

**UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA**

Richardson v. Sunbelt Staffing, LLC

No. 2:25-cv-00403-DJC-JDP (E.D. Cal. June 18, 2025) · No. 2:25-cv-00403-DJC-JDP · Decided June 20, 2025

SUMMARY

The United States District Court for the Eastern District of California grants Sunbelt Staffing, LLC’s motion to compel arbitration, dismiss class claims, and stay litigation. The court finds that the parties entered into a valid arbitration agreement covering Richardson’s employment-related claims and that the agreement is not unconscionable. The court requires arbitration on an individual basis, stays the case, and directs administrative closure pending arbitration.

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 EASTERN DISTRICT OF
CALIFORNIA 10 11 REBECCA RICHARDSON, as an No. 2:25-cv-00403-DJC-JDP individual,
on behalf of herself, and all 12 others similarly situated 13 Plaintiff, ORDER 14 v. 15 SUNBELT
STAFFING, LLC, a Florida limited liability company; and DOES 1 16 through 50, inclusive 17
Defendants. 18 19 Plaintiff Rebecca Richardson brings a number of employment-related causes of
20 action on both an individual and class basis against her former employer, Defendant 21 Sunbelt
Staffing, LLC. Defendant moves to compel arbitration of Plaintiff’s claims 22 based on an
Arbitration Agreement signed by the parties.

For the reasons discussed 23 below, the Court finds that the parties signed an Arbitration
Agreement and that 24 Plaintiff’s claims fall under the scope of that Agreement. The Court further
finds that 25 the Arbitration Agreement is not unconscionable and is therefore enforceable. 26
Accordingly, the Court GRANTS Defendant’s Motion to Compel Arbitration, Dismiss 27 Class
Claims, and Stay Litigation (ECF No. 5).

28 //// 1 BACKGROUND 2 Richardson, a resident of Sacramento, California, applied for a
paraprofessional 3 position with Defendant in July 2024. (ECF No. 1, Notice of Removal,
containing 4 Compl., ¶ 10.) Defendant, a recruitment firm, hired her and assigned her to work at
El 5 Dorado County School District as a behavioral technician in August 2024. (Id. ¶¶ 11, 6 22.)

Defendant told Plaintiff that as part of the onboarding process, she needed to 7 complete a drug
screening, tuberculosis test, and background check, in addition to 8 verifying her work
authorization documents. (Id. ¶ 23.) Plaintiff believes that all 9 potential employees are required to
go through these steps during their onboarding 10 processes. (Id. ¶ 30.)

Plaintiff completed these tasks, through which she incurred 11 costs that were not reimbursed by Defendant. (Id. ¶ 26–28.) Plaintiff believes that 12 other employees who had to incur similar costs were also not compensated for these 13 expenses. (Id. ¶ 40–41.) Approximately two weeks later, Defendant informed Plaintiff 14 that it was terminating her employment because her background check disclosed that 15 she had been convicted of a misdemeanor in August 2001.

(Id. ¶ 29.) 16 During the onboarding process, Plaintiff was provided a Consumer Disclosure 17 (“Disclosure”) and an Authorization regarding Background Investigation 18 (“Authorization”) forms. (Id. ¶ 31.) Plaintiff believes that all prospective employees are 19 provided with these, or substantially similar, forms. (Id.)

The Disclosure provides that 20 Defendant “may obtain a Consumer Report and/or Investigative consumer Report 21 (collectively, “Report”) from a consumer reporting agency pursuant to the Fair Credit 22 Reporting Act as amended by the Consumer Reporting Reform Act of 1996,” and that 23 “The Report is being obtained for the purposes of evaluating you for employment, 24 reassignment or retention as an employee.” (Id. ¶ 32.)

Plaintiff avers that neither the 25 Disclosure nor Defendant provided the name, address, and telephone number of the 26 consumer reporting agency that was to furnish the Report. (Id. ¶ 33.) 27 //// 28 //// 1 The Authorization included the following text: 2 In consideration of my employment and/or my continued employment, I hereby release the Company, its clients, the 3 consumer reporting agency and their respective parents, subsidiaries, and affiliated companies, and their officers, 4 employees, agents, shareholders and representatives from any and all liability and responsibility arising out of or 5 relating to the performance of any background investigation and/or any employment-related decisions 6 made by the Company or its Clients based on any information obtained from a background investigation.

7 8 (Id. ¶ 34.) Plaintiff believes that the same, or a substantially similar Authorization, was 9 given to all prospective employees. (Id. ¶ 35.) 10 Plaintiff further alleges that neither the Disclosure nor the Authorization 11 provided to Plaintiff an option to receive a copy of any Report prepared. (Id. ¶ 36–37.) 12 She also states that neither form provided Plaintiff with a disclosure or notice that the 13 Report may include information on the consumer’s character, general reputation, 14 personal characteristics, and mode of living; identified the name, address, and 15 telephone number of the investigative consumer reporting agency conducting the 16 investigation; notified the consumer of the nature and scope of the investigation 17 requested, including a summary of the provisions of Section 1786.22 of the California 18 Civil Code; or notified the consumer of the Internet Web site address of the 19 investigative consumer reporting agency identified, or, if the agency has no Internet 20 Web site address, the telephone number of the agency.

(Id. ¶ 38.) Plaintiff believes 21 that no prospective employee was given these notices. (Id. ¶ 39.) 22 Plaintiff brings five claims against Defendant on an individual and class basis: 23 (1) Failure to

provide a written disclosure in compliance with the Investigative 24 Consumer Reporting Agency Act in violation of California Civil Code section 1786.16 25 (id. ¶¶ 51–67); (2) Improperly including a liability waiver in its Fair Credit Reporting Act 26 disclosure in violation of 15 U.S.C. section 1681 (id. ¶¶ 68–86); (3) Failure to pay for 27 pre-employment consumer report in violation of California Civil Code section 28 1 1785.20.5 (id. ¶¶ 87–105); (4) Failure to pay for pre-employment medical or physical 2 examination in violation of California Labor Code section 222.5 (id. ¶¶ 106–15); and 3 (5) Violation of California’s Unfair Competition Law, California Business and 4 Professions Code sections 17200 et seq. (id. ¶¶ 116–30).

Plaintiff filed her original suit 5 in the Sacramento Superior Court on December 16, 2024, and it was removed to this 6 Court by Defendant on January 29, 2025. (ECF No. 1.) Although initially disputed, the 7 partes now agree that they signed a valid Arbitration Agreement as part of Plaintiff’s 8 onboarding process. (ECF No. 11 at 4.) Relying on that Agreement, Defendant 9 moves to compel arbitration, dismiss the class claims, and stay the pending litigation 10 on the basis that the Arbitration Agreement governs this dispute.

(ECF Nos. 5, 11.) 11 **LEGAL STANDARD** 12 The FAA governs arbitration agreements. 9 U.S.C. § 2. Under the FAA, a 13 signatory to an arbitration agreement may obtain an order directing a noncomplying 14 party to arbitrate in the manner provided for in the agreement. 9 U.S.C. § 4.

In 15 weighing a motion to compel arbitration, a court must determine: (1) whether a valid 16 agreement to arbitrate exists and, if it does, (2) whether the agreement encompasses 17 the dispute at issue. *Boardman v. Pac. Seafood Grp.*, 822 F.3d 1011, 1017 (9th Cir. 18 2016). “Arbitration is a matter of contract, and the FAA requires courts to honor 19 parties’ expectations.” *AT&T Mobility LLC v. Concepcion*, 563 U.S. 333, 351 (2011).

20 “When considering a motion to compel arbitration, a court applies a standard 21 similar to the summary judgment standard” of Federal Rule of Civil Procedure 56. 22 *Concat LP v. Unilever, PLC*, 350 F. Supp. 2d 796, 804 (N.D. Cal. 2004) (citations 23 omitted); see *Cox v. Ocean View Hotel Corp.*, 533 F.3d 1114, 1119 (9th Cir. 2008) 24 (“[D]enial of a motion to compel arbitration has the same effect as a grant of partial 25 summary judgment denying arbitration....”).

The party opposing arbitration 26 receives the benefit of any reasonable doubts and the court draws reasonable 27 inferences in that party’s favor, and only when no genuine disputes of material fact 28 surround the arbitration agreement’s existence and applicability may the court 1 compel arbitration. *Concat*, 350 F. Supp. 2d at 804; see *Three Valleys Mun. Water 2 Dist. v. E.F.*

Hutton & Co., Inc., 925 F.2d 1136, 1141 (9th Cir. 1991). The decision to 3 compel arbitration is mandatory, not discretionary, if the requirements are met. *Dean 4 Witter Reynolds, Inc. v. Byrd*, 470 U.S. 213, 218 (1985). 5 **DISCUSSION** 6 The parties agree they signed an Arbitration Agreement.

On review, the 7 Agreement encompasses the types of claims brought by Plaintiff and is not 8 unconscionable. Because the agreement is valid, encompasses the types of claims 9 brought, and not unconscionable, Plaintiff must arbitrate her claims. 10 A. An Arbitration Agreement Exists 11 As an initial step, the Court must determine: (1) whether a valid agreement to 12 arbitrate exists and, if it does, (2) whether the agreement encompasses the dispute at 13 issue.

Boardman, 822 F.3d at 1017. The party seeking to compel arbitration bears the 14 burden of proving by a preponderance of the evidence the existence of an agreement 15 to arbitrate. *Knutson v. Sirius XM Radio Inc.*, 771 F.3d 559, 565 (9th Cir. 2014). 16 Although the parties initially disputed whether there was an Arbitration 17 Agreement signed by Plaintiff, they now stipulate that said Agreement exists, and that 18 Plaintiff's electronic signature on it is authentic.

(ECF No. 11 at 4.) 19 Accordingly, the Court finds that Defendant has met its burden of proving the 20 existence of an Arbitration Agreement. 21 B. The Arbitration Agreement Encompasses the Dispute at Issue 22 After finding that an Arbitration Agreement exists, a court must then weigh 23 whether that Agreement encompasses the dispute at issue. Boardman, 822 F.3d at 24 1017.

Here, there can be no dispute as to whether the Agreement covers the 25 underlying causes of actions. 26 As relevant here, the Agreement states: "[Defendant] and [Plaintiff] agree that 27 any and all disputes, claims or controversies arising out of or relating to this 28 Agreement, the employment relationship between the Parties, or the termination of 1 the employment relationship (collectively, "Claims" or individually, "Claim"), shall be 2 resolved by binding arbitration in accordance with the Employment Arbitration Rules 3 of the American Arbitration Association." (ECF No. 5-3, Ex. A.)

Plaintiff is bringing 4 employment-related claims, which necessarily arise out of the "employment 5 relationship. (See *id.*) 6 Plaintiff does not contest that the Arbitration Agreement does not encompass 7 her claims. (See generally, ECF Nos. 1, 7.) Given the unambiguous language in the 8 Agreement and Plaintiff's tacit acknowledgement that they apply, the Court finds that 9 the Agreement covers the dispute at issue here.

10 C. The Agreement is Not Unconscionable 11 Plaintiff argues that the Arbitration Agreement, if it exists, is unconscionable. 12 (ECF No. 7 at 11–21.) Defendant rebuts that the Agreement's terms do not rise to the 13 level of unconscionability and are therefore enforceable. (ECF No. 5 at 15–23; ECF 14 No. 8 at 5–17.)

The Court finds that the Agreement's terms are not unconscionable, 15 and therefore, the Agreement is enforceable. 16 For a contract such as the Arbitration Agreement at issue here to be found 17 unconscionable and therefore void, a court must determine that it is both procedurally 18 and substantively unconscionable. *Baltazar v. Forever 21, Inc.*, 62 Cal. 4th 1237, 1243 19 (2016). "Procedural unconscionability 'addresses the circumstances of contract 20 negotiation and

formation, focusing on oppression or surprise due to unequal bargaining power.” Ramirez v. Charter Commc’ns, Inc., 16 Cal. 5th 478, 492 (2024), 22 quoting Pinnacle Museum Tower Assn. v. Pinnacle Mkt.

Dev. (US), LLC, 55 Cal. 4th 223, 23 246 (2012). Contracts of adhesion — contracts imposed and drafted by the party of 24 superior bargaining strength that relegates the subscribing party only the opportunity 25 to adhere to the contract or reject it — are indicative of procedural unconscionability. 26 Yeng Sue Chow v. Levi Strauss & Co., 49 Cal. App. 3d 315, 325 (1975).

Substantive 27 unconscionability concerns the “fairness of an agreement’s actual terms.” Pinnacle 28 Museum Tower Assn., 55 Cal. 4th at 246. Contracts that are substantively 1 unconscionable create unfair or one-sided results. Armendariz v. Found. Health 2 Psychcare Servs., Inc., 24 Cal. 4th 83, 114 (2000). While both procedural and 3 substantive unconscionability are needed for a contract to be deemed 4 unconscionable as a whole, these elements need not be present at the same degree.

5 Baltazar, 62 Cal. 4th at 1243. Instead, Courts apply a sliding scale in which a contract 6 with significant procedural unconscionability need not have significant substantive 7 unconscionability, and vice versa. Armendariz, 24 Cal. 4th at 114. 8 Plaintiff argues that the Agreement is procedurally unconscionable due to the 9 oppressive nature and inherent unequal bargaining power of the employee/employer 10 relationship.

Plaintiff views the Agreement as being a contract of adhesion due to this 11 imbalance of power between the parties. The crux of her argument is that she did not 12 have the power to reject or alter the Agreement, and therefore, did not have free 13 choice when she accepted it. This argument fails.

The Agreement in question is 14 explicitly called the “Voluntary Dispute Resolution and Arbitration Agreement for 15 Consultants.” (ECF 5-3, Ex. A, emphasis added.) Plaintiff does not indicate that 16 Defendant made some sort of additional statement that there was an expectation that 17 she accept the Agreement or face adverse employment consequences. Meanwhile, 18 the Agreement dictates that a new employee has the right to consult with counsel 19 prior to accepting the Agreement and that by signing it, the new employee 20 understands that it is done “knowingly and voluntarily.” (Id.)

Whatever external 21 pressure Plaintiff felt from herself or other factors in her life regarding the necessity of 22 signing the Agreement cannot overcome the explicit voluntary nature of that 23 Agreement. Accordingly, the Court views the explicit voluntary nature of the 24 Agreement as controlling and deems that the Agreement is not one of adhesion. 25 For a contract to be deemed unconscionable as a whole, it needs to be both 26 procedurally and substantively unconscionable.

Because the Court finds that the 27 Agreement is not procedurally unconscionable, the Agreement cannot be found 28 1 unconscionable as a whole, regardless of any substantive unconscionability. See 2 Baltazar, 62 Cal. 4th at 1243. 3 D. Plaintiff Agreed to Arbitrate on an Individual Basis 4 Defendant points out, and Plaintiff does not contest, that the language of the 5 Agreement prohibits Plaintiff from bringing her claims on a class basis.

Specifically, 6 the Agreement stipulates that: EXCEPT FOR YOUR RIGHTS UNDER PARAGRAPH 4, BY 7 SIGNING THIS AGREEMENT, THE PARTIES AGREE THAT 8 EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR INDIVIDUAL CAPACITIES AND NOT AS A 9 PLAINTIFF, CLASS, OR COLLECTIVE ACTION MEMBER IN ANY PURPORTED CLASS AND/OR COLLECTIVE 10 ACTION PROCEEDING. 11 12 (ECF No. 5-3, Ex. A at 1.)

13 The language in the Agreement unambiguously prohibits class claims. 14 Plaintiff does not rebut this observation. Accordingly, the Court finds that this 15 language is controlling. 16 CONCLUSION 17 The Court finds that there is an Arbitration Agreement that encompasses the 18 issues at dispute here. Further, the Court finds that the Agreement is not procedurally 19 unconscionable, and therefore, the Agreement cannot be unconscionable as a whole.

20 Accordingly, the Agreement requires Plaintiff to arbitrate her claims on an individual 21 basis, and the Court will stay the case pending the resolution of the arbitration 22 proceedings. Defendant's Motion to Compel Arbitration, Dismiss Class Claims, and 23 Stay Litigation (ECF No. 5) is GRANTED. Defendant shall file a status report within 180 24 //// 25 //// 26 //// 27 //// 28 1 | days, and every 180 days thereafter, advising the Court on the status of arbitration 2 | proceedings.

The Clerk of Court is DIRECTED to administratively close this case. 3 A IT IS SO ORDERED. 5 | Dated: _June 18, 2025 "Darel A Ch brett Hon. Daniel alabretta 6 UNITED STATES DISTRICT JUDGE 7 8 9 10 11 12 | Discs - Richardson25cv403.mtca 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28