

CALIFORNIA COURT OF APPEAL, THIRD APPELLATE DISTRICT

Sandoval-Ryan v. Oleander Holdings LLC

Sandoval-Ryan · No. C089486 · Decided December 7, 2020

SUMMARY

The California Court of Appeal affirmed an order denying defendants' petition to compel arbitration in a nursing-facility care dispute. The court held that the arbitration agreements did not clearly and unmistakably delegate threshold questions concerning the validity or enforceability of the arbitration agreements to an arbitrator. The court therefore declined to reach the trial court's alternative ruling under California Code of Civil Procedure section 1281.2, subdivision (c).

CASE DETAILS

COURT	California Court of Appeal, Third Appellate District
WRITING FOR THE COURT	Duarte, J.; Hull, Acting P. J.; Murray, J.
JURISDICTION	California
DECIDED	December 7, 2020
DOCKET	C089486
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed the superior court's order denying their petition to compel arbitration.
STANDARD OF REVIEW	De novo review applied to the trial court's interpretation of the purported contract and the arbitration agreement.
PRECEDENTIAL VALUE	Published and certified for publication; precedential California Court of Appeal opinion.
PARTIES	Oleander Holdings LLC, Post-Acute, Plum Healthcare Group, LLC v. Anna Sandoval-Ryan, individually and as successor in interest

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the arbitration agreements clearly and unmistakably delegated threshold questions concerning the validity and enforceability of the arbitration agreements to the arbitrator rather than the court.
2. Whether the Court of Appeal should reach the trial court's alternative ruling denying arbitration under Code of Civil Procedure section 1281.2, subdivision (c).

HOLDINGS

1. The arbitration agreements did not clearly and unmistakably delegate threshold questions concerning the validity, interpretation, or enforceability of the arbitration agreements to the arbitrator. The phrase concerning the validity, interpretation, construction, performance, and enforcement of the admission agreement referred to the admission agreement, not the separate arbitration agreements.
2. The court did not reach the trial court's alternative ruling under Code of Civil Procedure section 1281.2, subdivision (c), because defendants' challenge to the trial court's threshold arbitrability determination failed.

KEY QUOTATIONS

“Courts presume that the parties intend courts, not arbitrators, to decide threshold issues of arbitrability.” (5)

“Absent clear and unmistakable language delegating threshold arbitrability issues to the arbitrator, we conclude defendants’ claim lacks merit.” (8)

FACTUAL BACKGROUND

Anna Sandoval-Ryan acted as conservator and caretaker for her brother, Jesus Sandoval, who was admitted to Sacramento Post-Acute, a skilled nursing facility owned and operated by defendants. During the admission process, plaintiff and a facility representative signed two arbitration agreements, one concerning medical malpractice disputes and one concerning other disputes; each stated that arbitration was optional and not required to receive care. Sandoval's condition deteriorated during his stay, he was transferred to a hospital with serious complications, and he later died. Plaintiff sued defendants on claims brought both on Sandoval's behalf and on her own behalf.

PROCEDURAL HISTORY

Plaintiff sued the skilled nursing facility defendants for elder abuse, violation of the Patients' Bill of Rights, negligent infliction of emotional distress, and wrongful death. Defendants answered and petitioned to compel arbitration based on two arbitration agreements signed during the patient's admission. The Sacramento County Superior Court denied the petition, finding no clear and unmistakable delegation of threshold arbitrability issues and further finding the agreements rescindable because of undue influence and/or duress. The Court of Appeal affirmed.

DISPOSITION

affirmed

CASES CITED

- Tiri v. Lucky Chances, Inc., 226 Cal.App.4th 231, 239 (2014)
- Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal.4th 83, 98 (2000)
- Aanderud v. Superior Court, 13 Cal.App.5th 880, 890-892 (2017)
- Employers Mutual Casualty Co. v. Philadelphia Indemnity Ins. Co., 169 Cal.App.4th 340, 347 (2008)
- Bank of the West v. Superior Court, 2 Cal.4th 1254, 1264 (1992)
- Henry Schein, Inc. v. Archer and White Sales, Inc., 139 S.Ct. 524, 527-531 (2019)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 943, 945 (1995)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 66 (2010)
- Momot v. Mastro, 652 F.3d 982, 988 (9th Cir. 2011)
- Aanderud v. Superior Court, 13 Cal.App.5th 880, 892 (2017)
- Malone v. Superior Court, 226 Cal.App.4th 1551, 1560 (2014)
- Tiri v. Lucky Chances, Inc., 226 Cal.App.4th 231, 237 (2014)

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