UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ILLINOIS

Crystal Brown, On Behalf of Herself and Those Similarly Situated v. Santander Consumer USA Inc.

Brown · No. 3:24-CV-00665-NJR · Decided February 12, 2026

SUMMARY

The United States District Court for the Southern District of Illinois denied Crystal Brown’s motion to lift a stay pending arbitration in her putative class action against Santander Consumer USA, Inc. The court held that arbitration had not yet been “had” under Section 3 of the Federal Arbitration Act because the AAA was willing to reopen the arbitration, and that Santander’s failed payment did not constitute default or waiver of its right to arbitrate. The court maintained the stay and stated that the parties could proceed with arbitration.

CASE DETAILS

COURT	United States District Court for the Southern District of Illinois
WRITING FOR THE COURT	Nancy J. Rosenstengel
JURISDICTION	United States District Court for the Southern District of Illinois
DECIDED	February 12, 2026
DOCKET	3:24-CV-00665-NJR
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to lift a stay entered under section 3 of the Federal Arbitration Act, arguing that arbitration had been had and that defendant was in default of the arbitration proceedings. The court denied the motion.
STANDARD OF REVIEW	The court applied the Federal Arbitration Act and evaluated whether arbitration had been had or whether Santander had defaulted, thereby waiving its right to arbitrate, based on the facts and circumstances as a whole.
PRECEDENTIAL VALUE	Unknown; memorandum and order from a federal district court
PARTIES	Crystal Brown, on behalf of herself and those similarly situated v. Santander Consumer USA Inc.

TOPICS

arbitration civil procedure class actions consumer protection

PRACTICE AREAS

arbitration civil procedure consumer finance class actions

QUESTIONS PRESENTED

1. Whether arbitration had been had under section 3 of the Federal Arbitration Act when the AAA declined to administer the arbitration because Santander's filing-fee payment failed but indicated that it would reopen the case with Brown's consent.
2. Whether Santander was in default of the arbitration proceedings under section 3 because its failed payment constituted waiver of its contractual right to arbitrate.

HOLDINGS

1. Arbitration had not been had because the AAA's refusal to administer the matter was not an endpoint comparable to termination after a party refused or was unable to pay; the AAA remained willing to reopen the arbitration with Brown's consent.
2. Santander was not in default because its failed payment resulted from a good-faith human error and its conduct consistently demonstrated an intent to arbitrate rather than an inconsistent choice of litigation.

KEY QUOTATIONS

> *"The Court thus finds Wallrich distinguishable on its facts."*

> *"Santander's good faith mistake is thus not enough to support Brown's waiver argument."*

> *"For these reasons, Plaintiff Crystal Brown's Motion to Lift the Stay pending arbitration (Doc. 51) is DENIED."*

FACTUAL BACKGROUND

Brown financed the purchase of a car and later entered into an Extension Agreement with Santander containing an arbitration provision. After the case was stayed pending arbitration, the parties selected the AAA, which requested a $375 filing fee from Santander. Santander's counsel attempted to pay the fee through an electronic payment link, but the payment did not reach the AAA; the AAA consequently declined to administer the arbitration while offering to reopen it with Brown's consent. Santander consistently maintained that it intended to arbitrate and promptly attempted to cure the payment problem.

PROCEDURAL HISTORY

Brown brought a putative class action concerning vehicle financing contracts involving preexisting liens. After the court determined that federal subject matter jurisdiction existed, Santander moved to stay the case pending arbitration, and the court granted the stay on August 8, 2025. The parties initiated proceedings before the American Arbitration Association, but the AAA declined to administer the matter after Santander's filing-fee payment failed; the AAA later offered to reopen the arbitration with Brown's consent. Brown moved to lift the stay, and the court denied that motion.

DISPOSITION

other

CASES CITED

- Wallrich v. Samsung Electronics America, Inc., 106 F.4th 609 (7th Cir. 2024)
- Pre-Paid Legal Services, Inc. v. Cahill, 786 F.3d 1287 (10th Cir. 2015)
- Tillman v. Tillman, 825 F.3d 1069 (9th Cir. 2016)
- Sink v. Aden Enterprises, Inc., 352 F.3d 1197 (9th Cir. 2003)
- Ohio-Sealy Mattress Manufacturing Co. v. Kaplan, 712 F.2d 270 (7th Cir. 1983)
- Ernst & Young LLP v. Baker O'Neal Holdings, Inc., 304 F.3d 753 (7th Cir. 2002)
- Moses H. Cone Memorial Hospital v. Mercury Construction Corp., 460 U.S. 1 (1983)
- Kawasaki Heavy Industries, Ltd. v. Bombardier Recreational Products, Inc., 660 F.3d 988 (7th Cir. 2011)
- Simone v. Citizens Bank, N.A., No. 23-545, 2024 WL 3237081 (D.R.I. June 17, 2024)
- Jaramillo v. TXU Energy, No. EP-20-CV-00115, 2021 WL 1177888 (W.D. Tex. Mar. 29, 2021)
- French v. Whitefeather Holdings, LLC, No. CV-20-00349, 2020 WL 6383531 (D. Ariz. Oct. 30, 2020)
- Greco v. Uber Technologies, Inc., No. 4:20-cv-02698, 2020 WL 5628966 (N.D. Cal. Sept. 3, 2020)