

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF NEW YORK

David Davon Adams v. Credit Acceptance Corporation, LVNV Funding LLC, TransUnion LLC, Experian Information Solutions, Inc., Equifax Information Services LLC, Self Financial, Inc., and Regional Acceptance Corporation

Adams · No. 25-CV-410JLS(Sr) · Decided December 18, 2025

SUMMARY

The court grants Credit Acceptance Corporation’s motion to compel arbitration under the Federal Arbitration Act and stays proceedings between the plaintiff and that defendant. It holds that the plaintiff agreed to a broad arbitration clause covering his FCRA, FDCPA, New York consumer-protection, negligence, and defamation claims, and that CAC did not waive arbitration through delay or litigation conduct.

CASE DETAILS

COURT	United States District Court for the Western District of New York
WRITING FOR THE COURT	H. Kenneth Schroeder, Jr.
JURISDICTION	United States District Court for the Western District of New York
DECIDED	December 18, 2025
DOCKET	25-CV-410JLS(Sr)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought claims under the Fair Credit Reporting Act, Fair Debt Collection Practices Act, New York General Business Law § 349, and common law negligence and defamation. Defendant Credit Acceptance Corporation moved to compel arbitration and stay the proceedings under the Federal Arbitration Act.
STANDARD OF REVIEW	The court determined whether a valid arbitration agreement existed, whether the asserted claims fell within its scope, and whether the defendant waived arbitration. Waiver was evaluated by considering the time elapsed, the amount of litigation, and prejudice to the opposing party.

TOPICS

arbitration

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PRACTICE AREAS

arbitration

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QUESTIONS PRESENTED

1. Whether the parties formed a valid agreement to arbitrate.
2. Whether plaintiff's statutory, tort, and common law claims against Credit Acceptance Corporation fell within the scope of the arbitration clause.
3. Whether Credit Acceptance Corporation waived its right to compel arbitration through delay or litigation conduct.
4. Whether the proceedings should be stayed pending arbitration.

HOLDINGS

1. A valid agreement to arbitrate existed because plaintiff signed the contract and initialed immediately beneath the arbitration clause, thereby consenting to its terms.
2. All claims asserted against Credit Acceptance Corporation, including FCRA, FDCPA, New York General Business Law § 349, negligence, defamation, and requests for injunctive and monetary relief, fell within the broad arbitration clause.
3. Credit Acceptance Corporation did not waive its right to compel arbitration.
4. The proceedings between plaintiff and Credit Acceptance Corporation must be stayed pending arbitration.

KEY QUOTATIONS

"The threshold question facing any court considering a motion to compel arbitration is whether the parties have indeed agreed to arbitrate." (at 3)

"Therefore, for the foregoing reasons, CAC's motion to compel arbitration (Dkt. #27), is granted and proceedings between plaintiff and CAC are stayed." (at 5)

FACTUAL BACKGROUND

Plaintiff entered into a retail installment contract with Valu Auto Care Centers of WNY Inc. for an automobile loan, and the contract was assigned to Credit Acceptance Corporation. The contract contained an arbitration clause, initialed by plaintiff, covering disputes arising from or related to the contract, including contract, tort, statutory, and equitable claims. Plaintiff alleged that defendants failed to resolve a disputed delinquency

following a motor vehicle accident and asserted claims involving credit reporting, debt collection, consumer protection, negligence, and defamation.

PROCEDURAL HISTORY

Plaintiff commenced the action pro se and later filed an amended complaint adding Regional Acceptance Corporation. The case was referred to Magistrate Judge H. Kenneth Schroeder, Jr. for pretrial matters and to hear and report on dispositive motions. Credit Acceptance Corporation moved to compel arbitration; the court granted the motion and stayed proceedings between plaintiff and that defendant.

DISPOSITION

other

CASES CITED

- Chung v. Royal Care, Inc., 2025 WL 809900, at *2 (E.D.N.Y. Mar. 14, 2025)
- Schnabel v. Trilegiant Corp., 697 F.3d 110, 118 (2d Cir. 2012)
- Preston Frankford Shopping Ctr. Dallas, Tx. Ltd. P'ship v. Butler Dining Servs., LLC, 757 F. Supp. 2d 248, 252 (W.D.N.Y. 2010)
- Fayeze-Olabi v. Credit Acceptance Corp., 2022 WL 2918119, at *2-*3, *4 (W.D.N.Y. July 25, 2022)
- Kelly v. DCC Tech. Holdings, Inc., 724 F. Supp. 3d 122, 155 (W.D.N.Y. 2024)
- Robinson v. Macy's Inc., 772 F. Supp. 3d 253, 262 (D. Conn. 2025)
- Ostreicher v. TransUnion, LLC, 2020 WL 3414633, at *9 (S.D.N.Y. June 22, 2020)
- Anderson v. Walmart Stores, Inc., 2017 WL 661188, at *8 (W.D.N.Y. 2017)
- Nicholas v. Wayfair Inc., 410 F. Supp. 3d 448, 454 (E.D.N.Y. 2019)
- Leadertex, Inc. v. Morganton Dyeing & Finishing Corp., 67 F.3d 20, 28 (2d Cir. 1995)
- Pool Deals, LLC v. United Parcel Serv., Inc., 454 F. Supp. 3d 208, 215-216 (W.D.N.Y. 2020)
- Cotton v. Slone, 4 F.3d 176, 179 (2d Cir. 1993)
- Smith v. Spizzirri, 601 U.S. 472, 478-479 (2024)