

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

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

Brian Smith v. TD Auto Finance LLC, No. 3:25-cv-00312-JDM-RP (N.D. Miss. Apr. 14, 2026) · No. 3:25-cv-00312-JDM-RP · Decided April 14, 2026

SUMMARY

The United States District Court for the Northern District of Mississippi denied Brian Smith’s motion for reconsideration of an order compelling arbitration and staying the case. The court held that Smith identified no legal error warranting reconsideration and that his claims against the nonsignatory defendants were subject to arbitration under equitable estoppel because the alleged misconduct was interrelated with the claims against TD Auto Finance. The court ordered Smith to arbitrate his claims against all defendants and continued the stay.

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	April 14, 2026
DOCKET	3:25-cv-00312-JDM-RP
DISPOSITION	denied
PROCEDURAL POSTURE	Plaintiff moved under Federal Rules of Civil Procedure 59(e) and 60(b) to reconsider or clarify an interlocutory order compelling arbitration and staying the case. He alternatively sought to lift the stay as to three nonsignatory defendants.
STANDARD OF REVIEW	For reconsideration of an interlocutory order, Rule 54(b) applies and permits revision at any time, although courts consider similar factors to those used under Rule 59(e). Rule 59(e) relief requires a mistake of law or fact or newly discovered evidence, and Rule 60(b)(1) relief is limited to an obvious error of law apparent on the record. Rule 60(b)(6) relief requires extraordinary circumstances.
PRECEDENTIAL VALUE	Unknown; district court order and memorandum opinion

PARTIES

Brian Smith v. TD Auto Finance LLC, SB Investigations, A & A Trucking & Towing, B & C Towing & Recovery

TOPICS

motion for reconsideration

arbitration

civil procedure

contracts

commercial litigation

PRACTICE AREAS

civil procedure

arbitration

contracts

commercial litigation

consumer protection

QUESTIONS PRESENTED

1. Whether Smith was entitled to reconsideration or clarification of the interlocutory order compelling arbitration and staying the case.
2. Whether Rule 54(b), rather than Rules 59(e) and 60(b), governed reconsideration of the prior interlocutory arbitration order.
3. Whether the nonsignatory defendants could enforce the arbitration agreement under equitable estoppel because Smith alleged substantially interdependent and concerted misconduct by TD Auto and the nonsignatories.
4. Whether the stay should be lifted to permit Smith to litigate his claims against the nonsignatory defendants in court.

HOLDINGS

1. Because the prior order compelling arbitration was interlocutory, Rule 54(b) was the appropriate procedural vehicle for seeking reconsideration, although the Court also considered the standards associated with Rules 59(e) and 60(b).
2. Smith was not entitled to reconsideration because he identified no legal error, newly discovered evidence, obvious error of law, or extraordinary circumstances, and instead rehashed arguments that were or could have been raised earlier.
3. The nonsignatory defendants could enforce the arbitration agreement under equitable estoppel because Smith alleged substantially interdependent and concerted misconduct by TD Auto and the nonsignatories.

KEY QUOTATIONS

“Because Smith’s allegations against the non-signatory defendants are so interrelated with his allegations against TD Auto, the Court in its discretion applies equitable estoppel.”

“Smith must arbitrate his claims against all defendants.”

FACTUAL BACKGROUND

Smith purchased a 2016 Dodge Ram 1500 financed through TD Auto Finance. TD Auto and three nonsignatory defendants later repossessed the truck. Smith alleged that all defendants acted collectively and improperly in connection with the repossession, including taking and retaining the vehicle, entering his property, and damaging the automobile.

PROCEDURAL HISTORY

Smith filed suit against TD Auto Finance and three other defendants in state court after repossession of his truck. Defendants removed the case, and TD Auto moved to compel arbitration based on an arbitration agreement in Smith's credit application. The Court previously found a valid arbitration agreement and delegation clause, compelled arbitration of Smith's claims, and stayed the case. The Court denied Smith's motion for reconsideration and clarification, held that the nonsignatory defendants could enforce the arbitration agreement under equitable estoppel, directed TD Auto to initiate arbitration, and continued the stay.

DISPOSITION

denied

CASES CITED

- S. Snow Mfg. Co. v. SnoWizard Holdings, Inc., 921 F. Supp. 2d 548, 564 (E.D. La. 2013)
- McClendon v. U.S., 892 F.3d 775, 781 (5th Cir. 2018)
- Austin v. Kroger Texas, L.P., 864 F.3d 326, 336 (5th Cir. 2017)
- Koeppel v. Hartford Accident & Indem. Co., 608 F. Supp. 3d 398, 403 (E.D. La. 2022)
- Edwards v. Take Fo' Records, Inc., No. 19-12130, 2020 WL 3832606, at *11 & n.12 (E.D. La. July 8, 2020)
- Templet v. HydroChem Inc., 367 F.3d 473, 477-79 (5th Cir. 2004)
- Suratt v. Tractor Supply Co., No. 1:19-cv-5-GHD-DAS, 2020 WL 6051260, at *1 (N.D. Miss. Oct. 13, 2020)
- Davis v. Hinds Cmty. Coll., No. 3:19-cv-693-HTW-LGI, 2023 WL 5009197, at *2 (S.D. Miss. Aug. 4, 2023)
- Hill v. McDermott, Inc., 827 F.2d 1040, 1043 (5th Cir. 1987)
- BLOM Bank SAL v. Honickman, 605 U.S. 204, 210, 145 S. Ct. 1612, 221 L. Ed. 2d 850 (2025)
- Kubala v. Supreme Production Services, Inc., 830 F.3d 199 (5th Cir. 2016)
- Griffin v. ABN Amro Mortg. Grp. Inc., 378 Fed. Appx. 437, 439-40 (5th Cir. 2010)
- Grigson v. Creative Artists Agency, L.L.C., 210 F.3d 524, 527-28 (5th Cir. 2000)
- Amstar Mortg. Corp. v. Indian Gold, LLC, 517 F. Supp. 2d 889, 897 (S.D. Miss. 2007)
- Brown v. Pac. Life Ins. Co., 462 F.3d 384, 399 (5th Cir. 2006)

OPINION

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

PER CURIAM.

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF MISSISSIPPI

OXFORD DIVISION

BRIAN SMITH PLAINTIFF

V. CAUSE NUMBER: 3:25-cv-00312-JDM-RP

TD AUTO FINANCE LLC, et al. DEFENDANTS

ORDER AND MEMORANDUM OPINION

Before the Court is pro se Plaintiff Brian Smith's Motion for Reconsideration. [38] Smith asks the Court to reconsider its previous Order which sent Smith's claims to arbitration and stayed further proceedings. [30] Alternatively, Smith asks the Court to lift the stay as to defendants SB Investigations, A & A Trucking & Towing, and B & C Towing & Recovery. Smith insists his claims against these non-signatory defendants are not subject to the arbitration agreement he signed with defendant TD Auto Finance LLC. But Smith's arguments do not challenge the basis of the Court's decision. He simply raises arguments that either were or could have been raised under TD Auto's motion to compel arbitration. [7] Furthermore, Smith's allegations against TD Auto and the non-signatory defendants are so intertwined that he is estopped from culling the non-signatories from arbitration. Therefore, Smith's motion for reconsideration is DENIED. Facts and Procedural History As recounted more fully in the Court's previous order compelling arbitration, Smith purchased a 2016 Dodge Ram 1500 financed through TD Auto. Some time later, TD Auto—along with the non-signatory defendants—repossessed the truck. Upset, Smith filed a complaint against all four defendants in state court. And the defendants removed the case to this Court. TD Auto then moved to compel arbitration under a credit application Smith had signed with it. This Court found the credit application contained a valid arbitration agreement. And that arbitration agreement delegated disputes over interpretation, scope, validity, and arbitrability issues to a neutral arbitrator. So the Court directed Smith to arbitrate all of his claims, staying the case pending arbitration. Smith then filed a motion for reconsideration under Federal Rule of Civil Procedure 59(e). Alternatively, he moved to clarify the Court's order under Federal Rule of Civil Procedure 60(b)(1) and (6). Smith seeks either full reconsideration of the Court's arbitration order or to proceed in court against the non-signatory defendants. Smith says there are "five independent grounds" constituting "manifest error of law" in the Court's arbitration order. First, Smith claims the Court wrongly interpreted the phrase "at the election of any of us" to mean TD Auto can unilaterally force arbitration. Second, he claims the Court ignored the contract's phrase "whoever first demands arbitration[.]" Third, Smith suggests the arbitration contract is solely between him and TD Auto. Fourth, he claims the Court's interpretation violated the "ancient equitable doctrine" of first in time, first in right. Finally, Smith claims the Court had no basis to stay the case as to all defendants. Because he points to no legal error in the Court's ruling, his reconsideration motion is denied. Discussion Reconsideration Smith argues this Court should reconsider compelling arbitration under Rules 59 and 60. But he points to no legal error in the Court's arbitration analysis. As an initial matter, the Court notes that Rules 59 and 60 "apply only to final judgments." *S. Snow Mfg. Co. v. SnoWizard Holdings, Inc.*, 921 F. Supp. 2d 548, 564 (E.D. La. 2013); see also

McClendon v. U.S., 892 F.3d 775, 781 (5th Cir. 2018) (“Rule 59(e) applies only to final judgments[.]”); FED. R. CIV. P. 60(b) (“the court may relieve a party . . . from a final judgment, order, or proceeding[.]”). Because the Court’s previous order compelling arbitration was an interlocutory order, Rule 54(b) is more appropriate. Austin v. Kroger Texas, L.P., 864 F.3d 326, 336 (5th Cir. 2017) (“Rule 54(b) allows parties to seek reconsideration of interlocutory orders and authorizes the district court to ‘revise[] at any time’ ‘any order or other decision . . . [that] does not end the action[.]’” (quoting FED. R. CIV. P. 54(b))). And although “a less exacting standard applies [on a Rule 54(b) motion], courts look to similar considerations as those it considers when evaluating Rule 59(e) motions.” Koeppel v. Hartford Accident & Indem. Co., 608 F. Supp. 3d 398, 403 (E.D. La. 2022) (quoting Edwards v. Take Fo’ Records, Inc., No. 19-12130, 2020 WL 3832606, at *11 & n.12 (E.D. La. July 8, 2020)). Faced with a Rule 59(e) motion, courts consider if the moving party can either show a mistake of law or fact or present newly discovered evidence. Edwards, 2020 WL 3832606, at *11 n.12 (citing Templet v. HydroChem Inc., 367 F.3d 473, 478-79 (5th Cir. 2004)). Rule 59(e) should not be used to “rehash[] evidence, legal theories, or arguments that could have been offered or raised before the entry of judgment.” Suratt v. Tractor Supply Co., No. 1:19-cv-5-GHD-DAS, 2020 WL 6051260, at *1 (N.D. Miss. Oct. 13, 2020) (quoting Templet, 367 F.3d at 477). And Rule 60(b)(1) may be invoked “only to rectify an obvious error of law, apparent on the record.” Davis v. Hinds Cmty. Coll., No. 3:19-cv-693-HTW-LGI, 2023 WL 5009197, at *2 (S.D. Miss. Aug. 4, 2023) (quoting Hill v. McDermott, Inc., 827 F.2d 1040, 1043 (5th Cir. 1987)). Even under Rule 60(b)(6)’s catch-all provision, relief is only available in “extraordinary circumstances.” BLOM Bank SAL v. Honickman, 605 U.S. 204, 210, 145 S. Ct. 1612, 221 L. Ed. 2d 850 (2025). Smith fails to point to any error of law. He simply disagrees with the Court’s interpretation of language that has little bearing on the Court’s legal analysis. In its prior order, the Court found Smith agreed to arbitrate his claims by executing a credit application with an arbitration contract. And the arbitration contract contained a valid delegation clause. That’s why the Court granted TD Auto’s motion to compel arbitration. In short, the Court followed the analytical steps the Fifth Circuit set out in Kubala v. Supreme Production Services, Inc., 830 F.3d 199 (5th Cir. 2016). But rather than challenge the Court’s Kubala analysis, Smith quibbles over the Court’s interpretation of the arbitration contract’s language, which does not affect the Kubala analysis. Nor has Smith shown how the Court’s analysis amounts to “obvious error of law” or “extraordinary circumstances.” What he does instead is rehash old arguments and raise others that could have been raised when TD Auto moved to compel arbitration. So Smith fails in meeting the burden imposed by Rules 59 and 60. And even under Rule 54(b)’s relaxed standard, Smith has not shown legal error requiring the Court change its prior order. Clarification Alternatively, Smith seeks clarification that only his claims against TD Auto should be arbitrated. He believes this Court should lift the stay and allow him to proceed against the non-signatory defendants. But on these facts, the non-signatory defendants may enforce the arbitration agreement between Smith and TD Auto under an equitable estoppel theory. “[E]quitable estoppel permits a nonsignatory to

an arbitration clause to compel arbitration against a signatory ‘when the signatory . . . raises allegations of substantially interdependent and concerted misconduct by both the nonsignatory and one or more of the signatories to the contract.’ Griffin v. ABN Amro Mortg. Grp. Inc., 378 Fed. Appx. 437, 439-40 (5th Cir. 2010) (alteration in original) (quoting Grigson v. Creative Artists Agency, L.L.C., 210 F.3d 524, 527 (5th Cir. 2000)). Where a signatory defendant’s alleged activity cannot be severed from a non-signatory defendant’s activities, “the concerted-misconduct prong of Grigson is satisfied.” Amstar Mortg. Corp. v. Indian Gold, LLC, 517 F. Supp. 2d 889, 897 (S.D. Miss. 2007); see also Brown v. Pac. Life Ins. Co., 462 F.3d 384, 399 (5th Cir. 2006) (“as the [plaintiffs] fail to allege tortious acts by [non- signatories] that are separate and apart from [signatories], we can only conclude that the complaint asserts concerted misconduct by all parties.”). Here, neither SBI, A & A, or B & C signed the arbitration contract. But throughout Smith’s complaint, he alleges the collective “Defendants” acted improperly in repossessing the truck.¹ His broad, scattershot allegations indiscriminately encompass both TD Auto and the non-signatory defendants. And to allow Smith to proceed in court against the non-signatories—while arbitrating against TD Auto—would force TD Auto to defend itself in arbitration while participating in litigation. This inequity is exactly what equitable estoppel prevents. See Grigson 210 F.3d at 528 (“[I]t would be especially inequitable where, as here, a signatory non-defendant is charged with interdependent and concerted misconduct with a non-signatory defendant. In such instances, that signatory, in essence, becomes a party, with resulting loss, inter alia, of time and money because of its required participation in the proceeding.”) Because Smith’s allegations against the non-signatory defendants are so interrelated with his allegations against TD Auto, the Court in its discretion applies equitable estoppel.² Therefore, 1 Among other examples in the complaint, Smith alleged “Defendants failed to provide timely or adequate responses consistent with the debtors right to accounting . . .;” “Defendants conducted surveillance and attempted repossessions;” “Defendants engaged Plaintiff’s automobile with a tow truck . . . and forcibly removed it;” “Defendants’ disposition [of the truck] would result in spoilation of material evidence;” “Defendants wrongfully took and retained Plaintiff’s automobile;” “Defendants entered Plaintiff’s property without judicial order;” and “Defendants dragged the automobile across Plaintiff’s property, causing damage[.]” 2 “[W]hether to utilize equitable estoppel in this fashion is within the district court’s discretion[.]” Grigson 210 F.3d at 528. Smith’s claims against the non-signatories—SBI, A & A, and B & C—must be hashed out in arbitration. The Court declines to lift the stay as to the non-signatory defendants. Artificial Intelligence Though the Court has found good reason to deny Smith’s motion, it pauses to address Smith’s use of generative AI. In response to the motion, the non-signatory defendants directed the Court’s attention to AI-hallucinated cases in Smith’s motion. This is not the first time Smith’s filings cited fictitious legal authorities. And the Court has admonished Smith against further fictitious citations. [40] But the Court does note Smith had already filed his motion for reconsideration before the Court’s admonishment. Still, the Court reiterates its previous warning. Should Smith submit any pleadings with further citations to

false legal authorities, he will face sanctions against him—up to and including monetary penalties, defendants’ attorney fees, and dismissal of this action. Conclusion For these reasons, Smith’s Motion for Reconsideration [38] is DENIED. Smith must arbitrate his claims against all defendants. TD Auto is directed to initiate arbitration proceedings under the Court’s prior order. [41] The parties shall continue to file quarterly reports about the arbitration’s status. This case shall remain STAYED until further order of the Court. SO ORDERED, this the 14th day of April, 2026.

/s/ James D. Maxwell II

UNITED STATES DISTRICT JUDGE

NORTHERN DISTRICT OF MISSISSIPPI