SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 52

22STCV21852 May 4, 2023
DYLAN YEISER-FODNESS vs MASTER DOG TRAINING, A CALIFORNIA CORPORATION, et al. 9:00 AM

Judge: Honorable Armen Tamzarian CSR: None
Judicial Assistant: J. Clavero ERM: None
Courtroom Assistant: T. Isunza Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): Young W Ryu via LACourtConnect

For Defendant(s): NATALIA FOLEY via LACourtConnect

NATURE OF PROCEEDINGS: Hearing on Motion to Compel Arbitration

The Court's tentative ruling is posted on the court website for parties to review.

The matter is called for hearing.

The Court hears oral argument on the above-captioned motion.

After hearing oral argument, the Court adopts the tentative ruling of the Court as the Final Order of the Court as follows:

Defendant 5 Star K-9 Academy, Inc. dba Master Dog Training's Motion to Compel Arbitration and for Order to Stay Proceedings

Defendant 5 Star K-9 Academy, Inc. dba Master Dog Training moves to compel arbitration and stay this action. Defendant's contract with plaintiff Dylan Yeiser-Fodness includes the following arbitration provision: "Parties agree to use their best efforts to resolve any [dispute] relevant to this agreement issues amicably in good faith and fair dealing through negotiation. If unresolved, any claim or dispute, whether in contract, tort, statute, Labor Code, employment law or otherwise (including the interpretation and scope of this Arbitration Provision, and the arbitrability of the claim or dispute) between both parties or their employees, agents, successors or assigns, which arises out of or is related to this contract or any resulting transaction or relationship (including any such relationship with third parties who do not sign this contract) shall be resolved by neutral, binding arbitration and not by a court action." (Ex. 1, § 4.J., p. 4.)

Application to Labor and Employment Claims

Plaintiff argues the agreement does not apply to plaintiff's employment by defendants. He relies

on other provisions in the contract which expressly disclaim that it creates any employment relationship: "Relationship of the Parties. For all purposes of this Agreement and not withstanding any provision of this Agreement to the contrary, Academy is an independent contractor and is not an employer, partner, joint venturer, or agent of Student. Academy is hired by Student to provide triaging [sic] services to the student. As an independent contractor, Academy is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort… [¶] No Employee Relationship. Academy's employees are not and will not be deemed to be employees of Student. Student is not and will not be deemed to be an employee of Academy." (Ex. 1, §§ 8.A-B, p. 6.)

The arbitration provision applies to plaintiff's claims against defendants. In this contract, plaintiff agreed to pay 5 Star to teach him how to train dogs. The agreement provides, "Upon your payment of the training fees and your acceptance of this Agreement, Academy shall register you for the training for which you have selected." (Ex. 1, § 4.A., p. 2.) The agreement also includes terms for a "work-to-study program" to cover part of plaintiff's "tuition." (Id., § 7.E., p. 6.)

This "work-to-study" program (and this resulting dispute) "arises out of or is related to this contract or any resulting transaction or relationship" (Ex. 1, § 4.J, p. 4) and is therefore subject to the arbitration provision. The arbitration provision even expressly applies to claims under the "Labor Code" or "employment law." (Ibid.)

The gravamen of this action is that plaintiff alleges defendants violated his rights as an employee. A potential defense is that he was not an employee—as the contract states. It is not inequitable for defendant to seek to apply the arbitration provision to employment claims while maintaining it did not employ plaintiff. Those two positions are consistent.

Unconscionability

Plaintiff also argues the agreement is unconscionable. Unconscionability requires both procedural and substantive unconscionability using a sliding scale. (Serafin v. Balco Properties Ltd., LLC (2015) 235 Cal.App.4th 165, 185.) "No matter how heavily one side of the scale tips . . . both procedural and substantive unconscionability are required for a court to hold an arbitration agreement unenforceable." (Kilgore v. KeyBank, Nat. Ass'n (9th Cir. 2012) 673 F.3d 947, 963, citing Armendariz v. Foundation Health Psychcare Services, Inc. (2000) 24 Cal.4th 83, 114 (Armendariz).)

Plaintiff argues the agreement is procedurally unconscionable because section 4.E contains terms that contradict the arbitration provision. Section 4.E provides, "Governing Law; Venue. This agreement and any disputes that may arise under, out of or in connection with this Agreement, shall be governed by and construed and enforced with the laws of the State of California… The parties consent and submit to the jurisdiction of and venue in the courts of Los Angeles County, California. Each party waives all defenses of lack of personal jurisdiction and forum non convenience [sic]." Plaintiff contends this language contradicts the arbitration provision, which states disputes "shall be resolved by neutral, binding arbitration and not by a court action." (§ 4.J.)

These provisions can be reconciled. The arbitration section provides "neither party shall be precluded from seeking injunctive relief in a judicial forum." (§ 4.J.) The jurisdiction and venue provision specifies which judicial forum must be used. Submitting to jurisdiction and venue here also applies to proceedings such as confirming or vacating an arbitration award. Moreover, even if these terms conflicted, that would result in at most low procedural unconscionability.

Plaintiff argues the agreement is substantively unconscionable because it does not specify that it meets the five requirements under Armendariz. For employment claims, "the arbitration must meet certain minimum requirements, including neutrality of the arbitrator, the provision of adequate discovery, a written decision that will permit a limited form of judicial review, and limitations on the costs of arbitration." (Armendariz, supra, 24 Cal.4th at p. 91.) The agreement includes no terms contrary to these requirements. It provides, "Binding arbitration shall be held before a single arbitrator in Los Angeles, California in accordance with the American Arbitration Association's National Rules." (§ 4.J.) Plaintiff fails to show anything unfair about those rules. Courts "assume that the arbitrator will operate in a reasonable manner in conformity with the law." (Dotson v. Amgen, Inc. (2010) 181 Cal.App.4th 975, 984.)

The agreement need not expressly provide for the various things required by Armendariz. That decision itself found that an arbitration agreement "impliedly obliges the employer" to provide certain rights, and "[t]he absence of specific provisions on" those rights is not "grounds for denying the enforcement of an arbitration agreement." (24 Cal.4th at p. 113; accord Little v. Auto Stiegler, Inc. (2003) 29 Cal.4th 1064, 1082.) Public policy favors enforcing arbitration agreements by interpreting them to be consistent with the law, such as by severing any unconscionable terms. (Lange v. Monster Energy Company (2020) 46 Cal.App.5th 436, 453.)

Plaintiff relies on the principle that uncertainties should be interpreted against the drafting party. Here, a contrary principle applies: "A contract must receive such an interpretation as will make it

lawful, operative, definite, reasonable, and capable of being carried into effect, if it can be done without violating the intention of the parties." (Civ. Code, § 1643.)

Disposition

Defendants' motion to compel arbitration is granted.

Plaintiff Dylan Yeiser-Fodness is ordered to arbitrate this action against defendants 5 Star K-9 Academy, Inc. dba Master Dog Training and Ekaterina Korotun. The court hereby stays the entire action pending resolution of the arbitration proceeding.

The Motion to Compel Arbitration filed by 5 Star K-9 Academy, Inc., a California corporation on 03/21/2023 is Granted.

The case is ordered stayed pending binding arbitration as to the entire action.

All other scheduled hearings set in this department are ordered vacated.

Post-Arbitration Status Conference is scheduled for 05/14/2024 at 08:30 AM in Department 52 at Stanley Mosk Courthouse.

Notice is waived.