UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Daniel Negron v. Westlake Services, LLC

Negron · No. 2:25-cv-00476 · Decided March 23, 2026

SUMMARY

The court grants Westlake Services, LLC's motion to stay the action and compel arbitration. It holds that the arbitration clause in the parties' retail installment contract is severable and covers the plaintiff's statutory debt-collection and credit-reporting claims. The court also concludes that Westlake did not waive arbitration by previously pursuing a deficiency claim in municipal court.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	David Stewart Cercone
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	March 23, 2026
DOCKET	2:25-cv-00476
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to stay the action and compel arbitration under the Federal Arbitration Act. The district court granted the motion.
STANDARD OF REVIEW	The court applied the Federal Arbitration Act's standard for compelling arbitration, considering whether a valid agreement to arbitrate existed and whether the dispute fell within the agreement's scope.
PRECEDENTIAL VALUE	Unknown
PARTIES	Daniel Negron v. Westlake Services, LLC

TOPICS

arbitration · fair debt collection · credit reporting · consumer protection · civil procedure

PRACTICE AREAS

Arbitration · Consumer protection · Debt collection · Credit reporting · Civil procedure

QUESTIONS PRESENTED

1. Whether the retail installment contract contained a valid and enforceable arbitration agreement.
2. Whether plaintiff's statutory debt-collection, credit-reporting, and consumer-protection claims fell within the scope of the arbitration agreement.
3. Whether plaintiff's challenge to the contract as a whole constituted a challenge to the arbitration clause itself.
4. Whether Westlake waived its right to compel arbitration by previously filing a collection action in municipal court.

HOLDINGS

1. The retail installment contract contained a valid and enforceable arbitration provision, and plaintiff acknowledged the contract and received a copy before signing.
2. A challenge to the contract as a whole did not defeat enforcement of the arbitration provision because plaintiff did not specifically challenge the arbitration clause itself.
3. Plaintiff's statutory debt-collection, credit-reporting, and consumer-protection claims fell within the arbitration provision because they arose from the transaction or relationship created by the vehicle purchase and retail installment contract.
4. Westlake did not waive its right to compel arbitration by filing the municipal-court collection action or by failing to take inconsistent action in the current case.

KEY QUOTATIONS

> *"To determine whether a party may be compelled to arbitrate under the FAA, courts must "first consider (1) whether there is a valid agreement to arbitrate between the parties and, if so, (2) whether the merits-based dispute in question falls within the scope of that valid agreement."" (at 2)*

> *"Under this severability rule, a party cannot avoid arbitration by attacking the contract containing the arbitration clause as a whole (the "container contract")."* (at 2)

> *"the FAA's policy favoring arbitration does not authorize federal courts to invent special, arbitration-preferring procedural rules."* (at 4)

> *"Moreover, the parties contemplated the existing circumstances and agreed that seeking a remedy in small claims court would not bar subsequent enforcement of the arbitration provision."* (at 5)

FACTUAL BACKGROUND

Plaintiff purchased a used automobile under a retail installment contract that was assigned to Westlake Services, LLC. After plaintiff stopped making payments, Westlake attempted to collect a remaining balance of $9,857.05 and filed a collection action in municipal court; judgment was entered for plaintiff after Westlake lacked a witness to authenticate certain records. Westlake subsequently reported plaintiff's nonpayment to credit bureaus, leading plaintiff to file statutory debt-collection and consumer-protection claims. The retail installment contract contained an arbitration provision covering disputes arising from the vehicle purchase, the contract, or the resulting relationship, while preserving the parties' right to pursue qualifying small-claims remedies.

PROCEDURAL HISTORY

Negron filed claims under the Fair Debt Collection Practices Act, the Fair Credit Extension Uniformity Act, and the Unfair Trade Practices and Consumer Protection Law. Westlake moved to stay the case and compel arbitration based on an arbitration provision in the retail installment contract. The court determined that a valid and sufficiently broad arbitration agreement existed, that the claims fell within its scope, and that Westlake had not waived arbitration.

DISPOSITION

other

CASES CITED

- Guidotti v. Legal Helpers Debt Resolution, L.L.C., 716 F.3d 764, 771 (3d Cir. 2013)
- Par-Knit Mills, Inc. v. Stockbridge Fabrics Co., Ltd., 636 F.2d 51, 54 (3d Cir. 1980)
- Flintkote Co. v. Aviva PLC, 769 F.3d 215, 220 (3d Cir. 2014)
- MZM Construction Co., Inc. v. New Jersey Building Laborers Statewide Benefit Funds, 974 F.3d 386, 397 (3d Cir. 2020)
- Sandvik AB v. Advent International Corp., 220 F.3d 99, 104 (3d Cir. 2000)
- Prima Paint Corp. v. Flood & Conklin Manufacturing Co., 388 U.S. 395, 403-04, 406 (1967)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 70-71
- Morgan v. Sundance, Inc., 596 U.S. 411, 417-19 (2022)
- Field Intel. Inc. v. Xylem Dewatering Sols. Inc., 49 F.4th 351, 359 (3d Cir. 2022)
- Nino v. Jewelry Exchange, Inc., 609 F.3d 191, 212 (3d Cir. 2010)
- Valli v. Avis Budget Group, Inc., 162 F.4th 396, 411 (3d Cir. 2025)
- Isabella Pizza, Inc. v. Tioga-Franklin Savings Bank, 2026 WL 210414, at *4 (E.D. Pa. Jan. 26, 2026)
- Duong v. Pressler Felt & Warshaw, LLP, 2025 WL 1645625, at *6 (D.N.J. June 10, 2025)