

CALIFORNIA COURT OF APPEAL, FOURTH APPELLATE DISTRICT,
DIVISION ONE

Rheinhart v. Nissan North America, Inc.

Rheinhart · No. D079940 · Decided June 27, 2023

SUMMARY

The California Court of Appeal considered whether a prelitigation settlement agreement and release barred a consumer’s claims under the Song-Beverly Consumer Warranty Act. The court held that the Act’s antiwaiver provision does not categorically prohibit settlement agreements, but concluded that the particular release contravened the plaintiff’s substantive statutory rights and was void and unenforceable as against public policy. The court reversed the summary judgment entered for Nissan.

CASE DETAILS

COURT	California Court of Appeal, Fourth Appellate District, Division One
WRITING FOR THE COURT	O'Rourke, J.; Huffman, Acting P. J.; Do, J.
JURISDICTION	California
DECIDED	June 27, 2023
DOCKET	D079940
DISPOSITION	reversed
PROCEDURAL POSTURE	Appeal from a summary judgment entered for Nissan in a Song-Beverly Consumer Warranty Act action challenging the enforceability of a prelitigation settlement agreement and release.
STANDARD OF REVIEW	The Court of Appeal independently reviews summary judgment, applying the same legal standard as the trial court, viewing the evidence in the light favorable to the losing party and resolving doubts in favor of the party opposing summary judgment.
PRECEDENTIAL VALUE	Published and certified for publication; precedential California Court of Appeal opinion.
PARTIES	Derek Rheinhart v. Nissan North America, Inc., Mossy Nissan, Inc.

TOPICS

- consumer protection
- statutory interpretation
- remedies
- appellate procedure
- standard of review

PRACTICE AREAS

consumer protection

consumer warranty law

contracts

summary judgment

appellate procedure

QUESTIONS PRESENTED

1. Whether Civil Code section 1790.1's antiwaiver provision applies to a prelitigation settlement agreement and release concerning Song-Beverly Act claims.
2. Whether the settlement agreement and release was void and unenforceable as against public policy because it diminished Rheinhardt's substantive statutory rights to replacement or restitution and related remedies.
3. Whether Nissan was entitled to summary judgment based on the release.

HOLDINGS

1. Section 1790.1 is not limited to warranty waivers made at the time of purchase; its broad antiwaiver language encompasses statutory remedies afforded to buyers under the Song-Beverly Act. The provision does not categorically prohibit every settlement of Song-Beverly Act claims, however.
2. The release was void and unenforceable as against public policy because, under the undisputed circumstances, it contravened Rheinhardt's substantive right to elect replacement or restitution and diminished his statutory rights.
3. Nissan was not entitled to summary judgment because the release could not, as a matter of law, bar Rheinhardt's Song-Beverly Act claims under the circumstances presented.

KEY QUOTATIONS

"The Act's antiwaiver provision is extremely broad; it is not limited to warranties or any particular time frame during the purchase process, but encompasses all mandated remedies afforded to buyers." (23)

"On this summary judgment record, the Release contravened Rheinhardt's right to elect the Act's substantive remedies of replacement or restitution. On that basis, it is void as against public policy, and Nissan is not entitled to summary judgment on grounds the Release bars Rheinhardt's claims as a matter of law." (25-26)

"We emphasize that our holding is not that section 1790.1 precludes settlement and release of claims under the Act." (26)

FACTUAL BACKGROUND

In June 2019, Rheinhardt leased a new Nissan vehicle and soon experienced repeated problems, including malfunctioning of the rear-view camera screen. He presented the vehicle for repair three times in July and August 2019, and Nissan declined his request to repurchase the vehicle but later agreed to pay him \$3,548.40 as a compromise. Rheinhardt, who was not represented by counsel, signed Nissan's written settlement agreement and broad release after being told he could consult an attorney. He subsequently sued under the Song-Beverly Act for statutory remedies, including repurchase or restitution, alleging that Nissan had failed to satisfy its affirmative statutory obligations.

PROCEDURAL HISTORY

Rheinhardt leased a Nissan vehicle and, after repeated repair visits and Nissan's refusal to repurchase it, accepted a cash compromise and signed a broad release. He later sued Nissan under the Song-Beverly Consumer Warranty Act seeking repurchase, restitution, civil penalties, attorney fees, and related remedies. The San Diego County Superior Court granted Nissan summary judgment, ruling that the release barred Rheinhardt's express-warranty claims. The Court of Appeal reversed.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The judgment granting Nissan summary judgment is reversed. Rheinhardt shall recover his costs on appeal.

CASES CITED

- Aguilar v. Atlantic Richfield Co., 25 Cal. 4th 826, 850-851 (2001)
- Anderson v. Ford Motor Co., 74 Cal. App. 5th 946, 959 n.3 (2022)
- America Online, Inc. v. Superior Court, 90 Cal. App. 4th 1, 10-11 (2001)
- California State Automobile Assn. Inter-Ins. Bureau v. Superior Court, 50 Cal. 3d 658, 664 (1990)
- City of Santa Barbara v. Superior Court, 41 Cal. 4th 747, 777 & fn. 53 (2007)
- Crosno Construction, Inc. v. Travelers Casualty & Surety Co. of America, 47 Cal. App. 5th 940, 946, 950-961 (2020)
- Cummins, Inc. v. Superior Court, 36 Cal. 4th 478, 484-485 (2005)
- Dagher v. Ford Motor Co., 238 Cal. App. 4th 905, 914-915 (2015)
- Dorman v. International Harvester Co., 46 Cal. App. 3d 11, 19 (1975)
- Duff v. Jaguar Land Rover North America, LLC, 74 Cal. App. 5th 491, 500 (2022)
- Geraghty v. Shalizi, 8 Cal. App. 5th 593, 595, 599 (2017)
- G Companies Management, LLC v. LREP Arizona, LLC, 88 Cal. App. 5th 342, 350, 352-353 (2023)
- Gusse v. Damon Corp., 470 F. Supp. 2d 1110 (C.D. Cal. 2007)
- Kahn v. East Side Union High School Dist., 31 Cal. 4th 990, 1003 (2003)
- Kaufman v. Goldman, 195 Cal. App. 4th 734, 745-746 (2011)
- Kirzhner v. Mercedes-Benz USA, LLC, 9 Cal. 5th 966, 969, 971-972, 980, 984 (2020)
- Krotin v. Porsche Cars North America, Inc., 38 Cal. App. 4th 294, 300, 302-303 (1995)
- Lukather v. General Motors, LLC, 181 Cal. App. 4th 1041, 1050 (2010)
- Madrigal v. Hyundai Motor America, 90 Cal. App. 5th 385 (2023)
- Monster Energy Co. v. Schechter, 7 Cal. 5th 781, 793 (2019)
- Pollock v. Tri-Modal Distribution Services, Inc., 11 Cal. 5th 918, 946 (2021)
- Quidel Corp. v. Superior Court of San Diego County, 57 Cal. App. 5th 155, 164 (2020)

- Reid v. Google, Inc., 50 Cal. 4th 512, 535 (2010)
- Robertson v. Fleetwood Travel Trailers of California, Inc., 144 Cal. App. 4th 785, 799 (2006)
- Timney v. Lin, 106 Cal. App. 4th 1121, 1127-1129 (2003)
- Verdugo v. Alliantgroup, L.P., 237 Cal. App. 4th 141, 147, 151-162 (2015)
- Wimsatt v. Beverly Hills Weight etc. International, Inc., 32 Cal. App. 4th 1511, 1520-1522 (1995)
- Zamora v. Clayborn Contracting Group, Inc., 28 Cal. 4th 249, 260 (2002)

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