NOT FOR PUBLICATION

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U.S. COURT OF APPEALS

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

ANGELA TISDALE; TERRENCE PRATT, an individual, on behalf of themselves and all others similarly situated, Plaintiffs - Appellees, v. APRIA HEALTHCARE LLC, a Delaware Limited Liability Company, Defendant - Appellant.	No. 25-3387 D.C. No. 2:24-cv-09620-AH-PVC MEMORANDUM[*]

Appeal from the United States District Court
for the Central District of California
Anne Hwang, District Judge, Presiding

Submitted October 29, 2026[**]
Pasadena, California

Before: R. NELSON and H.A. THOMAS, Circuit Judges, and PITTS, District Judge.[***]

[*] This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

[**] The panel unanimously concludes this case is suitable for decision without oral argument. *See* Fed. R. App. P. 34(a)(2).

[***] The Honorable P. Casey Pitts, United States District Judge for the Northern District of California, sitting by designation.

Apria Healthcare LLC ("Apria") appeals the district court's denial of its motion to compel arbitration pursuant to the Federal Arbitration Act ("FAA") in a suit brought by Angela Tisdale and Terrence Pratt (collectively, "Plaintiffs"). We have jurisdiction under 9 U.S.C. § 16(a)(1)(B). We review de novo the district court's denial of a motion to compel arbitration. *Ortiz v. Randstad Inhouse Servs., LLC*, 95 F.4th 1152, 1158 (9th Cir. 2024). The district court's factual findings are reviewed for clear error. *Rittmann v. Amazon.com, Inc.*, 971 F.3d 904, 909 (9th Cir. 2020). We reverse and remand for further fact finding.

Section 1 of the FAA exempts from the FAA's provisions the "contracts of employment of seamen, railroad employees, or any other class of workers engaged in foreign or interstate commerce." 9 U.S.C. § 1. To determine whether the exemption applies, courts must engage in the two-step analysis set forth in *Southwest Airlines Co. v. Saxon* by first "defining the relevant 'class of workers' to which [Plaintiffs] belong[]" and then "determin[ing] whether that class of workers is 'engaged in foreign or interstate commerce.'" 596 U.S. 450, 455 (2022). The "bottom line" is that "an employee's relationship to the movement of goods must be sufficiently close . . . to conclude that his work plays a tangible and meaningful role in their progress through the channels of interstate commerce." *Ortiz*, 95 F.4th at 1160; *see also Flowers Foods, Inc. v. Brock*, 608 U.S. 380, 388 (2026).

At *Saxon*'s first step, there is no dispute that Plaintiffs belong to a class of couriers transporting home medical equipment to and from Apria's branch locations and its customers within California. At *Saxon*'s second step, the district court relied on our decisions in *Rittman* and *Carmona Mendoza v. Domino's Pizza, LLC*, 73 F.4th 1135 (9th Cir. 2023). Apria objected that its rental model distinguishes this case from *Rittman* and *Carmona Mendoza*, but the district court did not engage with that factual distinction. Rather, the district court found it dispositive that "almost a quarter of the work performed by this class of couriers involved the delivery of interstate goods."

The district court's finding, however, misconstrues the evidence.[1] At most, the record establishes that some unknown quantity of for-sale goods at Apria's distribution centers originated out of state. But, critically, nothing in the record clarifies whether and in what manner these interstate goods were transported by Plaintiffs' class of couriers from Apria's branches to its customers. Nor did the district court make any findings about the extent to which Plaintiffs were engaged

[1] The district court noted that Apria rented, rather than directly sold, 77.5% of its medical equipment, but there is no basis in the record on which to conclude that all directly sold equipment originated from out of state. The record also reveals that 81% of goods purchased by Apria's customers were already in stock at Apria's in-state distribution centers before they were ordered, but, again, the record does not answer what portion of the remaining 19% originated from outside California—or, for that matter, what portion of the 81% originated from inside California.

in deliveries of for-sale goods, as opposed to deliveries of rental goods to and from Apria's branches and its customers.

In the absence of detailed findings on the nature of Apria's business model and the ways in which Plaintiffs moved interstate goods in that model, the district court could not properly evaluate the couriers' "relationship with the flow of goods and the extent to which [their] role enable[d] the[] [goods] to flow in interstate commerce." *Ortiz*, 95 F.4th at 1164; *see also id.* (noting that this inquiry "inevitably requires an examination of the employee's role in context," which "usually involves an understanding of how, when, and where goods move through the supply chain"). Upon remand, the district court should conduct additional fact-finding and hold Plaintiffs to their burden to prove that their work played "a tangible and meaningful role" in foreign or interstate commerce. *Id.* at 1160; *see Fli-Lo Falcon, LLC v. Amazon.com, Inc.*, 97 F.4th 1190, 1194 (9th Cir. 2024).

REVERSED, VACATED, and REMANDED.