

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Mojica v. Kustom US, Inc.

Mojica · No. 2:24-cv-03671-DAD-AC · Decided December 22, 2025

SUMMARY

The United States District Court for the Eastern District of California granted Kustom US, Inc.’s motion to compel arbitration of Juan David Mojica’s California employment-law claims. The court held that the parties clearly and unmistakably delegated arbitrability questions to the arbitrator and rejected challenges based on lack of mutual consent, economic duress, and unconscionability. The action was stayed pending arbitration, and existing calendared dates were vacated.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Dale A. Drozd
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	December 22, 2025
DOCKET	2:24-cv-03671-DAD-AC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to compel arbitration of plaintiff's employment-related state-law claims under the Federal Arbitration Act. The court granted the motion, compelled plaintiff's individual claims to arbitration, delegated threshold arbitrability questions to the arbitrator, and stayed the action.
STANDARD OF REVIEW	On a motion to compel arbitration, the court treats the facts as it would on summary judgment, construing facts and reasonable inferences in the light most favorable to the nonmoving party. The party seeking arbitration bears the burden of proving the existence of an arbitration agreement by a preponderance of the evidence.
PRECEDENTIAL VALUE	unpublished district court opinion

TOPICS

- employment arbitration
- arbitration
- unconscionability
- contract formation
- civil procedure

PRACTICE AREAS

arbitration

employment law

contracts

civil procedure

QUESTIONS PRESENTED

1. Whether the arbitration agreement contained clear and unmistakable evidence delegating questions of arbitrability to the arbitrator.
2. Whether plaintiff's challenge to mutual consent and contract formation had to be decided by the court notwithstanding the delegation clause.
3. Whether the arbitration agreement was unenforceable because plaintiff allegedly signed under coercion or economic duress.
4. Whether the delegation clause was substantively unconscionable because of its fee provisions.

HOLDINGS

1. The arbitration agreement clearly and unmistakably delegates disputes concerning the arbitrability of particular issues or claims to the arbitrator.
2. The court must decide plaintiff's challenge that he never voluntarily consented to the arbitration agreement because contract formation questions remain reserved to the courts even when an agreement contains a delegation clause.
3. The alleged pressure to sign the arbitration agreement to retain employment did not render the agreement unenforceable for lack of voluntariness or coercion.
4. Challenges to the arbitration agreement as a whole, including general arguments concerning economic duress and unconscionability, do not establish that the delegation clause itself is unenforceable.
5. The delegation clause was not substantively unconscionable because plaintiff failed to show that the filing fee was cost-prohibitive or that the agreement imposed arbitration-specific expenses unavailable in court, and the attorney-fee provision merely allowed awards authorized by statute or written agreement.

KEY QUOTATIONS

“In considering a motion to compel arbitration, the ‘court’s role under the [FAA] . . . is limited to determining (1) whether a valid agreement to arbitrate exists and, if it does, (2) whether the agreement encompasses the dispute at issue.’” (at 2)

“‘[P]arties are free to delegate the adjudication of the gateway questions to the arbitrator, so long as they do so ‘clearly and unmistakably.’” (at 3)

“‘[T]he issues reserved to the courts for decision ‘always include’ whether an arbitration agreement was formed, even in the presence of a delegation clause.’” (at 3)

FACTUAL BACKGROUND

Mojica, a former employee of Kustom US, Inc., asserted California-law claims for retaliation, wrongful termination, and intentional infliction of emotional distress. During his employment, he signed a Mutual

Agreement to Arbitrate containing a delegation clause providing that disputes concerning arbitrability would be resolved by the arbitrator. He argued that he signed under threat of termination, economic duress, and unconscionable fee provisions, but did not dispute signing the agreement or the existence of the delegation clause.

PROCEDURAL HISTORY

Juan David Mojica filed an action against his former employer, Kustom US, Inc., asserting retaliation, wrongful termination, and intentional infliction of emotional distress under California law. Kustom moved to compel arbitration based on a Mutual Agreement to Arbitrate signed by Mojica during his employment. After briefing, the district court granted the motion, directed the parties to proceed to arbitration, and stayed the case pending completion of arbitration.

DISPOSITION

other

CASES CITED

- Epic Systems Corp. v. Lewis, 584 U.S. 497, 504 (2018)
- Chiron Corp. v. Ortho Diagnostic Systems, Inc., 207 F.3d 1126, 1130 (9th Cir. 2000)
- Godun v. JustAnswer LLC, 135 F.4th 699, 708 (9th Cir. 2025)
- Ashbey v. Archstone Property Management, Inc., 785 F.3d 1320, 1323 (9th Cir. 2015)
- Knutson v. Sirius XM Radio Inc., 771 F.3d 559, 565 (9th Cir. 2014)
- Rosenthal v. Great Western Financial Securities Corp., 14 Cal. 4th 394, 413 (1996)
- Turner v. Tesla, Inc., 686 F. Supp. 3d 917, 922 (N.D. Cal. 2023)
- Hansen v. LMB Mortgage Services, Inc., 1 F.4th 667, 670 (9th Cir. 2021)
- Acosta v. Brave Quest Corp., 733 F. Supp. 3d 920, 926 (C.D. Cal. 2024)
- AT&T Technologies, Inc. v. Communications Workers of America, 475 U.S. 643, 649 (1986)
- Mohamed v. Uber Technologies, Inc., 848 F.3d 1201, 1208, 1210 (9th Cir. 2016)
- Momot v. Mastro, 652 F.3d 982, 988 (9th Cir. 2011)
- Caremark, LLC v. Chickasaw Nation, 43 F.4th 1021, 1030 (9th Cir. 2022)
- Lemberg v. LuLaRoe, LLC, No. 17-cv-02102-AB-SHK, 2018 WL 6927844, at *3 (C.D. Cal. Apr. 17, 2018)
- Chamber of Commerce of the United States v. Bonta, 62 F.4th 473, 488 (9th Cir. 2023)
- Seybert v. CHLN, Inc., No. 3:20-cv-02529-H-KSC, 2021 WL 948800, at *4 (S.D. Cal. Mar. 11, 2021)
- Pokorny v. Quixtar, Inc., 601 F.3d 987, 994 (9th Cir. 2010)
- Lagatree v. Luce, Forward, Hamilton & Scripps, 74 Cal. App. 4th 1105, 1129 (1999)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 73-74 (2010)
- Christian v. Pressed Juicery, Inc., No. 2:20-cv-10919-AB-JC, 2021 WL 4771801, at *5 (C.D. Cal. Apr. 23, 2021)
- Felter v. Dell Technologies, Inc., No. 21-cv-04187-VC, 2022 WL 3010173, at *2 (N.D. Cal. July 29, 2022)

- Lim v. TForce Logistics, LLC, 8 F.4th 992, 1003 (9th Cir. 2021)
- Longboy v. Pinnacle Property Management Services, LLC, 718 F. Supp. 3d 1004, 1017 (N.D. Cal. 2024)
- Muhammad v. Battle-Tested Strategies, LLC, No. 2:21-cv-07225-VAP-JPR, 2021 WL 6298348, at *5 (C.D. Cal. Dec. 2, 2021)
- Zamudio v. Aerotek, Inc., 733 F. Supp. 3d 931, 945 (E.D. Cal. 2024)
- Nickless-Purcell v. RMR Group, LLC, No. 24-cv-01718-BAS-DTF, 2025 WL 2770638, at *5 (S.D. Cal. Sept. 29, 2025)
- Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4th 83, 114 (2000)
- Ronderos v. USF Reddaway, Inc., 114 F.4th 1080, 1090 (9th Cir. 2024)
- Orihuela-Knott v. Salvation Army, No. 2:18-cv-01060-KJM-DB, 2018 WL 6817844, at *2 (E.D. Cal. Aug. 21, 2018)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/united-states-district-court-for-the-eastern-district-of-california-united-states-district-court-for/2025/mojica-v-kustom-us-inc-xbnsv3m7>