

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Isagenix International LLC, et al. v. Noah Hodgin

No. CV-25-01587-PHX-DGC (D. Ariz. Dec. 30, 2025) · No. No. CV-25-01587-PHX-DGC · Decided December 30, 2025

SUMMARY

The United States District Court for the District of Arizona considers a petition by Isagenix International LLC and individual defendants to compel Noah Hodgin to arbitrate claims asserted in a California employment class action. The court determines that incorporation of the American Arbitration Association rules did not clearly and unmistakably delegate arbitrability issues to the arbitrator because the parties had unequal sophistication, and therefore resolves the gateway issues itself. The order applies Arizona choice-of-law principles and ultimately states that the court will compel arbitration and deny Hodgin’s motion to dismiss.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	David G. Campbell
JURISDICTION	United States District Court for the District of Arizona
DECIDED	December 30, 2025
DOCKET	No. CV-25-01587-PHX-DGC
DISPOSITION	other
PROCEDURAL POSTURE	Petition to compel arbitration under the Federal Arbitration Act. Respondent moved to dismiss the petition, and petitioners cross-moved to compel arbitration.
STANDARD OF REVIEW	The court independently decided whether an agreement to arbitrate existed and whether it covered the dispute because the agreement did not clearly and unmistakably delegate gateway arbitrability issues to the arbitrator. The party opposing arbitration bore the burden of proving unconscionability. Contractual scope questions were construed liberally in favor of arbitration under the Federal Arbitration Act.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Isagenix International LLC, Isagenix Worldwide, Inc., Sharron Walsh, Simon Davies, Jim Dunlap v. Noah Hodgin

TOPICS

arbitration

unconscionability

employment law

class actions

civil procedure

PRACTICE AREAS

arbitration

employment law

civil procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether incorporation of the AAA Commercial Arbitration Rules clearly and unmistakably delegated gateway questions of arbitrability to the arbitrator.
2. Whether Arizona or California law governed the enforceability and scope of the arbitration provision.
3. Whether the arbitration provision was unenforceable as procedurally or substantively unconscionable under Arizona law.
4. Whether Hodgin's California labor-law misclassification and wage claims fell within the scope of the arbitration provision.
5. Whether non-signatory petitioners could invoke the arbitration provision under Arizona law.
6. Whether Hodgin could be compelled to arbitrate only his individual claims despite the class action.

HOLDINGS

1. The arbitration provision's incorporation of the AAA Commercial Arbitration Rules did not constitute clear and unmistakable evidence that the parties agreed to delegate gateway arbitrability issues to the arbitrator under the circumstances presented, including the parties' unequal sophistication.
2. Arizona law governed the court's determination of the arbitration provision's enforceability and scope.
3. Hodgin failed to prove that the arbitration provision was procedurally or substantively unconscionable under Arizona law, and the provision was enforceable.
4. Hodgin's California labor-law misclassification, wage, benefit, and related claims fell within the arbitration provision because they related to the policies and procedures, compensation plan, and guidance documents.
5. Isagenix Worldwide, Inc. and the individual corporate officers, although non-signatories to the agreement, could invoke the arbitration provision and compel Hodgin to arbitrate.
6. Hodgin was required to arbitrate his individual claims only and could not pursue class arbitration.

KEY QUOTATIONS

“Because of these real-world consequences and the fact that the Ninth Circuit has left the question unresolved, the Court will not construe the Arbitration Provision’s incorporation of the AAA rules as a clear and unmistakable delegation of gateway questions to the arbitrator.” (at 6-7)

“The Court therefore concludes that Hodgin’s claims are, in the words of the Arbitration Provision, “related to” the “policies and procedures, the compensation plan, or the guidance documents, or the breach thereof[.]”” (at 29-30)

“Because both of the factors identified in Sun Valley Ranch are satisfied, the Court concludes that the non-signatory petitioners can invoke the Arbitration Provision and compel signatory Hodgin to arbitrate his claims.” (at 33)

FACTUAL BACKGROUND

Hodgin entered an online 2019 agreement to become an Isagenix Associate and accepted policies and procedures, a compensation plan, and guidance documents. The agreement characterized associates as independent contractors and included a broad arbitration provision requiring confidential arbitration under the AAA Commercial Arbitration Rules, together with a class-action waiver. Hodgin later filed a California class action alleging that Isagenix misclassified him as an employee and denied him wages, benefits, meal and rest periods, expense reimbursement, and other protections under California labor law.

PROCEDURAL HISTORY

Hodgin filed a putative class action in California state court alleging that Isagenix misclassified him as an independent contractor and violated California labor laws. The defendants removed that action to the Central District of California, where it was stayed while petitioners sought arbitration in the District of Arizona. The court denied Hodgin's motion to dismiss, granted the motion to compel arbitration, ordered arbitration of Hodgin's individual claims, denied fees and costs, and directed the clerk to terminate the matter.

DISPOSITION

other

CASES CITED

- Hodgin v. Isagenix Int’l LLC, No. 8:25-cv-00616-SRM-DFM
- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion, 563 U.S. 333, 339, 344 (2011)
- Chalk v. T-Mobile USA, Inc., 560 F.3d 1087, 1092 (9th Cir. 2009)
- Brennan v. Opus Bank, 796 F.3d 1125, 1129-31 (9th Cir. 2015)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 945, 947 (1995)
- Houghton v. Polychain Alchemy, LLC, No. 24-7243, 2025 WL 2965204, at *1, *3 (9th Cir. Oct. 21, 2025)
- Patrick v. Running Warehouse, LLC, 93 F.4th 468, 481 (9th Cir. 2024)
- Meadows v. Dickey’s Barbecue Rests. Inc., 144 F. Supp. 3d 1069, 1078 (N.D. Cal. 2015)
- Landi v. Arkules, 835 P.2d 458, 462 (Ariz. Ct. App. 1992)
- Cardon v. Cotton Lane Holdings, Inc., 841 P.2d 198, 203 (Ariz. 1992)
- Ticknor v. Choice Hotels Int’l, Inc., 265 F.3d 931, 936-37 (9th Cir. 2001)
- ABF Capital Corp. v. Osley, 414 F.3d 1061, 1065 (9th Cir. 2005)
- Consul Ltd. v. Solide Enters., Inc., 802 F.2d 1143, 1147 (9th Cir. 1986)
- LaCross v. Knight Transp. Inc., No. CV-15-00990-PHX-JJT, 2024 WL 249162, at *11, *13 (D. Ariz. Jan. 23, 2024)

- International Business Machines Corp. v. Bajorek, 191 F.3d 1033, 1038 (9th Cir. 1999)
- Senne v. Kansas City Royals Baseball Corp., 934 F.3d 918, 929 (9th Cir. 2019)
- Wainwright v. Melaleuca, Inc., 844 F. App'x 958, 960 (9th Cir. 2021)
- Lim v. TForce Logistics, LLC, 8 F.4th 992, 999-1003 (9th Cir. 2021)
- Bridge Fund Cap. Corp. v. Fastbucks Franchise Corp., 622 F.3d 996, 1003 (9th Cir. 2010)
- Coup v. Scottsdale Plaza Resort, LLC, 823 F. Supp. 2d 931, 947, 953 (D. Ariz. 2011)
- Maxwell v. Fidelity Financial Services, Inc., 907 P.2d 51, 57-60 (Ariz. 1995)
- Weatherguard Roofing Co. v. D.R. Ward Const. Co., 152 P.3d 1227 (Ariz. Ct. App. 2007)
- Gilmer v. Interstate/Johnson Lane Corp., 500 U.S. 20, 33 (1991)
- Gullett v. Kindred Nursing Ctrs. W., L.L.C., 390 P.3d 378, 384-86 (Ariz. Ct. App. 2017)
- Falcone Bros. & Assocs., Inc. v. City of Tucson, 381 P.3d 276, 283 (Ariz. Ct. App. 2016)
- Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc., 473 U.S. 614, 626, 634 (1985)
- PacifiCare Health Sys., Inc. v. Book, 538 U.S. 401, 406-07 & n.2 (2003)
- Prime Loyalty LLC v. GoDaddy Inc., 2025 WL 1807721, at *12 (D. Ariz. July 1, 2025)
- S.G. Borello & Sons, Inc. v. Department of Industrial Relations, 769 P.2d 399, 403, 409 (Cal. 1989)
- Bradley v. Networkers Int'l, LLC, 150 Cal. Rptr. 3d 268, 281 (Cal. Ct. App. 2012)
- Khalatian v. Prime Time Shuttle, Inc., 188 Cal. Rptr. 3d 113, 118-19 (Cal. Ct. App. 2015)
- Cape Flattery Ltd. v. Titan Maritime, LLC, 647 F.3d 914, 922 (9th Cir. 2011)
- Schoendube Corp. v. Lucent Techs., Inc., 442 F.3d 727, 732 (9th Cir. 2006)
- New Pueblo Constructors, Inc. v. Lake Patagonia Recreation Ass'n, 467 P.2d 88, 91 (Ariz. Ct. App. 1970)
- Security Alarm Finance Enterprises, L.P. v. Fuller, 398 P.3d 578, 583 (Ariz. Ct. App. 2017)
- Arthur Andersen LLP v. Carlisle, Arthur Andersen LLP v. Carlisle, 556 U.S. 624, 632 (2009)
- Lamps Plus, Inc. v. Varela, 587 U.S. 176, 185-89 (2019)
- Epic Systems Corp. v. Lewis, 584 U.S. 497, 502 (2018)
- Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp., 559 U.S. 662, 684 (2010)