. In Ibarra, the Ninth Circuit held that “a ‘pattern and practice’ of doing 21 something does not necessarily mean always doing something,” and, without more, an 22 assumption of a 100 percent violation rate was not reasonable. 775 F.3d at 1199. The Ninth 23 Circuit did not find that the declaration of defendant’s senior director of employee services and 24 administration did not constitute sufficient credible evidence to determine the amount in 25 controversy. Id. at 1198. Rather, the court took issue with the declaration’s method of 26 calculation assuming defendant denied each class member one meal break in each of their 5-hour 27 1 Defendant notes January 11, 2021, in its opposition brief, but Kwok notes the relevant 28 date is January 11, 2020, in her declaration. (ECF No. 1-3 at 2.) 1 shifts and one rest break in each of their 3.5-hour shifts. Id. 2 Having found the Kwok declarations to be sufficient, the Court will next consider the 3 amount in controversy for Plaintiff’s claims. 4

B. Waiting Time Penalty Calculation 5 In the notice of removal, Defendant estimates waiting time penalties are \$5,100,480. 6 (ECF No. 1 at 11.) Defendant bases this estimate on the following calculation: \$18.48 average 7 hourly rate x 8 hours/day x 30 days x 1,150 full-time putative class members who have been 8 terminated, resigned, or otherwise separated from employment with Defendant. (Id.; ECF No. 1- 9 3 at 2.) 10 Plaintiff contends Defendant’s calculations lack justification for assuming a 100 percent 11 penalty recovery for the full 30-day period for each putative class member. (ECF No. 5 at 11.) 12 Specifically, Plaintiff notes the Kwok declaration: fails to state what electronic payroll 13 information and data was used to determine there are “at least” 1,150 terminated non-exempt 14 employees; why the average hourly rate for all those former employees would be entitled to 15 maximum waiting time penalties; and the basis for the calculation that each employee worked 16 eight hours per day, every day, during the three-year time frame. (Id. at 11–12.) 17 In opposition, Defendant maintains its calculation of the amount in controversy does not 18 assume putative class members were subjected to overtime, sick pay, vacation pay, and meal and 19 rest period violations in 100 percent of the shifts they worked. (ECF No. 8 at 14.) Rather, 20 Defendant asserts it only makes the reasonable assumption that Plaintiff is claiming putative class 21 members were subjected to at least one violation (of overtime, sick pay, vacation pay, or a single 22 meal or rest period violations) during their employment. (Id. at 14–15.) Defendant then states, 23 that having made this assumption, it applied the statistics authenticated by its Payroll Manager to 24 calculate the potential amount in controversy in connection with Plaintiff’s claim for waiting time 25 penalties. (Id. at 15.) Defendant notes this method of calculation is routinely approved by 26 California courts,

including this Court in *Vigil v. DAK Res., Inc.*, No. 2:23-cv-00163-TLN-AC, 27 2023 WL 5917522 (E.D. Cal. Aug. 11, 2023). (Id.) 28 /// 1 Here, the Court agrees with Defendant that this matter is analogous to the matter presented 2 in *Vigil*, 2023 WL 5917522. As in *Vigil*, Plaintiff alleges Defendant is liable for maximum 3 waiting time penalties of 30 days of wages. (ECF No. 1-4 at 24 (“Defendant is liable to the 4 Waiting Time Subclass for waiting time penalties amounting to thirty (30) days wages for 5 Plaintiff and the Waiting Time Subclass pursuant to Labor Code § 203.”).) Therefore, it is 6 reasonable to assume maximum waiting time penalties — the daily pay rate for up to 30 days — 7 for purposes of calculating potential damages. See *Nunes v. Home Depot U.S.A., Inc.*, No. 2:19- 8 cv-01207-JAM-DB, 2019 WL 4316903, at *3 (E.D. Cal. Sept. 12, 2019) (holding it was 9 reasonable to assume maximum waiting time penalties where the complaint demanded up to 30 10 days of wages as penalties and made broad allegations of violations). Further, because Plaintiff 11 makes broad allegations of violations, “it is reasonable to assume the [separated] class members 12 suffered at least one violation (e.g., one missed meal or rest [period]) and were therefore not paid 13 all wages owed upon [separation].” Id. Accordingly, the Court finds Defendant has established 14 by a preponderance of the evidence the waiting time penalties claim equals an amount in 15 controversy of \$5,100,480. 16 The Court disagrees with Plaintiff’s contention that this matter is like the one presented in 17 *Garibay v. Archstone Cmtys, LLC*, 539 F. App’x 736, 764 (9th Cir. 2013). (ECF No. 5 at 11.) In 18 *Garibay*, the court found a declaration from a payroll supervisor, without more, was insufficient 19 to establish the amount in controversy. 539 F. App’x at 764. Several courts, including this one, 20 have emphasized that *Garibay* is an unpublished opinion and therefore nonbinding. See *Sanchez 21 v. Abbott Laboratories*, No. 2:20-cv-01436-TLN-AC, 2021 WL 2679057, at *3 (E.D. Cal. June 22 30, 2021) (citing cases). Further, as this Court has done in the past, it finds “*Garibay* is of limited 23 utility here because it contains little discussion of . . . the appropriate evidence that the defendants 24 should have produced to establish the amount in controversy.” Id. (citing *Herrera v. Carmax 25 Auto Superstores Cal., LLC*, No. EDCV14776MWFVBKX, 2014 WL 12586254, at *3 (C.D. Cal. 26 June 12, 2014)).

27 Defendant is correct the other cases Plaintiff cites (for the proposition that Defendant’s 28 calculations lack justification for assuming a 100 percent penalty recovery for the full 30-day 1 period) are distinguishable from the instant matter.² (ECF No. 8 at 17–18.) First, both parties in 2 *Ibarra* failed to provide evidentiary support for their competing violation rates, so the Ninth 3 Circuit remanded the action to the district court for the parties to provide further evidence. 775 4 F.3d at 1198–99. Unlike the defendant in *Ibarra* that assumed a 100 percent violation rate based 5 on the plaintiff alleging a “pattern and practice” of failure to pay for all hours worked, Defendant 6 is making a reasonable assumption that Plaintiff is seeking to recover some amount of unpaid 7 wages for each putative class member based on at least one violation per employee. Second, in 8 *Beck v. Saint-Gobain Containers, Inc.*, No. 2:16-cv-03638-CAS-SK, 2016 WL 4769716, at *9 9 (C.D. Cal. Sept. 12, 2016) and *Cisneros v. Lerner N.Y., Inc.*, No. 2:16-cv-02722-CAS(Ex), 2016

10 WL 4059612, at *4 (C.D. Cal. July 25, 2016), the courts found there was “no evidence” to 11 support the assumption that all putative class members separated from employment would be 12 entitled to receive waiting time penalties for the entire 30 day period and that all members would 13 be entitled to eight hours of wages for each of the 30 days. In contrast, as stated previously, 14 Plaintiff herself explicitly alleges the Waiting Time Penalty Subclass is owed a full 30 days of 15 waiting time penalties. (ECF No. 1-4 at 24.) Finally, Defendant is correct that Dupre v. General 16 Motors, No. CV-10-0955-RGK(Ex), 2010 WL 3447082 (C.D. Cal. Aug. 27, 2020), has no 17 application to the instant matter because it does not address derivative waiting time penalties 18 under Labor Code § 203. (ECF No. 8 at 18.) 19 Based on the foregoing, the Court finds Defendant has established by a preponderance of 20 the evidence the waiting time penalties claim equals an amount in controversy of \$5,100,480. 21 C. Overtime, Sick Pay, Meal and Rest Period, and Reimbursement Claims 22 Plaintiff argues Defendant fails to calculate any damages for the overtime, sick pay, meal 23 and rest period, and reimbursement claims, or include these claims in its calculations. (ECF No. 24 5 at 12.) Plaintiff further argues that because Defendant did not offer an amount in controversy in 25 its notice of removal for these claims, no value can be added on these claims or any associated 26 2 Plaintiff also cites to a case “Johnson v. Sunrise Sr. Living Mgmt., Inc.” (ECF No. 5 at 27 11), but did not provide a citation. Defendant notes this in its opposition (ECF No. 8 at 17), but Plaintiff does not address the issue in their reply (see ECF No. 9). Accordingly, the Court 28 declines to evaluate this argument. 1 attorneys’ fees, even if Defendant presents additional evidence in its opposition. (Id.) Defendant 2 does not address these arguments in its opposition. (See ECF No. 8.) 3 As stated previously, CAFA provides this Court with jurisdiction if the aggregated 4 amount in controversy exceeds \$5 million, exclusive of interest and costs. See 28 U.S.C. § 5 1332(d)(2). Defendant has already established by a preponderance of the evidence that the 6 waiting time penalties claim equals an amount in controversy of \$5,100,480. Accordingly, even 7 without calculations for the overtime, sick pay, meal and rest period, and reimbursement claims, 8 Defendant has shown by a preponderance of the evidence the amount in controversy in this case 9 exceeds \$5 million as required by CAFA. 10 D. Attorneys’ Fees 11 Plaintiff argues Defendant has failed to meet its burden in proving the alleged \$1,275,120 12 amount in controversy for attorneys’ fees because Defendant’s purported damages calculations 13 are “highly exaggerated.” (ECF No. 5 at 13.) Plaintiff notes that Defendant seeks to calculate the 14 25 percent attorneys’ fees based on the \$5,100,480 amount in controversy for the waiting time 15 penalties claim, but only Plaintiff’s overtime, reimbursement, and derivative wage statement 16 claims have underlying statutes that expressly authorize an award of attorneys’ fees. (Id.) 17 Plaintiff maintains that if any attorneys’ fees are due, they would be solely based on the Labor 18 Code § 226 and overtime and reimbursement claims, for which Defendant has not provided any 19 calculations or evidence. (Id.) 20 In opposition, Defendant maintains that Plaintiff’s Complaint “expressly prays for 21 judgment ‘[o]n all causes of action, for attorneys’ fees and costs,’” and seeks to recover an 22 unspecified amount of attorneys’ fees in

connection with her claims for unpaid overtime wages, 23 meal period violations, sick time pay, failure to provide accurate itemized wage statements, and 24 unfair competition. (ECF No. 8 at 19.) Defendant asserts the benchmark for attorneys' fees is 25 25 percent of the amount in controversy and therefore the Court should consider its \$1,275,120 26 calculation to be a conservative estimate at 25 percent of the aggregate amount in controversy. 27 (Id.) 28 /// 1 In reply, Plaintiff emphasizes the claim for waiting time penalties is not eligible for 2 | attorneys' fees and therefore Defendant fails to meet its burden of proof as to any violations or 3 | damages attributable to claims that are eligible for attorneys' fees. (ECF No. 9 at 8.) 4 The Court finds the parties do not provide sufficient authority regarding whether 5 || attorneys' fees can be calculated based on a waiting time penalties claim alone. Nevertheless, 6 | Defendant has already established by a preponderance of the evidence that the waiting time 7 | penalties claim equals an amount in controversy of \$5,100,480. Accordingly, even without 8 | calculations for attorneys' fees, Defendant has shown by a preponderance of the evidence the 9 | amount in controversy in this case exceeds \$5 million as required by CAFA.

10 IV. CONCLUSION

11 For the foregoing reasons, the Court DENIES Plaintiff's Motion to Remand. (ECF No. 12 | 5.) The parties are ordered to file a Joint Status Report with proposed dates for filing a motion for 13 | class certification within thirty (30) days of the date of this Order. 14 IT IS SO ORDERED. 15 || Date: March 10, 2025 16 Lal Uy

8 TROY L. NUNLEY

19 CHIEF UNITED STATES DISTRICT JUDGE

20 21 22 23 24 25 26 27 28 10