

CALIFORNIA COURT OF APPEAL, FIRST APPELLATE DISTRICT, DIVISION FIVE

Ballesteros v. Ford Motor Co.

Ballesteros · No. A172271 · Decided March 25, 2025

SUMMARY

The California Court of Appeal affirmed an order denying Ford Motor Company's motion to compel arbitration of a consumer's Song-Beverly Consumer Warranty Act claims. The court held that Ford, a nonsignatory to the retail installment contract between the consumer and dealership, could not invoke the contract's arbitration provision through equitable estoppel because the claims were based on manufacturer warranties and statutory obligations independent of the dealership contract.

CASE DETAILS

COURT	California Court of Appeal, First Appellate District, Division Five
WRITING FOR THE COURT	Chou, J.; Jackson, P. J.; Burns, J.
JURISDICTION	California Court of Appeal, First Appellate District, Division Five
DECIDED	March 25, 2025
DOCKET	A172271
DISPOSITION	affirmed
PROCEDURAL POSTURE	Ford appealed an order granting a motion to compel arbitration as to dealership Fairview Ford Sales, Inc., but denying the motion as to Ford, a nonsignatory to the retail installment contract.
STANDARD OF REVIEW	De novo review of the order denying a nonsignatory's motion to compel arbitration.
PRECEDENTIAL VALUE	Published and certified for publication
PARTIES	Ford Motor Company v. Armando Ballesteros

TOPICS

- arbitration
- consumer protection
- remedies
- appellate procedure
- contracts

PRACTICE AREAS

- Arbitration
- Consumer protection
- Contracts
- Appellate procedure
- Remedies

QUESTIONS PRESENTED

1. Whether Ford, a nonsignatory to the retail installment contract between Ballesteros and Fairview, could compel arbitration of Ballesteros's Song-Beverly Act claims under an equitable-estoppel theory.
2. Whether Ballesteros's claims against Ford were so intertwined with the Fairview contract, including because he sought rescission and reimbursement, that equity required arbitration.
3. Whether manufacturer warranties accompanying the vehicle arose from the dealer-purchaser contract or instead arose independently under the Song-Beverly Act and other law.

HOLDINGS

1. Ford could not compel arbitration because it was neither a party nor a signatory to the contract and the contract did not clearly authorize Ford to invoke the arbitration provision.
2. Equitable estoppel did not require Ballesteros to arbitrate his Song-Beverly Act claims against Ford.
3. The manufacturer warranties underlying Ballesteros's Song-Beverly Act claims arose independently of the retail installment contract and were not part of the contract between Ballesteros and Fairview.
4. Ballesteros's requests for rescission and reimbursement did not make his Song-Beverly Act claims sufficiently intertwined with the Fairview contract to require arbitration against Ford.

KEY QUOTATIONS

“In short, the substantive terms of the sale contracts relate to sale and financing and nothing more.”” (10)

“Manufacturer vehicle warranties that accompany the sale of motor vehicles without regard to the terms of the sale contract between the purchaser and the dealer are independent of the sale contract.”” (10)

“The salient question is not whether a sale is distinguishable from a contract per se, but whether the nonsignatory has proven that it would be unfair to allow the plaintiff to proceed with his claims in court.”
(26)

“Ballesteros had no reason to believe that Ford, by virtue of its relationship to Fairview, had assumed any obligations under his Contract with Fairview.” (27)

FACTUAL BACKGROUND

Ballesteros purchased a new 2017 Ford Explorer from Fairview Ford Sales, Inc. in August 2018 and signed a retail installment contract identifying only Ballesteros and Fairview as the parties. The contract contained an arbitration provision covering disputes between Ballesteros and Fairview and a disclaimer stating that it did not affect warranties the manufacturer might provide. After the vehicle allegedly developed serious defects that were not repaired, Ballesteros sued Fairview and Ford under the Song-Beverly Consumer Warranty Act for breach of express and implied warranties and related statutory repair obligations.

PROCEDURAL HISTORY

Ballesteros sued Fairview and Ford under the Song-Beverly Consumer Warranty Act after allegedly defective vehicle conditions were not repaired. Both defendants moved to compel arbitration under an arbitration

provision in the contract between Ballesteros and Fairview. The trial court compelled arbitration as to Fairview but denied arbitration as to Ford, and Ford appealed.

DISPOSITION

affirmed

CASES CITED

- Felisilda v. FCA US LLC (2020) 53 Cal.App.5th 486
- Ford Motor Warranty Cases (2023) 89 Cal.App.5th 1324
- Davis v. Nissan North America, Inc. (2024) 100 Cal.App.5th 825
- Yeh v. Superior Court (2023) 95 Cal.App.5th 264
- County of Contra Costa v. Kaiser Foundation Health Plan, Inc. (1996) 47 Cal.App.4th 237, 245
- Victoria v. Superior Court (1985) 40 Cal.3d 734, 744
- DMS Services, LLC v. Superior Court (2012) 205 Cal.App.4th 1346, 1352
- Westra v. Marcus & Millichap Real Estate Investment Brokerage Co., Inc. (2005) 129 Cal.App.4th 759, 763
- Titan Group, Inc. v. Sonoma Valley County Sanitation Dist. (1985) 164 Cal.App.3d 1122, 1129
- JSM Tuscany, LLC v. Superior Court (2011) 193 Cal.App.4th 1222, 1236-1238, 1241-1242
- Metalclad Corp. v. Ventana Environmental Organizational Partnership (2003) 109 Cal.App.4th 1705, 1713
- Goldman v. KPMG, LLP (2009) 173 Cal.App.4th 209, 218, 220, 231
- Jensen v. U-Haul Co. of California (2017) 18 Cal.App.5th 295, 306
- Boucher v. Alliance Title Co., Inc. (2005) 127 Cal.App.4th 262, 266, 270-273
- Namisnak v. Uber Technologies, Inc. (9th Cir. 2020) 971 F.3d 1088, 1095
- Greenman v. Yuba Power Products, Inc. (1963) 59 Cal.2d 57, 60
- Corporation of Presiding Bishop of Church of Jesus Christ of Latter Day Saints v. Cavanaugh (1963) 217 Cal.App.2d 492, 514
- Montemayor v. Ford Motor Co. (2023) 92 Cal.App.5th 958, 968-972
- Kielar v. Superior Court (2023) 94 Cal.App.5th 614, 619-621
- Rivera v. Superior Court (2024) 105 Cal.App.5th 288, 293-295
- Garcia v. Pexco, LLC (2017) 11 Cal.App.5th 782, 786
- Coast Plaza Doctors Hospital v. Blue Cross of California (2000) 83 Cal.App.4th 677, 686
- Soltero v. Precise Distribution, Inc. (2024) 102 Cal.App.5th 887, 894-897
- Gonzalez v. Nowhere Beverly Hills LLC (2024) 107 Cal.App.5th 111, 125-128
- Jarboe v. Hanless Auto Group (2020) 53 Cal.App.5th 539, 554
- Rowe v. Exline (2007) 153 Cal.App.4th 1276, 1280-1289
- Mattson Technology, Inc. v. Applied Materials, Inc. (2023) 96 Cal.App.5th 1149, 1156-1158
- UFCW & Employers Benefit Trust v. Sutter Health (2015) 241 Cal.App.4th 909, 929
- Niedermeier v. FCA US LLC (2024) 15 Cal.5th 792, 806-810 & fn. 5

- Fuentes v. TMCSE, Inc. (2018) 26 Cal.App.5th 541, 553
- People v. Alice (2007) 41 Cal.4th 668, 679
- Mahram v. The Kroger Co. (2024) 104 Cal.App.5th 303, 312

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