

# COURT OF APPEALS OF NORTH CAROLINA

## Frazier v. TitleMax of Va., Inc.

No. COA25-703 (N.C. Ct. App. May 6, 2026) · No. No. COA25-703 · Decided May 6, 2026

### SUMMARY

The North Carolina Court of Appeals affirmed an order confirming arbitration awards and judgments in favor of North Carolina consumers who obtained high-interest vehicle title loans from TitleMax. The court held that the arbitrators did not exceed their authority under the Federal Arbitration Act because they arguably construed the loan agreements' governing-law provisions when applying North Carolina law to the plaintiffs' statutory and related claims. The court also rejected TitleMax's argument that the trial court improperly relied on reasons not expressly stated in the arbitration awards.

### CASE DETAILS

|                       |                                                                                                                                                          |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Court of Appeals of North Carolina                                                                                                                       |
| WRITING FOR THE COURT | Judge Valerie Zachary; Judge Stroud; Judge Gore                                                                                                          |
| JURISDICTION          | North Carolina Court of Appeals                                                                                                                          |
| DECIDED               | May 6, 2026                                                                                                                                              |
| DOCKET                | No. COA25-703                                                                                                                                            |
| DISPOSITION           | affirmed                                                                                                                                                 |
| PROCEDURAL POSTURE    | Defendants appealed from a superior court order confirming arbitration awards, denying motions to vacate, and entering judgments in favor of plaintiffs. |
| STANDARD OF REVIEW    | The court accepts findings of fact that are not clearly erroneous and reviews conclusions of law de novo.                                                |
| PRECEDENTIAL VALUE    | Published opinion; precedential under North Carolina appellate practice.                                                                                 |
| PARTIES               | TitleMax of Virginia, Inc., TitleMax of South Carolina, Inc. v. Coleman Frazier, Briana Hester, Daniel Stanback, Ella Stanback                           |

### TOPICS

- arbitration
- appellate procedure
- contract interpretation
- consumer protection
- commercial litigation

### PRACTICE AREAS

arbitration

appellate procedure

contract interpretation

consumer finance

consumer protection

usury

commercial litigation

## QUESTIONS PRESENTED

1. Whether the arbitrators exceeded their powers under 9 U.S.C. § 10(a)(4) by applying North Carolina law despite generic governing-law provisions selecting Virginia or South Carolina law.
2. Whether the trial court improperly confirmed the arbitration awards based on reasoning not expressly stated in the awards.

## HOLDINGS

1. The arbitrators did not exceed their powers under the Federal Arbitration Act because they at least arguably construed the governing-law provisions in deciding that North Carolina law applied to plaintiffs' statutory and tort claims. An arguably incorrect interpretation of the contract is not a basis for vacatur under 9 U.S.C. § 10(a)(4).
2. The trial court properly confirmed the arbitration awards. It was not necessary for each arbitrator to expressly analyze the scope of the governing-law clause when the awards showed that the arbitrators expressly construed the clause.

## KEY QUOTATIONS

*“The ‘bar for an arbitrator’s award drawing its essence from a contract is low; the arbitrator need only be arguably construing or applying the contract.’”* (at 7)

*“The dispositive issue under 9 U.S.C. § 10(a)(4) is ‘whether the arbitrator (even arguably) interpreted the parties’ contract, not whether he got its meaning right or wrong.’”* (at 10-11)

## FACTUAL BACKGROUND

TitleMax made consumer car-title loans to North Carolina residents at annual interest rates ranging from 143% to more than 204%, rates that plaintiffs alleged and the court recognized were prohibited in North Carolina when the loans were made. Although the loans were executed at TitleMax stores in Virginia or South Carolina, TitleMax had substantial North Carolina contacts, including recording tens of thousands of vehicle liens, soliciting business, receiving payments, and repossessing vehicles in North Carolina. The loan agreements contained arbitration provisions and generic governing-law clauses selecting Virginia or South Carolina law. Arbitrators applied North Carolina law and awarded plaintiffs damages, after which the superior court confirmed the awards and entered judgments.

## PROCEDURAL HISTORY

Plaintiffs filed individual North Carolina actions alleging violations of the North Carolina Consumer Finance Act, North Carolina usury laws, and the North Carolina Unfair and Deceptive Trade Practices Act. The actions were removed to federal court, consolidated, and ordered to arbitration. After plaintiffs prevailed in arbitration, they sought confirmation of the awards in Guilford County Superior Court. The superior court confirmed the

awards, denied TitleMax's motions to vacate, and entered judgments for plaintiffs; the Court of Appeals affirmed.

## DISPOSITION

affirmed

## CASES CITED

- Leake v. AutoMoney, Inc., 284 N.C. App. 389, 391, 877 S.E.2d 22, 27 (2022), disc. review denied, 384 N.C. 190, 884 S.E.2d 738 (2023)
- First Union Secs., Inc. v. Lorelli, 168 N.C. App. 398, 400, 607 S.E.2d 674, 676 (2005)
- Turner v. Nicholson Props., Inc., 80 N.C. App. 208, 212, 341 S.E.2d 42, 45, disc. review denied, 317 N.C. 714, 347 S.E.2d 457 (1986)
- Smith v. Young Moving & Storage, Inc., 167 N.C. App. 487, 489-90, 606 S.E.2d 173, 175-76 (2004)
- Snipes v. TitleMax of Va., Inc., 285 N.C. App. 176, 183-86, 876 S.E.2d 864, 870-71 (2022), disc. review denied, 384 N.C. 191, 884 S.E.2d 740 (2023)
- Oxford Health Plans LLC v. Sutter, 569 U.S. 564, 569, 573, 186 L. Ed. 2d 113, 119, 122 (2013)
- Buckeye Check Cashing, Inc. v. Cardegna, 546 U.S. 440, 442-49, 163 L. Ed. 2d 1038, 1041-46 (2006)