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BLOGS

Class Actions

Court Holds That It Has Jurisdiction Under the Class Action Fairness Act Over Franchisees' Complaint

A Minnesota federal court has denied a motion to remand a class action lawsuit to state court, holding that the federal court had jurisdiction over the action under the Class Action Fairness Act (CAFA). In *Green et al. v. SuperShuttle Int'l, Inc. et al.*, 2010 U.S. Dist. LEXIS 7456 (D. Minn. Jan. 29, 2010), a putative class of current and former franchisees sued various SuperShuttle entities that provide shared-ride airport shuttle services, claiming the entities had mischaracterized them as franchisees rather than as employees. The plaintiff-franchisees originally sued in state court for back wages and a return of franchise fees. SuperShuttle removed the case to federal court on the basis of federal question jurisdiction.

In seeking a remand to state court, the plaintiffs contended that their case fell within CAFA's exceptions. CAFA requires federal courts to decline jurisdiction when the dispute is a "local controversy" within the state in which the action was filed and does not reach into multiple states. The federal court rejected the plaintiffs' argument, finding that a significant portion of the relief would, if awarded, be paid by non-Minnesota defendants SuperShuttle International, Inc. and SuperShuttle Franchise, Inc. The only Minnesota defendant, SuperShuttle Minnesota, was not the primary defendant or the target of a request for significant relief, because its financial situation made it unlikely that it could satisfy any judgment.