UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF MISSISSIPPI, OXFORD DIVISION

Brian Smith v. TD Auto Finance LLC, et al.

Smith v. TD Auto Finance · No. 3:25-cv-00312-JDM-RP · Decided February 13, 2026

SUMMARY

The United States District Court for the Northern District of Mississippi grants TD Auto Finance LLC's motion to compel arbitration in Brian Smith's action arising from the repossession of his truck. The court holds that Smith agreed to the arbitration provision by signing a credit application that expressly incorporated and acknowledged the arbitration contract, even though he did not sign the separate arbitration-terms page. The court also enforces the delegation clause, rejects Smith's waiver and unconscionability arguments, stays the case, and directs the parties to report the arbitration's outcome.

CASE DETAILS

COURT	United States District Court for the Northern District of Mississippi, Oxford Division
WRITING FOR THE COURT	James D. Maxwell II
JURISDICTION	United States District Court for the Northern District of Mississippi, Oxford Division
DECIDED	February 13, 2026
DOCKET	3:25-cv-00312-JDM-RP
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to compel arbitration after removing plaintiff's state-court action to federal court on diversity grounds.
PRECEDENTIAL VALUE	nonprecedential district court order

TOPICS

arbitration · contracts · unconscionability · waiver · civil procedure

PRACTICE AREAS

arbitration · contract law · commercial litigation · consumer finance · civil procedure

QUESTIONS PRESENTED

1. Whether Smith agreed to arbitrate despite not signing the page containing the arbitration terms.
2. Whether the arbitration agreement validly delegated gateway arbitrability issues to the arbitrator.
3. Whether TD waived arbitration by removing the case and moving to compel arbitration.
4. Whether the arbitration agreement was procedurally or substantively unconscionable.
5. Whether the court or the arbitrator should decide whether Smith's tort and other claims fall within the arbitration agreement.

HOLDINGS

1. Smith agreed to arbitrate because he signed the credit application immediately below an express acknowledgment that he agreed to all terms of the arbitration contract contained in the application.
2. The arbitration agreement validly delegated questions concerning the interpretation, scope, validity, and arbitrability of claims to the arbitrator.
3. TD did not waive arbitration by removing the action to federal court and promptly moving to compel arbitration.
4. The arbitration agreement was neither procedurally nor substantively unconscionable.
5. The arbitrator, rather than the court, must decide gateway arbitrability and the scope of the arbitration agreement.

KEY QUOTATIONS

> *"In exchange for the time, effort, and expense in reviewing your application and for other valuable consideration, which is hereby acknowledged, solely as between you and TD Auto Finance LLC, you agree to all of the terms of the TD Auto Finance LLC Contract of Arbitration contained in this application and acknowledge that you have read and understand all of its terms."* ([7-2])

> *"Any claim or dispute [. . .] which arises out of or relates to this application [. . .] shall, at the election of any of us [. . .], be resolved by a neutral, binding arbitration and not by a court action."* ([7-2])

FACTUAL BACKGROUND

In late 2019, Smith purchased a truck financed by TD Auto Finance. Smith signed a credit application stating that he agreed to all terms of TD's contract of arbitration contained in the application, although he did not separately sign the page containing the arbitration terms. After TD repossessed the truck in August 2025, Smith sued TD and repossession agents, asserting claims including conversion, trespass, improper disposition notices, unlawful and deceptive business practices, and bad faith.

PROCEDURAL HISTORY

Brian Smith filed claims in the Circuit Court of Marshall County, Mississippi, arising from TD Auto Finance's repossession of his truck. TD removed the action to the Northern District of Mississippi and moved to compel arbitration under an arbitration agreement incorporated into Smith's signed credit application. The court granted the motion, ordered all claims submitted to arbitration, and stayed the case pending arbitration.

DISPOSITION

other

CASES CITED

- Kubala v. Supreme Prod. Servs., Inc., 830 F.3d 199, 201-04 (5th Cir. 2016)
- Matter of Willis, 944 F.3d 577, 579 (5th Cir. 2019)
- Gulf Coast Hospice LLC v. LHC Group Inc., 273 So. 3d 721, 734 (Miss. 2019)
- GGNSC Batesville, LLC v. Johnson, 109 So. 3d 562, 565 (Miss. 2013)
- Southern Healthcare Servs. v. Lloyd's of London, 110 So. 3d 735, 746 (Miss. 2013)
- Terminix Int'l, Inc. v. Rice, 904 So. 2d 1051, 1056 (Miss. 2004)
- Rent-A-Ctr., W., Inc. v. Jackson, 561 U.S. 63, 66, 68-69 (2010)
- Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52 (1995)
- Williams v. Cigna Financial Advisors, Inc., 56 F.3d 656 (5th Cir. 1995)
- East Ford, Inc. v. Taylor, 826 So. 2d 709, 716 (Miss. 2002)
- Entergy Miss., Inc. v. Burdette Gin Co., 726 So. 2d 1202, 1207 (Miss. 1998)
- United Credit Corp. v. Hubbard, 905 So. 2d 1176, 1179 (Miss. 2004)

INSTRUCTIONS FOR AN AI ASSISTANT