UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA

Angela Kapphahn, De’Ajala Le’Shay Harris, and Lashiya Stewart v. Bridgecrest Acceptance Corporation, Wells Fargo Bank, N.A., R.I. Limited Liability Company d/b/a Recovery Industry, and John Does Finance Companies 1-50

Civ. No. 25-2409 (JRT/DLM) (D. Minn. Mar. 31, 2026) · No. Civ. No. 25-2409 (JRT/DLM); 0:25-cv-02409 · Decided March 31, 2026

SUMMARY

The United States District Court for the District of Minnesota granted Bridgecrest Acceptance Corporation’s and Recovery Industry’s motions to compel arbitration and stay proceedings concerning the claims of Angela Kapphahn and De’Ajala Le’Shay Harris. The court held that Kapphahn’s arbitration agreement was enforceable under Minnesota’s Motor Vehicle Retail Installment Sales Act and covered her claims against Bridgecrest. The court further analyzed whether Recovery Industry, a nonsignatory, could enforce the arbitration agreement, including under nonsignatory theories recognized by Minnesota law.

CASE DETAILS

COURT	United States District Court for the District of Minnesota
WRITING FOR THE COURT	John R. Tunheim
JURISDICTION	United States District Court for the District of Minnesota
DECIDED	March 31, 2026
DOCKET	Civ. No. 25-2409 (JRT/DLM); 0:25-cv-02409
DISPOSITION	other
PROCEDURAL POSTURE	Putative class action alleging that defendants unlawfully repossessed automobiles using GPS tracking devices. Bridgecrest and Recovery moved under the Federal Arbitration Act to compel arbitration and stay proceedings as to claims brought by Kapphahn, and Recovery separately moved to compel arbitration and stay proceedings as to Harris's claims.
STANDARD OF REVIEW	On a motion to compel arbitration under the Federal Arbitration Act, the court determines whether a valid agreement to arbitrate exists and whether the specific dispute falls within its scope, applying ordinary

	state-law contract principles. The court does not decide the merits of the underlying dispute, construes arbitration agreements liberally with doubts resolved in favor of arbitration, and places on the party opposing arbitration the burden of showing that the claims are unsuitable for arbitration.
PRECEDENTIAL VALUE	Unpublished district court memorandum opinion; persuasive authority only

TOPICS

arbitration · fair debt collection · consumer protection · contracts · civil procedure

PRACTICE AREAS

Arbitration · Consumer protection · Fair debt collection · Contracts · Civil procedure

QUESTIONS PRESENTED

1. Whether Kapphahn's separately executed arbitration agreement was unenforceable under the Minnesota Motor Vehicle Retail Installment Sales Act because it was not included in the retail installment contract.
2. Whether Bridgecrest could compel arbitration of Kapphahn's claims under the arbitration agreement.
3. Whether Recovery, a nonsignatory, could enforce Kapphahn's arbitration agreement under the contractual language or nonsignatory theories of equitable estoppel and agency.
4. Whether Recovery, a nonsignatory, could enforce the arbitration clause in Harris's retail installment contract.
5. Whether the proceedings should be stayed rather than dismissed after the court compelled arbitration.

HOLDINGS

1. The arbitration agreement was enforceable and did not violate the MMVRISA because it did not contain additional or contradictory credit terms and therefore did not contravene the statute's requirement that the retail installment contract contain the parties' relevant agreements.
2. Bridgecrest could compel arbitration because it was expressly identified as an entity covered by Kapphahn's arbitration agreement and the agreement covered disputes concerning collection and repossession.
3. Recovery could compel arbitration of Kapphahn's claims as a nonsignatory under equitable-estoppel and agency principles, even though Recovery was not expressly covered by the arbitration agreement.
4. Recovery could compel arbitration of Harris's claims as a nonsignatory under equitable-estoppel and agency principles, despite not being named in Harris's retail installment contract.
5. The court was required to stay, rather than dismiss, the proceedings concerning Kapphahn's claims against Bridgecrest and Recovery and Harris's claims against Recovery.

KEY QUOTATIONS

> *"On a motion to compel arbitration and stay proceedings under the Federal Arbitration Act, the Court does not determine the merits of the substantive issues, but simply whether the parties have agreed to submit a particular grievance to arbitration."* (Discussion I)

> *"The Federal Arbitration Act requires courts to stay—rather than dismiss—actions involving arbitrable disputes."* (Conclusion)

FACTUAL BACKGROUND

Kapphahn purchased a vehicle financed through a retail installment contract later assigned to Bridgecrest, separately signing an arbitration agreement that incorporated the relevant vehicle contracts. After Kapphahn defaulted, Recovery, acting on Bridgecrest's behalf, allegedly used a magnetic GPS device, or puck, to locate and repossess the vehicle. Harris likewise financed a vehicle under a retail installment contract containing an arbitration clause, later defaulted, and allegedly had her vehicle located and repossessed by Recovery using a puck. The plaintiffs asserted FDCPA, Minnesota wrongful-repossession, conversion, and intrusion-upon-seclusion claims.

PROCEDURAL HISTORY

Plaintiffs filed the class action complaint on June 10, 2025, asserting claims under the Fair Debt Collection Practices Act and Minnesota statutory and common law. Bridgecrest moved to compel arbitration of Kapphahn's claims, and Recovery moved to compel arbitration of Kapphahn's and Harris's claims. The court granted all three motions and stayed the action as to those claims; Stewart's claims and the claims against Wells Fargo were not addressed by the motions.

DISPOSITION

other

CASES CITED

- Express Scripts, Inc. v. Aegon Direct Mktg. Servs., Inc., 516 F.3d 695, 699 (8th Cir. 2008)
- Pro Tech Indus. Inc. v. URS Corp., 377 F.3d 868, 871 (8th Cir. 2004)
- Keymer v. Mgmt. Recruiters Int'l, Inc., 169 F.3d 501, 504 (8th Cir. 1999)
- MedCam, Inc. v. MCNC, 414 F.3d 972, 975 (8th Cir. 2005)
- Green Tree Fin. Corp.-Ala. v. Randolph, 531 U.S. 79, 91-92 (2000)
- Scott v. Forest Lake Chrysler-Plymouth-Dodge, 611 N.W.2d 346, 351-52 (Minn. 2000)
- Sharlow v. Wally McCarthy Pontiac-GMC Trucks-Hyundai, Inc., Civ. No. 97-20, 1998 WL 35249294, at *1 (D. Minn. Sept. 28, 1998)
- Jennings v. Carvana LLC, No. 22-2948, 2024 WL 1209746, at *1-*3 (3d Cir. Mar. 21, 2024)
- Golden v. Prosser, Civ. No. 13-3553, 2014 WL 4626489, at *4 (D. Minn. Sept. 15, 2014)

- Gibbs-Bolender v. CAG Acceptance, LLC, Civ. No. 14-01684, 2015 WL 685217, at *6 (D. Nev. Feb. 18, 2015)
- Enestvedt v. Enestvedt, No. A24-1015, 2025 WL 1429867, at *4 (Minn. Ct. App. May 19, 2025)
- PRM Energy Sys., Inc. v. Primenergy, L.L.C., 592 F.3d 830, 834-35 (8th Cir. 2010)
- Onvoy, Inc. v. SHAL, LLC, 669 N.W.2d 344, 356 (Minn. 2003)
- In re Wholesale Grocery Prods. Antitrust Litig., 97 F. Supp. 3d 1101, 1104 (D. Minn. 2015)
- Adherent Laboratories, Inc. v. DiPietro, No. A17-1961, 2018 WL 3520843, at *6 (Minn. Ct. App. July 23, 2018)
- CD Partners, LLC v. Grizzle, 424 F.3d 795, 798 (8th Cir. 2005)
- A. Gay Jenson Farms Co. v. Cargill, Inc., 309 N.W.2d 285, 290-91 (Minn. 1981)
- Shockley v. PrimeLending, 929 F.3d 1012, 1018 (8th Cir. 2019)
- Eckert/Wordell Architects, Inc. v. FJM Props. of Willmar, LLC, 756 F.3d 1098, 1100 (8th Cir. 2014)
- Michelin Props. LLC v. Jacobson Env't, PLLC, No. A24-0685, 2025 WL 251713, at *3 (Minn. Ct. App. Jan. 21, 2025)
- Lindsley v. Bramacint, LLC, Civ. No. 08-1466, 2009 WL 1209464, at *3 (D. Minn. Apr. 30, 2009)
- Loyola v. Am. Credit Acceptance LLC, Civ. No. 2:19-00002, 2019 WL 1601362, at *8 (E.D. Wash. Apr. 15, 2019)
- Hays v. HCA Holdings, Inc., 838 F.3d 605, 611 (5th Cir. 2016)
- In re Merrill Lynch Trust Co. FSB, 235 S.W.2d 185, 194 (Tex. 2007)
- Smith v. Spizzirri, 601 U.S. 472, 478 (2024)
