

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
WISCONSIN

**S.A., by her guardians and parents, J.A. and M.A.; J.A. and M.A. v.
Aetna Health of Illinois d/b/a Aetna Health Insurance Company and
Blue Cross Blue Shield of Illinois v. Oconomowoc Developmental
Training Center of Wisconsin, LLC d/b/a Genesee Lake School;
MyPath Support Services, LLC d/b/a MyPath; MyPath;
Oconomowoc Residential Programs, Inc.; Board of Education of
Maine Township High School District 207; John/Jane Doe #1-5; and
ABC Insurance Company**

Case No. 25-cv-790-pp (E.D. Wis. Feb. 3, 2026) · No. 25-cv-790-pp · Decided February 3, 2026

SUMMARY

The United States District Court for the Eastern District of Wisconsin denies the plaintiffs’ motion to strike and grants the GLS defendants’ motion to compel arbitration. The court concludes that the arbitration agreement clearly and unmistakably delegates threshold arbitrability issues, including challenges to the agreement’s scope and enforceability, to the arbitrator. The court also grants the Board’s motion to stay and administratively closes the case pending arbitration.

CASE DETAILS

COURT	United States District Court for the Eastern District of Wisconsin
WRITING FOR THE COURT	Pamela Pepper
JURISDICTION	United States District Court for the Eastern District of Wisconsin
DECIDED	February 3, 2026
DOCKET	25-cv-790-pp
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs brought federal and state statutory and tort claims arising from alleged abuse and restraints at a residential school. The GLS defendants moved to compel arbitration and stay the action; the Board moved to stay or transfer; and plaintiffs moved to strike the arbitration motion. The court denied the motion to strike, compelled arbitration as

	to the claims against the GLS defendants, stayed the claims against the Board, and administratively closed the case.
STANDARD OF REVIEW	The court applied the Federal Arbitration Act's standard requiring enforcement of a written arbitration agreement when a dispute falls within its scope and a party refuses to arbitrate. In assessing the delegation clause, the court considered whether plaintiffs established a generally applicable contract defense, specifically procedural and substantive unconscionability, under Wisconsin law.
PRECEDENTIAL VALUE	unpublished
PARTIES	S.A., by her guardians and parents, J.A. and M.A., J.A. and M.A., individually v. Oconomowoc Developmental Training Center of Wisconsin, LLC d/b/a Genesee Lake School, MyPath Support Services, LLC d/b/a MyPath, MyPath, Oconomowoc Residential Programs, Inc., Board of Education of Maine Township High School District 207, John/Jane Doe #1-5, ABC Insurance Company

TOPICS

arbitration

civil procedure

ada / disability

health law

section 1983

PRACTICE AREAS

arbitration

civil procedure

disability rights

health law

civil rights

QUESTIONS PRESENTED

1. Whether plaintiffs' motion to strike the GLS defendants' motion to compel arbitration should be granted based on alleged noncompliance with the Federal Rules of Civil Procedure and the court's Local Rules.
2. Whether the arbitration agreement contains clear and unmistakable evidence delegating gateway arbitrability questions to the arbitrator.
3. Whether plaintiffs established that the delegation clause itself was procedurally and substantively unconscionable under Wisconsin law.
4. Whether the case should be stayed pending arbitration, including the claims against the Board.

HOLDINGS

1. A court may not strike an entire motion under Federal Rule of Civil Procedure 12(f), which authorizes striking matter from a pleading, and an underdeveloped or allegedly weak legal argument and non-egregious Local Rule violation do not warrant striking the motion.
2. The arbitration agreement clearly and unmistakably delegated gateway questions concerning the making, validity, enforceability, unconscionability, scope, arbitrability, interpretation, waiver, and other defenses to the arbitration agreement to the arbitrator.

3. Plaintiffs failed to establish that the delegation clause was either procedurally or substantively unconscionable under Wisconsin law; therefore, the delegation clause was enforceable.
4. The GLS defendants' motion to compel arbitration was granted, and the plaintiffs' claims against those defendants were ordered to arbitration under the parties' agreement.

KEY QUOTATIONS

“The Supreme Court ‘has consistently held that parties may delegate threshold arbitrability questions to the arbitrator, so long as the parties’ agreement does so by ‘clear and unmistakable’ evidence.’” (at 8-9)

“The plaintiffs must demonstrate that the delegation clause—which delegates issues of arbitrability to the arbitrator—is unenforceable.” (at 9)

“Standard-form agreements are a fact of life, and given § 2 of the Federal Arbitration Act, 9 U.S.C. § 2, arbitration provisions in these contracts must be enforced unless states would refuse to enforce all off-the-shelf package deals.” (at 14)

“The lack of procedural unconscionability is fatal to the plaintiffs’ argument.” (at 19)

FACTUAL BACKGROUND

S.A., an eighteen-year-old student with autism spectrum disorder and other developmental disabilities, was placed by the Board at Genesee Lake School, a private residential facility operated by the GLS defendants. Plaintiffs alleged that the GLS defendants failed to provide accommodations in S.A.'s Individualized Education Program and subjected her to repeated physical and chemical interventions and restraints, causing physical injuries, psychological trauma, and behavioral regression. S.A.'s parents allegedly learned of the abuse on August 5, 2022, and removed her from the school. The parties had signed a service agreement containing an arbitration agreement and delegation clause.

PROCEDURAL HISTORY

Plaintiffs filed the action on June 2, 2025, and shortly thereafter amended the complaint to add Oconomowoc Residential Programs, Inc. The GLS defendants moved to compel arbitration and stay the proceedings, while the Board moved to stay or transfer the action to the Northern District of Illinois. The parties stipulated that the Board's motion depended on the arbitration ruling. The court granted the arbitration and stay motions and administratively closed the case pending arbitration.

DISPOSITION

other

CASES CITED

- *Heller Financial, Inc. v. Midwhey Powder Co., Inc.*, 883 F.2d 1286, 1294 (7th Cir. 1989)
- *Gomez v. V. Marchese & Co.*, Case No. 20-cv-1802-pp, 2022 WL 3228047, at *4 (E.D. Wis. Aug. 10, 2022)
- *Aiken v. World Finance Corp. of South Carolina*, 644 S.E.2d 705, 708 (S.C. 2007)

- Precision Homes of Ind., Inc. v. Pickford, 844 N.E.2d 126, 133 (Ind. Ct. App. 2006)
- Smith v. Captain D's, LLC, 963 So. 2d 1116, ¶17 (Miss. 2007)
- Henry Schein, Inc. v. Archer & White Sales, Inc., 586 U.S. 63, 67, 69 (2019)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 67-72 (2010)
- Zurich American Insurance Co. v. Watt Industries, Inc., 417 F.3d 682, 687 (7th Cir. 2005)
- K.F.C. v. Snap Inc., 29 F.4th 835, 838 (7th Cir. 2022)
- Grasty v. Colorado Technical University, 599 F. App'x 596, 598 (7th Cir. 2015)
- Discount Fabric House of Racine, Inc. v. Wisconsin Telephone Co., 117 Wis. 2d 587, 601-02 (Wis. 1984)
- Wisconsin Auto Title Loans, Inc. v. Jones, 290 Wis. 2d 514, 533 (Wis. 2006)
- Deminsky v. Arlington Plastics Machinery, 259 Wis. 2d 587, 609 (Wis. 2003)
- Scaffidi v. Fiserv, Inc., 218 F. App'x 519, 521 (7th Cir. 2007)
- Oblix, Inc. v. Winiecki, 374 F.3d 488, 491 (7th Cir. 2004)
- Baugh v. City of Milwaukee, 823 F. Supp. 1452, 1457 (E.D. Wis. 1993), aff'd, 41 F.3d 1510 (7th Cir. 1994)
- United States v. Williams, 85 F.4th 844, 849 (7th Cir. 2023)
- White v. United States, 8 F.4th 547, 552 (7th Cir. 2021)
- Hill v. Gateway 2000, Inc., 105 F.3d 1147 (7th Cir. 1997)