

CALIFORNIA COURT OF APPEAL, SECOND APPELLATE DISTRICT,
DIVISION EIGHT

Diaz v. Thor Motor Coach, Inc.

Diaz · No. B339037 · Decided February 13, 2026

SUMMARY

The California Court of Appeal, Second Appellate District, Division Eight, reversed an order staying the plaintiffs’ Song-Beverly Consumer Warranty Act action based on a forum-selection clause requiring litigation in Indiana. The court held that the clause was unenforceable because it was part of warranty provisions that violated California’s unwaivable consumer-protection rights, and Thor’s offer to stipulate to application of the Act in Indiana did not cure the defect. The court directed the trial court to deny the motion to stay and awarded the plaintiffs their appellate costs.

CASE DETAILS

COURT	California Court of Appeal, Second Appellate District, Division Eight
WRITING FOR THE COURT	Viramontes, Acting Presiding Justice; Uzcategui, J.; Wiley, J.
JURISDICTION	California Court of Appeal, Second Appellate District, Division Eight
DECIDED	February 13, 2026
DOCKET	B339037
DISPOSITION	reversed
PROCEDURAL POSTURE	Plaintiffs appealed an order staying their Song-Beverly Consumer Warranty Act action after the trial court enforced a forum-selection clause requiring litigation in Indiana.
STANDARD OF REVIEW	An order enforcing a forum-selection clause is reviewed for abuse of discretion; whether the trial court applied the correct legal standard is reviewed de novo.
PRECEDENTIAL VALUE	Published and certified for publication
PARTIES	Edward Diaz, Linda Diaz v. Thor Motor Coach, Inc., Giant RV, U.S. Bank

TOPICS

- consumer protection
- unconscionability
- civil procedure
- appellate procedure
- standard of review

PRACTICE AREAS

consumer protection

contracts

civil procedure

appellate procedure

QUESTIONS PRESENTED

1. Whether Thor's Indiana forum-selection clause was enforceable when the warranty also contained an Indiana choice-of-law provision that could waive or diminish the Diazes' unwaivable rights under the Song-Beverly Consumer Warranty Act.
2. Whether Thor's offer to stipulate that the Song-Beverly Act and California jury-trial rights would apply in Indiana cured the warranty's public-policy and unconscionability defects or otherwise established that litigation in Indiana would not diminish the Diazes' California rights.
3. Whether the trial court properly granted a stay based on the forum-selection clause.

HOLDINGS

1. A forum-selection clause in a motorhome warranty is unenforceable when it is part of a warranty scheme containing a choice-of-law provision that would preclude application of California law and diminish the consumer's unwaivable rights under the Song-Beverly Consumer Warranty Act.
2. A defendant's offer to stipulate that California's Song-Beverly Act will apply in a foreign forum does not cure a legally defective warranty or establish that enforcement of the forum-selection clause will preserve the consumer's unwaivable California rights.
3. Even assuming the unlawful warranty provisions could be severed, severance would not further the interests of justice because it would protect only consumers who challenge the provisions in California, leave other consumers exposed to the provisions, and incentivize continued use of unlawful warranty terms.
4. The trial court abused its discretion by enforcing Thor's forum-selection clause and staying the Diazes' California action.

KEY QUOTATIONS

"No existing rule of contract law permits a party to resuscitate a legally defective contract merely by offering to change it." (at 13)

"Although Thor is now willing to waive application of its warranty's choice of law provision and allow application of the Act in an Indiana court, that does not change the fact that, at the time the Diazes purchased their motorhome and signed the Registration Form, Thor's warranty violated public policy and, as a result, was substantively unconscionable." (at 13)

"In short, for the same reasons expressed in Lathrop and Hardy, we conclude that the trial court erred when it enforced Thor's forum selection clause and granted the company's motion to stay the Diazes' action." (at 17)

FACTUAL BACKGROUND

In 2021, Edward and Linda Diaz purchased a Thor motorhome from a California dealer for more than \$400,000. Thor's warranty materials included an Indiana forum-selection clause, an Indiana choice-of-law clause, and a

jury-waiver provision, and the Diazes acknowledged the provisions in a warranty-registration form. After alleging defects and unsuccessful repair efforts, the Diazes sued under the Song-Beverly Consumer Warranty Act. Thor sought a stay and offered to stipulate that the Act and California jury-trial rights would apply to the claims if pursued in Indiana.

PROCEDURAL HISTORY

The Diazes sued Thor, Giant RV, and U.S. Bank in Los Angeles County Superior Court under the Song-Beverly Consumer Warranty Act. Defendants moved to stay the California action based on an Indiana forum-selection clause in Thor's warranty documents and offered to stipulate that the Act would apply to the claims in Indiana. The trial court granted the motion and ordered defendants to sign a stipulation concerning application of California law and jury-trial rights. The Court of Appeal reversed and directed the trial court to deny the motion to stay.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The trial court must enter a new order denying Thor's motion to stay. The Diazes shall recover their costs on appeal.

CASES CITED

- Lathrop v. Thor Motor Coach, Inc. (2024) 105 Cal.App.5th 808
- Hardy v. Forest River, Inc. (2025) 108 Cal.App.5th 450
- Kim v. Airstream, Inc. (2025) 113 Cal.App.5th 201
- Rheinhardt v. Nissan North America, Inc. (2023) 92 Cal.App.5th 1016
- Verdugo v. Alliantgroup, L.P. (2015) 237 Cal.App.4th 141
- EpicentRx, Inc. v. Superior Court (2025) 18 Cal.5th 58
- Armendariz v. Foundation Health Psychcare Services, Inc. (2000) 24 Cal.4th 83
- Ramirez v. Charter Communications, Inc. (2024) 16 Cal.5th 478
- Handoush v. Lease Finance Group, LLC (2019) 41 Cal.App.5th 729
- Discover Bank v. Superior Court, Discover Bank v. Superior Court (2005) 36 Cal.4th 148
- Sanchez v. Valencia Holding Co., LLC (2015) 61 Cal.4th 899
- McGill v. Citibank, N.A. (2017) 2 Cal.5th 945
- Swain v. LaserAway Medical Group, Inc. (2020) 57 Cal.App.5th 59
- Szetela v. Discover Bank (2002) 97 Cal.App.4th 1094
- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion (2011) 563 U.S. 333

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