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Shanahan v. IXL Learning: Ninth Circuit Clarifies Principles of Agency and Ratification in Addressing Non-Signatories' Obligations to Arbitrate

by Michele Floyd

The Ninth Circuit's unpublished decision in *Shanahan v. IXL Learning, Inc.*, No. 24-6985, 2026 WL 982855 (9th Cir. Apr. 13, 2026), provides an important roadmap for binding non-signatories to an arbitration agreement under agency or ratification theories. The issue in *Shanahan* was whether parents and their minor children, who were not signatories to an arbitration agreement, could be compelled to arbitrate their claims against IXL, an educational technology provider, under an arbitration provision between IXL and the parents' school districts.

The Court of Appeals rejected IXL's agency theory. IXL argued that the contract language created an agency relationship between the parents and the schools that permitted the schools to bind the parents to arbitration. Under California law, however, "a defendant cannot meet its burden to prove the signatory acted as the agent of a plaintiff by relying on representations of the purported agent alone." 2026 WL 982855, at *2 (citing *Kinder v. Capistrano Beach Care Ctr., LLC*, 91 Cal. App. 5th 804 (2d Dist. 2023), and *Valentine v. Plum Healthcare Grp., LLC*, 37 Cal. App. 5th 1076 (3d Dist. 2019)). Because the contractual representation was made only by the purported agents—the schools—and not the parents, the pane concluded that the contract was insufficient to bind the parents to arbitration. *Id.*

The Ninth Circuit, however, accepted IXL's ratification theory. IXL contended that the parents "voluntarily accepted," or ratified, the contract—including the arbitration provision—under California Civil Code § 1589 by continuing to use IXL's products after learning of the contractual terms. Noting the absence of California authority on this precise issue, the panel concluded that the parents bore the burden of proving their acceptance was not "voluntary" under the statute and that they had not yet done so. The *Shanahan court* reasoned that statutory or regulatory requirements, such as mandatory school attendance, do not necessarily negate voluntariness unless the parents can show that no meaningful alternative to using IXL's products existed. Because the parents had not yet carried this burden, the panel remanded for further proceedings, permitting limited discovery on whether the plaintiffs' continued use of IXL was knowing and voluntary. *Id.* at *4.

The *Shanahan* decision reinforces the principle that entities seeking to compel arbitration against non-signatories cannot rely on agency theories based exclusively on contractual language. A third party's continued use of the service after learning of the contractual terms, however, may amount to

ratification under California law, with the burden of establishing that the acceptance of those terms was not “voluntary” under section 1589 falling on the party seeking to avoid the terms. In short, ratification may prevail where agency falls short.