1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 9 EASTERN DISTRICT OF CALIFORNIA 10 AMBER HAASE, No. 2:09-cv-01751-MCE-GGH 11 12 Plaintiff, 13 MEMORANDUM AND ORDER V. 14 AERODYNAMICS INCORPORATED, a corporation; ADI SHUTTLE GROUP, LLC, a limited liability company; and DOES 15 ONE through FIFTY, inclusive, 16 17 Defendants. ----00000----18 19 20 Plaintiff Amber Haase seeks monetary relief from Defendants Aerodynamics Incorporated and ADI Shuttle Group, LLC for Unlawful 21 Employment Practices in violation of the California Fair 22 Employment and Housing Act and for Wrongful Termination in 23 violation of California public policy. 1 24 /// 25 26 27 1 Because oral argument was not of material assistance, the Court ordered this matter submitted on the briefs. E.D. Cal. 28

Local Rule 78-230(h).

Presently before the Court is Plaintiff's Motion to Remand this action to the Superior Court of the State of California for the County of Sacramento, pursuant to 28 U.S.C. § 1447(c), on grounds that this Court lacks removal jurisdiction under 28U.S.C. § 1441(b). For the reasons set forth below, the Court denies Plaintiff's Motion to Remand.

BACKGROUND

Plaintiff, a California resident, worked for Defendant ADI Shuttle Group, LLC ("ADI") as a full time flight attendant beginning in July 2004. (Compl. ¶ 13.) This action is based on alleged acts of discrimination that occurred during Plaintiff's employment and eventual termination. Plaintiff alleges that ADI engaged in a pattern and practice of disregarding Plaintiff's California Pregnancy Disability Leave Rights, which she claims ultimately led to her retaliatory termination on December 5, 2008.

Plaintiff is suing not only her former employer, ADI, but also ADI's parent company, Aerodynamics Incorporated ("Aerodynamics") under theories of alter ego and integrated enterprise. (Compl. ¶¶ 4-10.) Defendant ADI is a limited liability company formed under the laws of the State of Delaware with its principal place of business in the State of Michigan. (Def.'s Notice of Removal ¶ 13.) Defendant Aerodynamics is a corporation incorporated under the laws of the State of Michigan with its principal place of business in the State of Michigan. (Def.'s Notice of Removal ¶ 12.)

Plaintiff filed the present action on May 7, 2009 in the Superior Court of the State of California for the County of Sacramento alleging state law claims of Unlawful Employment Practices and Wrongful Termination in violation of public policy. Plaintiff's Complaint alleges general damages for each claim "in excess of the jurisdictional limits of the Superior Court" as well as for undetermined special damages, punitive damages, costs and interest. (Compl. 16-17.) Plaintiff also seeks recovery of attorney's fees for the Unlawful Employment Practices Claim. (Compl. 16.)

On July 21, 2009, Defendants removed the action to this Court pursuant to 28 U.S.C. § 1441(a) on the basis of diversity jurisdiction. Plaintiff now moves to remand the action back to the state court pursuant to 28 U.S.C. § 1447(c) on the grounds that removal was improper under 28 U.S.C. § 1441(a) and (b) because Defendants failed to prove by the preponderance of the evidence that the amount in controversy exceeds \$75,000 as required to confer this Court with original jurisdiction under 28 U.S.C. § 1332.

STANDARD

A defendant may remove any civil action from state court to federal district court if the district court has "original jurisdiction" over the matter. 28 U.S.C. § 1441(a). Generally, district courts have original jurisdiction over civil actions in two instances:

(1) where there is complete diversity between the parties, or (2) where a federal question is presented in an action arising under the Constitution, federal law, or treaty. 28 U.S.C.

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Where jurisdiction is founded on diversity, 28 U.S.C. § 1332 requires that the amount in controversy exceed \$75,000.00. Matheson v. Progressive Specialty Ins. Co., 319 F.3d 1089, 1090 (9th Cir. 2003). The removing party bears the burden of establishing federal jurisdiction. Ethridge v. Harbor House Rest., 861 F.2d 1389, 1393 (9th Cir. 1988). If the jurisdictional amount in controversy is not facially apparent from the state court complaint, i.e., if the plaintiff has not sought a specific amount in damages or if the amount sought is unclear, then the court must look beyond the facts of the complaint and apply the preponderance of the evidence standard. Walker, 627 F. Supp. 2d at 1141; Sanchez v. Monumental Life Ins. Co., 102 F.3d 398, 404 (9th Cir. 1996); Guglielmino v. McKee Foods Corp., 506 F.3d 696, 701 (9th Cir. 2007). Accordingly, in order to defeat a motion to remand, the removing defendant must prove by a "preponderance of the evidence" that the amount in controversy requirement has been met. Sanchez, 102 F.3d at 404 ("[T]he defendant must provide evidence establishing that it is 'more likely than not' that the amount in controversy exceeds that amount.").

In determining whether the jurisdictional requirement has been met in such cases, the court may consider evidence submitted subsequent to the notice of removal, including evidence submitted in conjunction with an opposition to a motion to remand.

Cohn v. Petsmart, Inc., 281 F.3d 837, 840 n.1 (9th Cir. 2002);
see Willingham v. Morgan, 395 U.S. 402, 407 n.3, 89 S. Ct. 1813,
23 L. Ed. 2d 396 (1969) ("[I]t is proper to treat the removal
petition as if it had been amended to include the relevant
information contained in the later-filed affidavits.").

The district court has broad discretion in determining whether the defendant has made the requisite showing. See

Liberty Mut. Ins. Co. v. Ward Trucking Corp., 48 F.3d 742, 749-50

(3rd Cir. 1995); Rubel v. Pfizer, Inc., 361 F.3d 1016, 1019-20

(7th Cir. 2004). Furthermore, courts construe the removal statute strictly against removal. Gaus v. Miles, Inc., 980 F.2d

564, 566 (9th Cir. 1992) (citations omitted). Therefore, if there is any doubt as to the right of removal in the first instance, remand must be granted. See Gaus, 980 F.2d at 566.

Furthermore, if at any time before final judgment it appears that a district court lacks subject matter jurisdiction, the case shall be remanded to state court. 28 U.S.C. § 1447(c).

If the district court determines that removal was improper, then the court may also award the plaintiff costs and attorney fees accrued in response to the defendant's removal. 28 U.S.C. § 1447(c). The court has broad discretion to award costs and fees whenever it finds that removal was wrong as a matter of law. Balcorta v. Twentieth-Century Fox Film Corp., 208 F.3d 1102, 1106 n.6 (9th Cir. 2000).

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ANALYSIS

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When federal jurisdiction is sought on the basis of diversity, jurisdiction will lie if the matter in controversy exceeds the sum or value of \$75,000.00, and is between citizens of different states. 28 U.S.C. § 1332(a)(1). The parties here do not dispute diversity of citizenship. Accordingly, this motion turns on whether the requisite "amount in controversy" exists.

To successfully maintain this action in federal court, Defendants must demonstrate that the \$75,000 minimum amount in controversy standard under 28 U.S.C. § 1332(a) has been met. amount in controversy for jurisdictional purposes is determined by the amount of damages at issue in the action. Washington State Apple Advertising Commission, 432 U.S. 333, 347-48, 97 S. Ct. 2434, 53 L. Ed. 2d 383 (1977); Meisel v. Allstate <u>Indemnity Co.</u>, 357 F. Supp. 2d 1222, 1225 (E.D. Cal. 2005). Here, Plaintiff has not pled a specific amount in damages other than that the general damages amount is "in excess of the minimum jurisdiction of" the California Superior Court, i.e., an undetermined amount in excess of \$25,000. (Compl. ¶¶ 58, 66.) Thus, because the amount in controversy is not facially apparent from the Complaint, Defendants bear the burden of actually proving, by a preponderance of evidence, the facts to support federal jurisdiction, namely, the jurisdictional amount. Sanchez, 102 F.3d at 403. The jurisdictional minimum may be satisfied by claims for special and general damages, attorneys' fees and punitive damages.

Simmons v. PCR Technology, 209 F. Supp. 2d 1029, 1031 (N.D. Cal. 2002) (citing Conrad Assoc. v. Hartford Accident & Indem. Co., 994 F. Supp. 1196, 1198 (N.D. Cal. 1998)).

Plaintiff asserts that the only evidence as to the amount of damages is Plaintiff's lost wages and benefits totaling \$21,830.00 at the time of removal. Plaintiff alleges that Defendants' "attempt to fill the \$53,170.00 gap" consists of "speculation, estimates and guesses." (Pl.'s Mot. 1.)

Defendants counter that Plaintiff's Complaint specifically alleges general damages for emotional distress, special damages for lost and future wages and benefits, exemplary (or punitive) damages, and attorney's fees. Defendants assert that "[e]ven minimal awards of each of these kinds of damages and fees would place the amount in controversy well in excess of \$75,000." (Defs.' Opp'n 3.) As delineated below, the Court finds that Defendants have satisfied their burden.

A. Compensatory Damages

In determining the amount in controversy, the court may consider compensatory damage claims for "general" or "special" damages. General damages are those that necessarily or usually result from particular wrongful acts, and the mere statement of the cause of action for the injury sufficiently implies that these damages resulted. Special damages are those that are not considered to be so necessary or usual a result, and specific notice is required when they are claimed.

See In re Hawaii Federal Asbestos Cases, 734 F. Supp. 1563, 1567 (D. Hawaii 1990) ("Traditionally, damages fall into two categories: special and general damages. Special damages compensate claimants for specific out-of-pocket financial expenses and losses. General damages provide compensation for pain, suffering, and emotional distress.").

Furthermore, in an action by a single plaintiff against a single defendant, all claims can be aggregated to meet the minimum jurisdictional amount. Wolde-Meskel v. Vocational

Instruction Project Community Services, Inc., 166 F.3d 59, 62 (2d Cir. 1999); see Bank of Calif. Nat'l Ass'n v. Twin Harbors Lumber Co., 465 F.2d 489, 491 (9th Cir. 1972). Whether a single plaintiff's claims against several defendants can be aggregated for jurisdictional purposes depends on whether the defendants are jointly liable to the plaintiff on each claim. Sovereign Camp Woodmen v. O'Neill, 266 U.S. 292, 297-98, 45 S. Ct. 49, 50-51 (1924); Libby, McNeill & Libby v. City Nat'l Bank, 592 F.2d 504, 509 (9th Cir. 1978).

As indicated above, the underlying complaint was filed in state court. Under California law, every complaint must contain a prayer or demand for relief to which the plaintiff claims he or she is entitled. Cal. Civ. Proc. Code § 425.10(b). The demand is the decisive factor in determining the amount in controversy for jurisdictional purposes. Engebretson & Co. v. Harrison, 125 Cal. App. 3d 436 (4th Dist. 1981). As master of his or her complaint, the plaintiff may choose either to include a separate prayer for each cause of action or to include a cumulative prayer encompassing all causes of action.

Here, Plaintiff has chosen to plead a prayer of relief for each cause of action. In doing so, Plaintiff has prayed for "general damages in excess of the jurisdictional limits of the Superior Court" for each cause of action. Therefore, Plaintiff has claimed general damages, which include emotional distress damages, in excess of \$25,000 for each cause of action. Given the nature of the allegations and the claims presented, the Court cannot say that Plaintiff's general damages estimate in this regard is unreasonable or devoid of merit. In addition, Plaintiff has also alleged that the two defendants are jointly liable for any damages under theories of alter ego and integrated enterprise. Accordingly, the damages pled by Plaintiff's two causes of action can be aggregated. Thus, Plaintiff has pled general damages in excess of \$50,000.

Furthermore, Plaintiff prays for "special damages in an amount to be determined." The amount in controversy must be determined at the time of removal. Meritcare, Inc. v. St. Paul Mercury Ins. Co., 166 F.3d 214, 217-18 (3d Cir. 1999). At the time of removal, Plaintiff's lost wage claim, a special damage, totaled \$21,830. Therefore, on the face of the complaint, Plaintiff has pled damages totaling \$71,830. Therefore, the question is whether the sum of the remaining damages claimed by Plaintiff, punitive damages and attorney's fees, total \$3,170, thereby satisfying the jurisdictional amount in controversy.

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B. Punitive Damages

Punitive damages may be considered in determining the amount in controversy if they are recoverable as a matter of state law.

Anthony v. Security Pac. Fin. Servs., Inc., 75 F.3d 311, 315 (7th Cir. 1997). Plaintiff's action is brought pursuant to the California Fair Employment and Housing Act ("FEHA"), Cal. Gov. Code § 12900 et seq. Punitive damages are available under FEHA.

Cal. Gov. Code § 12940. Accordingly, this Court may consider punitive damages when determining the amount in controversy. See Simmons v. PCR Technology, 209 F. Supp. 2d 1029 (N.D. Cal. 2002).

When assessing the probable amount of unspecified punitive damages for jurisdictional purposes, courts may look to verdicts in analogous cases as a reasonable approximation. See Simmons v. PCR Technology, 209 F. Supp. 2d 1029, 1033. To this end,

Defendants attempt to highlight jury verdicts with substantial punitive damage awards. See, e.g., Lopez v. Bimbo Bakeries USA,

Inc., No. CGC-05-445104, 2007 WL 1765192 (Cal. Super. Ct. May 22, 2007) (awarding \$2,340,700 to former delivery driver claiming employer failed to accommodate her pregnancy and terminated her because of her disability leave); Coziahr v. Chula Vista

Elementary Sch. Dist., No. GIS24716, 2007 WL 4590579 (Cal. Super. Ct. Dec. 7, 2007) (awarding \$1,012,720 to former grade school teacher claiming a pattern of gender and pregnancy discrimination over two-year period, ending in her termination).

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Plaintiff objects to the proffered jury verdicts on the grounds that such are "not from any filed court opinion" but rather are "attorney reports which Thomson Reuters has posted on a West Law [sic] website." (Pl.'s Reply 12-13.) Plaintiff further objects that the cited jury verdicts do not identify the amount awarded for punitive damages as differentiated from the compensatory award. The Court does not address this argument as even a minimum award of punitive damages would satisfy the jurisdictional requirement.

C. Attorney's Fees

Finally, attorney's fees may also be considered in determining the amount in controversy if such fees are recoverable by plaintiff, either by statute or by contract. Galt G/S v. JSS Scandinavia, 142 F.3d 1150, 1155-56 (9th Cir. 1998). Attorney's fees are recoverable as a matter of right to the prevailing party under FEHA.² Thus, because attorney's fees are expressly authorized by statute, such fees may be included in determining the amount in controversy.

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² In relevant part, California Government Code § 12965(b) provides: "In actions brought under this section, the court, in its discretion, may award to the prevailing party reasonable attorney's fees and costs"

Plaintiff further objects to the inclusion of attorney's fees in the jurisdictional calculation. Plaintiff argues that in every case in which a court has included attorney's fees in determining the amount in controversy, there has been some factual showing as to the amount of attorney's fees actually being incurred. Here, however, according to Plaintiff, "there is absolutely no evidence of plaintiff's counsel's hourly rate, time spent on work to date, or at what point this case may be resolved" and thus "it is pure speculation as to what attorney's fees may or may not be incurred." (Pl.'s Reply 7.) Again, the Court does not address this argument as even a minimal award of attorney's fees would cause the amount in controversy to exceed the jurisdictional minimum. See Simmons, 209 F. Supp. 2d at 1035 ("The court notes that in its twenty-plus years' experience, attorneys' fees in individual discrimination cases often exceed the damages.").

While an award of punitive damages and attorney's fees alone would not necessarily exceed \$75,000, when viewed in combination with the alleged compensatory damages totaling \$71,830, the amount in controversy clearly exceeds the jurisdictional minimum. Therefore, this Court is satisfied that Defendants have met their burden of proving the jurisdictional minimum by a preponderance of the evidence. Thus, Plaintiff's Motion to Remand to state court must fail.

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CONCLUSION

Based on the foregoing, Plaintiff's Motion to Remand (Docket

No. 11) is DENIED.

IT IS SO ORDERED.

Dated: October 16, 2009

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MORRISON C. ENGLAND, (R.)
UNITED STATES DISTRICT JUDGE