UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA, INDIANAPOLIS DIVISION

Beckett v. Bitcoin Depot, Inc. et al.

Beckett · No. 1:25-cv-01450-TWP-MG · Decided February 26, 2026

SUMMARY

The court grants Bitcoin Depot's motion to compel arbitration and stays Steve Beckett's putative class action arising from cryptocurrency ATM transactions allegedly induced by a scam. The court finds that Beckett assented to a written arbitration agreement, that his claims fall within its broad scope, and that he refused to arbitrate by filing and pursuing the action. The court concludes that the arbitration agreement incorporates AAA rules delegating arbitrability issues to the arbitrator and holds that Beckett's unconscionability challenge concerns the agreement as a whole. The court denies without prejudice the alternative requests to dismiss the action and strike the class allegations and orders a status report regarding arbitration.

CASE DETAILS

COURT	United States District Court for the Southern District of Indiana, Indianapolis Division
WRITING FOR THE COURT	Tanya Walton Pratt
JURISDICTION	United States District Court for the Southern District of Indiana, Indianapolis Division
DECIDED	February 26, 2026
DOCKET	1:25-cv-01450-TWP-MG
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiff brought a putative class action asserting claims under the Indiana Deceptive Consumer Sales Act, replevin, negligence, gross negligence, recklessness, and voluntary assumption of a duty. Defendants moved to compel arbitration and stay or dismiss the action, or alternatively to dismiss and strike the class allegations.
STANDARD OF REVIEW	A motion to compel arbitration is evaluated under the standard used for summary judgment under Federal Rule of Civil Procedure 56. The moving party must establish a valid agreement to arbitrate, that the dispute falls within the agreement's scope, and that the opposing party refuses to arbitrate. The party resisting arbitration bears the burden of showing that the claims are unsuitable for arbitration.

PRECEDENTIAL VALUE	unpublished district court order; persuasive only
PARTIES	Steve Beckett v. Bitcoin Depot, Inc., Bitcoin Depot Operating, LLC d/b/a Bitcoin Depot

TOPICS

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

PRACTICE AREAS

arbitration · civil procedure · consumer protection · contracts · commercial litigation

QUESTIONS PRESENTED

1. Whether the parties entered into a valid agreement to arbitrate.
2. Whether Beckett's statutory and tort claims fell within the scope of the broad arbitration provision.
3. Whether incorporation of the AAA Commercial Arbitration Rules clearly and unmistakably delegated questions of arbitrability to the arbitrator.
4. Whether Beckett's unconscionability challenge was directed at the arbitration clause itself or at the agreement as a whole, and therefore whether the court or arbitrator should decide it.
5. Whether the action should be stayed pending arbitration rather than dismissed and whether the class allegations should be stricken.

HOLDINGS

1. A valid written agreement to arbitrate existed because Beckett assented to Bitcoin Depot's Terms and Conditions on three separate occasions, and those Terms expressly required arbitration of claims arising under the Agreement.
2. Beckett's claims under the Indiana Deceptive Consumer Sales Act, for replevin, negligence, gross negligence, recklessness, and voluntary assumption of a duty fell within the arbitration provision because they arose from the transactions governed by the Terms and Conditions.
3. The Terms and Conditions clearly and unmistakably delegated questions of arbitrability to the arbitrator by incorporating the AAA Commercial Arbitration Rules, including the rule authorizing the arbitrator to determine the arbitrator's own jurisdiction.
4. The court did not decide Beckett's unconscionability challenge because it challenged the Terms and Conditions as a whole rather than the arbitration clause specifically; that challenge must be decided by the arbitrator.
5. The action was required to be stayed pending arbitration rather than dismissed.

KEY QUOTATIONS

> *"The former challenge is for the court to decide, whereas the latter is for the arbitrator to decide."*

> *“Accordingly, Bitcoin's Motion to Compel Arbitration is granted.”*

> *“The Motion is granted in that Beckett is ORDERED to arbitrate his claims as provided by the Agreement, and this proceeding is STAYED pending the completion of arbitration.”*

FACTUAL BACKGROUND

Beckett was deceived by a person posing as a Microsoft representative into withdrawing cash and depositing it into Bitcoin Depot ATMs to supposedly secure his funds. He made three deposits totaling approximately $7,000 and paid approximately $2,000 in service fees. Before each transaction, he accepted Bitcoin Depot's Terms and Conditions, which contained a broad arbitration clause incorporating the AAA Commercial Arbitration Rules and a class-action waiver, and he proceeded past multiple scam warnings displayed by the ATM and sent by text. After discovering the fraud, Beckett sought recovery from Bitcoin Depot, which stated that the transactions were irreversible.

PROCEDURAL HISTORY

Beckett filed this action on July 21, 2025, after losing money in transactions at Bitcoin Depot ATMs that he alleged were induced by a scam. Defendants moved to compel arbitration and stay or dismiss the action. After oral argument on December 16, 2025, the district court granted the motion to compel arbitration and stay the case, while denying without prejudice the requests to dismiss the action and strike the class allegations.

DISPOSITION

remanded

REMAND INSTRUCTIONS

No remand to a different court was ordered. The proceeding is stayed pending completion of arbitration; the parties must file a joint report on the status of arbitration by April 30, 2026. The requests to dismiss the action and strike the class allegations were denied without prejudice for resolution by the arbitrator.

CASES CITED

- American Express Co. v. Italian Colors Restaurant, 570 U.S. 228, 232-233 (2013)
- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion, 563 U.S. 333, 339 (2011)
- Kass v. PayPal Inc., 75 F.4th 693, 700 (7th Cir. 2023)
- Granite Rock Co. v. International Brotherhood of Teamsters, 561 U.S. 287, 297 (2010)
- United National Foods, Inc. v. Teamsters Local 414, 58 F.4th 927, 933 (7th Cir. 2023)
- Tinder v. Pinkerton Security, 305 F.3d 728, 733, 735 (7th Cir. 2002)
- Domer v. Menard, Inc., 116 F.4th 686, 694 (7th Cir. 2024)
- Buckeye Check Cashing, Inc. v. Cardegna, 546 U.S. 440, 444-446 (2006)
- AT&T Technologies, Inc. v. Communications Workers of America, 475 U.S. 643, 650 (1986)
- Oppenheimer & Co., Inc. v. Neidhardt, 56 F.3d 352, 358 (2d Cir. 1995)

- Zurich American Insurance Co. v. Watts Industries, Inc., 417 F.3d 682, 690 (7th Cir. 2005)
- Sweet Dreams Unlimited, Inc. v. Dial-A-Mattress International, Ltd., 1 F.3d 639, 642 (7th Cir. 1993)
- Mooneyham v. Bitcoin Depot, Inc., No. 24-cv-01774, 2025 U.S. Dist. LEXIS 35477 (D.S.C. Feb. 27, 2025)
- Extremely Clean Cleaning Services, LLC v. CAAT, Inc., No. 18-cv-02968, 2019 U.S. Dist. LEXIS 30149, at *7 (S.D. Ind. Feb. 25, 2019)
- Ajamian v. CantorCO2e, L.P., 137 Cal. Rptr. 3d 773, 789 (Cal. Ct. App. 2012)
- Dunston v. R. G. Love Galleries, Inc., No. 07 CV 5113, 2008 U.S. Dist. LEXIS 44118, at *8 (N.D. Ill. June 4, 2008)
- Gilman v. Walters, 61 F. Supp. 3d 794, 800-801 & n.4 (S.D. Ind. 2014)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 70-72 (2010)
- Green Tree Financial Corp.-Alabama v. Randolph, 531 U.S. 79, 91 (2000)
- Halim v. Great Gatsby's Auction Gallery, Inc., 516 F.3d 557, 561 (7th Cir. 2008)
