UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF KENTUCKY, OWENSBORO DIVISION

Adam Wood v. Ascend Loans, LLC

Wood · No. 4:25-cv-18-RGJ · Decided January 15, 2026

SUMMARY

The United States District Court for the Western District of Kentucky grants Ascend Loans, LLC's motion to compel arbitration in Adam Wood's class action concerning allegedly usurious tribal loans. The court concludes that the loan agreements clearly and unmistakably delegate arbitrability questions to the arbitrator and that Wood's prospective-waiver challenge does not invalidate the delegation provision. The court further holds that Wood may present his choice-of-law and statutory-remedies arguments to the arbitrator.

CASE DETAILS

COURT	United States District Court for the Western District of Kentucky, Owensboro Division
JURISDICTION	United States District Court for the Western District of Kentucky, Owensboro Division
DECIDED	January 15, 2026
DOCKET	4:25-cv-18-RGJ
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under the Federal Arbitration Act to compel individual arbitration and stay the putative class action. The court granted the motion and stayed the action pending arbitration.
STANDARD OF REVIEW	The court applied the limited review required under Federal Arbitration Act § 4 to determine whether the dispute was arbitrable, resolving doubts in favor of arbitrability. A challenge to a delegation provision is for the court only when directed specifically to that provision.
PRECEDENTIAL VALUE	Unknown; federal district court memorandum opinion and order

TOPICS

arbitration · class actions · contracts · consumer protection · civil procedure

PRACTICE AREAS

arbitration | consumer protection | contracts | civil procedure | class actions

QUESTIONS PRESENTED

1. Whether the loan agreements contained clear and unmistakable evidence that the parties delegated gateway arbitrability questions to an arbitrator.
2. Whether Wood specifically challenged the delegation provision on grounds distinct from his challenge to the arbitration agreement as a whole.
3. Whether the agreements' tribal and federal choice-of-law provisions rendered the delegation provision unenforceable under the prospective-waiver doctrine.
4. Whether the court should compel individual arbitration and stay the action.

HOLDINGS

1. The loan agreements clearly and unmistakably delegated questions concerning the validity, scope, and enforceability of the arbitration agreement to an arbitrator.
2. Wood specifically challenged the delegation provision because he independently applied the prospective-waiver theory to the provision and argued that it prevented the arbitrator from considering state law when deciding arbitrability.
3. Wood's prospective-waiver challenge did not invalidate the delegation provision at the motion-to-compel stage because the agreement required application of the FAA to arbitrability, and the arbitrator could consider traditional contract defenses under FAA § 2.
4. The court compelled individual arbitration and stayed the action pending arbitration.

KEY QUOTATIONS

> *"As a result, the Court concludes that the parties clearly and unmistakably agreed to arbitrate questions of arbitrability."* (Section III.1)

> *"This matter is STAYED pending arbitration pursuant to 9 U.S.C. § 3."* (Conclusion)

FACTUAL BACKGROUND

Wood alleged that Ascend issued Kentucky loans at interest rates exceeding 400 percent while representing that it was wholly owned by the Habematolel Pomo of Upper Lake Tribe. The loan agreements contained tribal and federal choice-of-law provisions, arbitration clauses requiring confidential individual arbitration, class-action waivers, and provisions stating that the arbitrator would decide issues concerning the validity, scope, or enforceability of the arbitration agreement. The agreements also referenced AAA and JAMS procedures and permitted borrowers to opt out of arbitration within twenty-one days.

PROCEDURAL HISTORY

Adam Wood filed a putative class action alleging that Ascend Loans falsely represented itself as a tribal lending entity and charged Kentucky borrowers interest rates exceeding Kentucky usury limits. Ascend moved to compel arbitration. Wood opposed the motion, arguing that the loan agreements' tribal and federal choice-of-law provisions prospectively waived state statutory rights and rendered the arbitration and delegation provisions unenforceable. The district court held that the agreements clearly and unmistakably delegated arbitrability to the arbitrator, rejected Wood's specific delegation challenge as premature and legally insufficient to defeat delegation, compelled individual arbitration, and stayed the case.

DISPOSITION

other

CASES CITED

- Whalen v. Lord & Moses, LLC, Case No. 09-CV-0192-JBC, 2009 WL 3766327, at *1 (E.D. Ky. Nov. 10, 2009)
- Gilmer v. Interstate/Johnson Lane Corp., 500 U.S. 20, 24 (1991)
- Javitch v. First Union Sec., Inc., 315 F.3d 619, 624 (6th Cir. 2003)
- Masco Corp. v. Zurich Am. Ins. Co., 382 F.3d 624, 627 (6th Cir. 2004)
- Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc., 473 U.S. 614, 626, 637 n.19, 638 (1985)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 68-72 (2010)
- Swiger v. Rosette, 989 F.3d 501, 505-06 (6th Cir. 2021)
- Blanton v. Domino's Pizza Franchising LLC, 962 F.3d 842, 844-46 (6th Cir. 2020)
- Becker v. Delek US Energy, Inc., 39 F.4th 351, 355-56 (6th Cir. 2022)
- In re StockX Customer Data Sec. Breach Litiga., 19 F.4th 873, 885-86 (6th Cir. 2021)
- Ciccio v. SmileDirectClub, LLC, 2 F.4th 577, 583 (6th Cir. 2021)
- Henry Schein, Inc. v. Archer & White Sales, Inc., 586 U.S. 63, 68 (2019)
- Danley v. Encore Capital Grp., Inc., 580 F. App'x 394, 398 (6th Cir. 2014)
- Mallory v. Consumer Safety Tech., LLC, No. 3:23-CV-00436, 2024 WL 3897144, at *5 (E.D. Tenn. Aug. 21, 2024)
- American Express Co. v. Italian Colors Restaurant, 570 U.S. 228, 235 (2013)
- Dunn v. Global Trust Management, LLC, No. 21-10120, 2024 WL 4379966, at *12-14 (11th Cir. Oct. 3, 2024) (per curiam)
- Wood v. W6LS, Inc., and Caliber Fin. Servs., Inc., No. 4:24-cv-128-DJH, slip op. at 7-9 (W.D. Ky. Sept. 20, 2025)
- Vimar Seguros y Reaseguros, S.A. v. M/V Sky Reefer, 515 U.S. 528, 540-41 (1995)
- Dillon v. BMO Harris Bank, N.A., 856 F.3d 330, 334 (4th Cir. 2017)
- Smith v. Spizzirri, 601 U.S. 472, 478 (2024)