

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Adams v. S&D Carwash Management, LLC, et al.

Adams · No. 2:25-cv-1290 DC AC PS · Decided September 5, 2025

SUMMARY

The court vacated an evidentiary hearing on defendants’ motion to compel arbitration because plaintiff disputed signing the asserted arbitration agreement. It ordered the parties to meet and confer and file a joint statement addressing limited discovery concerning contract formation and arbitrability.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Allison Claire
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	September 5, 2025
DOCKET	2:25-cv-1290 DC AC PS
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for additional time and limited discovery before an evidentiary hearing on defendants' motion to compel arbitration. The court vacated the scheduled hearing and ordered supplemental joint briefing concerning necessary and permissible discovery.
STANDARD OF REVIEW	The court applied the genuine-dispute-of-material-fact standard under Federal Rule of Civil Procedure 56 to determine whether the making of the arbitration agreement was in issue under 9 U.S.C. § 4.
PRECEDENTIAL VALUE	unpublished district court order; persuasive only
PARTIES	Mark D. Adams v. S&D Carwash Management, LLC, et al.

TOPICS

- arbitration
- discovery dispute
- contract formation
- civil procedure

PRACTICE AREAS

- civil procedure
- arbitration
- employment law
- contracts

QUESTIONS PRESENTED

1. Whether the disputed formation of an arbitration agreement required an evidentiary hearing under the Federal Arbitration Act.
2. Whether plaintiff should receive limited discovery concerning contract formation before the evidentiary hearing on arbitrability.
3. Whether the scheduled October 1, 2025 evidentiary hearing should be vacated pending clarification of the permissible and necessary discovery.

HOLDINGS

1. When a party disputes that an arbitration agreement was formed and the dispute presents genuine issues of material fact, the court must hold an evidentiary hearing on arbitrability and keep the motion to compel arbitration in abeyance until the factual issues are resolved.
2. Some limited discovery confined to the issue of contract formation was warranted before the evidentiary hearing on arbitrability, but the court required the parties to submit a joint statement identifying the proposed discovery before setting a discovery schedule.

KEY QUOTATIONS

“once a district court concludes that there are genuine disputes of material fact as to whether the parties formed an arbitration agreement, the court must proceed without delay to trial on arbitrability and hold any motion to compel arbitration in abeyance until the factual issues have been resolved.” (at 1)

“It appears to the undersigned that some amount of discovery, limited to the issue of contract formation, is warranted here.” (at 2)

FACTUAL BACKGROUND

Defendants asserted that plaintiff electronically signed an arbitration agreement when he commenced employment. Plaintiff denied ever signing the agreement. Because the parties disputed whether an arbitration agreement was formed, the court determined that an evidentiary hearing on arbitrability was necessary and that some limited discovery concerning contract formation was warranted.

PROCEDURAL HISTORY

Plaintiff filed an employment-related complaint on May 5, 2025. Defendants moved to compel arbitration and for partial dismissal under Federal Rule of Civil Procedure 12(b)(6). Because plaintiff denied signing the asserted electronic arbitration agreement, the court had previously found disputed material facts concerning contract formation and scheduled an evidentiary hearing on arbitrability. Plaintiff then sought an extension and limited discovery, which the court granted in part.

DISPOSITION

other

CASES CITED

- Olszewski v. Scripps Health, 30 Cal. 4th 798, 815 (2003)
- Dr.'s Associates, Inc. v. Casarotto, 517 U.S. 681, 686-87 (1996)
- Hansen v. LMB Mortgage Services, Inc., 1 F.4th 667, 670-72 (9th Cir.)
- Ventura v. Ist Financial Bank United States, 2005 U.S. Dist. LEXIS 50253, *2 (N.D. Cal. Sept. 29, 2005)
- Alvarez v. T-Mobile USA, Inc., 822 F. Supp. 2d 1081, 1085 (E.D. Cal. 2011)

OPINION

(PS) Adams v. S&D Carwash Mgt., LLC

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 FOR THE EASTERN DISTRICT OF CALIFORNIA

10

11 MARK D. ADAMS, No. 2:25-cv-1290 DC AC PS

12 Plaintiff, 13 v. ORDER

14 S&D CARWASH MANAGEMENT,

LLC., et al., 15 Defendants. 16 17 18 Plaintiff, who has paid the filing fee, is proceeding in this action pro se. The action was 19 accordingly referred to the undersigned by Local Rule 302(c)(21). On July 10, 2025, defendants 20 filed two motions: a motion to compel arbitration (ECF No. 11), and a motion for partial 21 dismissal pursuant to Fed. R. Civ. P. 12(b)(6) (ECF No. 12). The undersigned held the motions 22 in abeyance and set an evidentiary hearing on the motion to compel arbitration, which is currently 23 set for October 1, 2025. ECF Nos. 31, 33. The parties were ordered to submit status report by

24 September 3, 2025. ECF No. 31. Both parties filed reports. ECF No. 34, 37. Plaintiff also filed 25 a motion to continue the hearing and for limited discovery. ECF No. 36. For the reasons set forth 26 below, the motion is GRANTED insofar as the hearing date of October 1, 2025 is VACATED, 27 and the parties are ORDERED to provide supplemental briefing on the issue of necessary and 28 permissible discovery. 1 I. Relevant Background 2 Plaintiff filed his complaint on May 5, 2025, alleging, in relevant part, that he was 3 unlawfully terminated from his employment by defendants. ECF No. 1. Defendants filed a 4 motion to dismiss (ECF No. 12) and a motion to compel arbitration (ECF No. 11). In the motion 5 to compel arbitration, defendants assert that plaintiff signed an arbitration agreement via an 6 electronic signature platform when he commenced employment. ECF No. 11-1 at 7-8. Plaintiff 7 flatly denies ever having signed the arbitration agreement. ECF No. 25. 8 II. Analysis 9 The Federal Arbitration Act (FAA) governs written contracts “evidencing a transaction 10 involving commerce to settle by arbitration a controversy thereafter arising out of such contract or 11 transaction” 9 U.S.C. § 2. “[I]t is the burden of the party claiming that Congress intended to 12 preempt state law to prove it.”

Olszewski v. Scripps Health, 30 Cal. 4th 798, 815 (2003) 13 (citations and internal marks omitted). While contract defenses are available to those seeking to 14 invalidate an arbitration agreement under the FAA, “courts may not . . . invalidate arbitration 15 agreements under state laws applicable only to arbitration provisions.” Dr.’s Assocs., Inc. v. 16 Casarotto, 517 U.S. 681, 686-87 (1996) (citations omitted). 17 If a party disputes another’s assertion that they agreed to arbitrate, the FAA requires the 18 district court to “hear the parties” and determine whether “the making of the arbitration 19 agreement [is] in issue.” 9 U.S.C. § 4. The court must decide whether there is a “genuine dispute 20 of material fact” under the standard of Federal Rule of Civil Procedure 56, which governs 21 motions for summary judgment. Hansen v. LMB Mortg. Servs., Inc., 1 F.4th 667, 670-71 (9th

22 Cir. 2021). “[O]nce a district court concludes that there are genuine disputes of material fact as to

23 whether the parties formed an arbitration agreement, the court must proceed without delay to trial 24 on arbitrability and hold any motion to compel arbitration in abeyance until the factual issues 25 have been resolved.” Id. at 672. 26 The court has already concluded that there are disputed issues of material fact as to 27 whether plaintiff signed the arbitration agreement, necessitating a hearing on the issue of 28 arbitrability. Plaintiff’s motion for an extension of time and for additional discovery now raises 1 | for the court the question of what level of discovery is permissible and/or required. Courts in this 2 || district have permitted limited discovery prior to evidentiary hearings on arbitrability. See, e.g., 3 | Ventura v. Ist Fin. Bank United States, 2005 U.S. Dist. LEXIS 50253, *2 (N.D. Cal. Sept. 29, 4 | 2005) (noting the court had granted plaintiff’s motion for leave to permit discovery relevant to the 5 || issue of arbitrability); Alvarez v. T-Mobile USA, Inc., 822 F. Supp. 2d 1081, 1085 (E.D. Cal. 6 || 2011) (finding “speedy and limited” discovery was appropriate where a plaintiff denied having 7 || signed an arbitration agreement.) 8 It appears to the undersigned that some amount of discovery, limited to the issue of 9 | contract formation, is warranted here. Plaintiff’s motion, however, is not sufficiently specific as 10 || to what discovery he seeks for the court to issue a limited discovery schedule at this time. 11 || Accordingly, the parties are directed to file supplemental briefing in the form of a joint statement 12 || on the matter of limited discovery on the issue of arbitrability.

13 II. CONCLUSION

14 Plaintiff’s motion for additional time and for discovery (ECF No. 36) is GRANTED 15 || insofar as the evidentiary hearing on the issue of arbitrability currently set for October 1, 2025, is 16 || VACATED to be re-set as necessary. The parties are ORDERED to meet and confer and to file a 17 || joint statement no later than November 3, 2025, addressing the following issues: (1) necessary 18 || party discovery on the issue of arbitrability including proposed requests for production, 19 | interrogatories, and depositions; (2) necessary third-party discovery on the issue of arbitrability 20 | including proposed subpoenas and depositions; (3) a proposed timeline for discovery and hearing 21 || on the issue of arbitrability; and (4) any other matters the parties

believe are relevant to the 22 || efficient execution of the pending evidentiary hearing. The joint statement may not exceed 10 23 || pages in length, exclusive of exhibits. 24 IT IS SO ORDERED.

25 || DATED: September 4, 2025 * Ctt10 Lhar—e_

26 ALLISONCLAIRE. SS

27 UNITED STATES MAGISTRATE JUDGE

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