

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
PENNSYLVANIA

Deleman v. HighLevel, Inc.

No. 3:25-CV-01284 · No. 3:25-CV-01284 · Decided January 5, 2026

SUMMARY

The United States District Court for the Middle District of Pennsylvania denied John Michael Deleman’s motion to lift the stay pending arbitration in his action against HighLevel, Inc. The court held that Deleman, as the party asserting the claims, was responsible under the AAA Commercial Arbitration Rules for initiating arbitration, and that the timeliness of the arbitration demand was presumptively for the arbitrator. The court also rejected Deleman’s unconscionability arguments and denied his request for discovery.

CASE DETAILS

COURT	United States District Court for the Middle District of Pennsylvania
WRITING FOR THE COURT	Karoline Mehalchick
JURISDICTION	United States District Court for the Middle District of Pennsylvania
DECIDED	January 5, 2026
DOCKET	3:25-CV-01284
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to lift a stay entered after the court compelled arbitration and denied his motion for a temporary restraining order and preliminary injunction. The district court denied the motion to lift the stay and denied plaintiff’s alternative request for discovery.
STANDARD OF REVIEW	The decision whether to stay litigation pending arbitration and whether to lift such a stay is committed to the district court's discretion. A motion to lift a stay should be denied when no new circumstances or hardship are presented. Motions for reconsideration are granted sparingly and require an intervening change in controlling law, newly available evidence, or a need to correct clear error or prevent manifest injustice.
PRECEDENTIAL VALUE	unknown
PARTIES	John Michael Deleman v. HighLevel, Inc.

TOPICS

arbitration

motion for reconsideration

civil procedure

injunctions

contracts

PRACTICE AREAS

arbitration

civil procedure

contracts

commercial litigation

equitable relief

QUESTIONS PRESENTED

1. Whether the stay pending arbitration should be lifted because HighLevel, rather than Deleman, failed to initiate arbitration proceedings.
2. Whether the alleged expiration of the contractual period for demanding arbitration required the court to lift the stay or was an issue for the arbitrator.
3. Whether the arbitration agreement was unconscionable based on an alleged prior oral agreement, the asserted limitation on recovery, and the anticipated costs of arbitration.
4. Whether Deleman's motion was an untimely motion for reconsideration of the prior order compelling arbitration.
5. Whether Deleman was entitled to discovery concerning an alleged onboarding agreement with HighLevel's CEO.

HOLDINGS

1. Because the arbitration agreement incorporated the AAA Commercial Arbitration Rules and Deleman was the party asserting the claims, Deleman, not HighLevel, was required to initiate arbitration by filing a demand with the AAA.
2. Deleman's alleged failure to initiate arbitration within the contractual three-month period was not a basis to lift the stay because the timeliness of the arbitration demand was presumptively an issue for the arbitrator.
3. HighLevel did not waive arbitration by removing the action to federal court or by failing to initiate arbitration because Deleman was the party obligated to file the arbitration demand.
4. Deleman's challenge to the arbitration agreement was properly rejected as an untimely motion for reconsideration and, independently, failed on the merits because he did not establish unconscionability.
5. Deleman's request for discovery concerning an alleged oral agreement with HighLevel's CEO was denied because the merger clause superseded any prior oral agreement.

KEY QUOTATIONS

“Under the AAA rules, it is Deleman, not HighLevel who is obligated to file a demand for arbitration with the AAA.” (Section III.A)

“For the foregoing reasons, the Court DENIES Deleman’s motion to lift the stay pending arbitration.” (Section IV)

FACTUAL BACKGROUND

Deleman operated a marketing SaaS business that used HighLevel's platform and services. On November 30, 2024, he clicked a box accepting HighLevel's terms of service, which included an arbitration clause requiring arbitration under the American Arbitration Association's Commercial Arbitration Rules, as well as merger, Texas choice-of-law, liability-limitation, and claim-limitation provisions. HighLevel terminated Deleman's account and services on June 17, 2025, and Deleman subsequently filed claims seeking monetary and injunctive relief.

PROCEDURAL HISTORY

Deleman filed suit in the Luzerne County Court of Common Pleas on July 9, 2025. HighLevel removed the action to federal court based on diversity jurisdiction, after which Deleman sought emergency injunctive relief and HighLevel moved to compel arbitration. The court denied the requested temporary restraining order and preliminary injunction, compelled arbitration, and stayed the action pending arbitration. Deleman then moved to lift the stay and restore the case to the active docket.

DISPOSITION

other

CASES CITED

- Commonwealth Insurance Co. v. Underwriters, Inc., 846 F.2d 196, 199 (3d Cir. 1988)
- Sager v. Allied Interstate, LLC, No. 3:18-CV-220, 2021 WL 9406785, at *2 (W.D. Pa. Dec. 21, 2021)
- Canady v. Erbe Elektromedizin GmbH, 271 F. Supp. 2d 64, 74 (D.D.C. 2002)
- Piazza v. Young, No. 4:19-CV-00180, 2023 WL 1994388, at *2-3 (M.D. Pa. Feb. 14, 2023)
- McCall v. Avco Corp., No. 4:18-CV-01350, 2019 WL 2004358, at *1 (M.D. Pa. May 7, 2019)
- KGaA v. Hopewell Pharma Ventures, Inc., No. CV 22-1365, 2025 WL 894551, at *3 (D. Del. Mar. 24, 2025)
- Erickson v. Pardus, 551 U.S. 89, 94 (2007)
- Bell v. Pleasantville Housing Authority, 443 F. App'x 731, 735 (3d Cir. 2011)
- Harasco Corp. v. Zlotnicki, 779 F.2d 906, 909 (3d Cir. 1985)
- Max's Seafood Café ex rel. Lou-Ann, Inc. v. Quinteros, 176 F.3d 669, 677 (3d Cir. 1999)
- Continental Casualty Co. v. Diversified Industries, Inc., 884 F. Supp. 937, 943 (E.D. Pa. 1995)
- Richardson v. Coverall North America, Inc., 811 F. App'x 100, 103 (3d Cir. 2020)
- loanDepot.com v. Crosscountry Mortgage, Inc., No. CV 18-12091, 2019 WL 2613265, at *5 (D.N.J. June 24, 2019)
- R & C Oilfield Services LLC v. American Wind Transportation Group LLC, 45 F.4th 655, 658 (3d Cir. 2022)
- Hoffman v. Genpact, No. 3:22-CV-00009, 2023 WL 6609020, at *2 (M.D. Pa. Oct. 10, 2023)
- Howsam v. Dean Witter Reynolds, Inc., 537 U.S. 79, 84-85 (2002)
- Migliore v. Archie, No. CIV.A. 11-4018, 2014 WL 2738222, at *3 (E.D. Pa. June 17, 2014)
- State Farm Mutual Automobile Insurance Co. v. Mallela, No. CV-00-4923, 2002 WL 31946762, at *14 (E.D.N.Y. Nov. 21, 2002)

- Viking Yacht Co. v. Composites One LLC, 622 F. Supp. 2d 198, 200 (D.N.J. 2009), *aff'd*, 385 F. App'x 195 (3d Cir. 2010)
- Ndaula v. Clinton County Correctional Facility, No. 1:20-CV-1160, 2021 WL 620934, at *3 (M.D. Pa. Feb. 17, 2021)
- Jones v. Behe, No. 1:17-CV-493, 2017 WL 2778628, at *2 (M.D. Pa. June 27, 2017)
- Ogden v. Keystone Residence, 226 F. Supp. 2d 588, 606 (M.D. Pa. 2002)
- Smalis v. City of Pittsburgh, No. 2:19-CV-1609, 2024 WL 2319508, at *2 (W.D. Pa. May 22, 2024)
- Ski River Development, Inc. v. McCalla, 167 S.W.3d 121, 136 (Tex. App. 2005)
- Ramirez v. 24 Hour Fitness USA, Inc., No. CIV.A. H-12-1922, 2013 WL 2152113, at *3 (S.D. Tex. May 16, 2013), *aff'd*, 549 F. App'x 262 (5th Cir. 2013)
- Travelers Casualty & Surety Co. of America v. James, No. 3:15-CV-1999-N, 2016 WL 9306254, at *7 (N.D. Tex. Oct. 5, 2016)
- Sherrock Bros. v. DaimlerChrysler Motors Co., LLC, 260 F. App'x 497, 502 (3d Cir. 2008)
- College Hall Fashions, Inc. v. Philadelphia Joint Board Amalgamated Clothing Workers of America, 408 F. Supp. 722, 728 (E.D. Pa. 1976)
- Verizon Pennsylvania, LLC v. Communications Workers of America, AFL-CIO, Local 13000, 13 F.4th 300, 306 (3d Cir. 2021)
- Somerset Consulting, LLC v. United Capital Lenders, LLC, 832 F. Supp. 2d 474, 489 (E.D. Pa. 2011)
- Pyo v. Wicked Fashions, Inc., No. CIV09-2422, 2010 WL 1380982, at *7 (D.N.J. Mar. 31, 2010)