

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
MICHIGAN, SOUTHERN DIVISION

Cheri Coleman, Duane Russell, and Taylor Carmichael v. DMI GC
Holdings, LLC d/b/a Qualfon

Coleman v. DMI GC Holdings, LLC d/b/a Qualfon, No. 2:25-cv-10556 (E.D. Mich. Jan. 14, 2026) · No. 2:25-cv-10556 · Decided January 14, 2026

SUMMARY

The United States District Court for the Eastern District of Michigan granted Qualfon’s motion to compel arbitration in former employees’ racial-discrimination and retaliation action. The court held that the plaintiffs electronically accepted valid arbitration agreements, rejected their memory-based challenges to contract formation, and stayed the proceedings pending arbitration; it also granted leave to file a sur-reply.

CASE DETAILS

COURT	United States District Court for the Eastern District of Michigan, Southern Division
WRITING FOR THE COURT	Laurie J. Michelson
JURISDICTION	United States District Court for the Eastern District of Michigan, Southern Division
DECIDED	January 14, 2026
DOCKET	2:25-cv-10556
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs brought claims for racial discrimination and retaliation under Title VII, 42 U.S.C. § 1981, and Michigan's Elliott-Larsen Civil Rights Act. Defendant moved to compel arbitration and requested dismissal or, alternatively, a stay pending arbitration. Plaintiffs opposed the motion and moved for leave to file a sur-reply.
STANDARD OF REVIEW	Because the parties relied on materials outside the pleadings, the court applied the Federal Rule of Civil Procedure 56 summary-judgment standard to whether plaintiffs' evidence created a genuine issue of fact concerning formation of the arbitration agreements.
PRECEDENTIAL VALUE	unpublished, nonprecedential district court opinion

PARTIES

Cheri Coleman, Duane Russell, Taylor Carmichael v. DMI GC Holdings, LLC d/b/a Qualfon

TOPICS

employment arbitration

racial discrimination

retaliation

summary judgment

civil procedure

PRACTICE AREAS

employment law

employment arbitration

civil rights

civil procedure

QUESTIONS PRESENTED

1. Whether plaintiffs created a genuine issue of material fact concerning formation of the arbitration agreements by stating that they did not recall reviewing or signing them.
2. Whether the electronically generated audit trails and related evidence established plaintiffs' acceptance of the arbitration agreements despite the absence of physical signatures.
3. Whether the court should stay or dismiss the action after compelling arbitration.
4. Whether any remaining gateway issues should be decided by the arbitrator under the delegation clause.

HOLDINGS

1. Plaintiffs' affidavits stating that they did not recall reviewing or signing the arbitration agreements, together with inconsistent assertions in their brief, did not create a genuine issue of material fact concerning formation.
2. An electronically recorded acknowledgment through Qualfon's system was sufficient to establish acceptance of the arbitration agreements; a physical signature was not required.
3. Because plaintiffs did not specifically challenge the delegation clause, remaining issues within the clause's scope were for the arbitrator to decide.
4. The proceedings were stayed rather than dismissed because the parties had requested a stay as an alternative and the Federal Arbitration Act requires a stay when a party requests one for an arbitrable dispute.

KEY QUOTATIONS

“Notwithstanding the presence of a delegation clause, “[a] challenge to arbitration agreement formation is always in the jurisdiction of the courts.” (PageID.471)

“When a federal court finds that a dispute is subject to arbitration, and a party has requested a stay of the court proceeding pending arbitration, the court does not have discretion to dismiss the suit on the basis that all the claims are subject to arbitration.” (PageID.478)

FACTUAL BACKGROUND

Coleman, Russell, and Carmichael were former Qualfon employees who alleged racial discrimination, and Coleman additionally alleged retaliation through termination after reporting discrimination. Qualfon used an electronic onboarding and employee-learning system containing arbitration agreements that required employment disputes to be arbitrated and delegated questions concerning validity, enforceability, unconscionability, waiver, and applicability to an arbitrator. Qualfon produced the agreements, administrator affidavits, and audit trails showing that each plaintiff accessed and acknowledged the agreements through a system using unique credentials. Plaintiffs stated that they did not recall reviewing or signing the agreements and argued that the absence of physical signatures defeated formation.

PROCEDURAL HISTORY

Qualfon moved to compel arbitration based on electronically accepted arbitration agreements containing a delegation clause. Plaintiffs submitted affidavits stating that they did not recall reviewing or signing the agreements and argued that the agreements were not validly formed. Applying a summary-judgment-like standard to the formation issue, the court found that Qualfon's agreements, declarations, and electronic audit trails established acceptance and that plaintiffs' evidence did not create a genuine issue of material fact. The court compelled arbitration, stayed the case, and granted plaintiffs leave to file their sur-reply.

DISPOSITION

other

CASES CITED

- *Javitch v. First Union Sec., Inc.*, 315 F.3d 619, 624 (6th Cir. 2003)
- *Boykin v. Fam. Dollar Stores of Michigan, LLC*, 3 F.4th 832, 835, 839–40, 843 (6th Cir. 2021)
- *Rent-A-Center, West, Inc. v. Jackson*, 561 U.S. 63, 68–69, 72 (2010)
- *Green Tree Fin. Corp. v. Bazzle*, 539 U.S. 444, 452 (2003)
- *Swiger v. Rosette*, 989 F.3d 501, 505 (6th Cir. 2021)
- *Becker v. Delek US Energy, Inc.*, 39 F.4th 351, 355–56 (6th Cir. 2022)
- *Granite Rock Co. v. Int'l Bhd. of Teamsters*, 561 U.S. 287, 299–300 (2010)
- *Viet v. Le*, 951 F.3d 818, 823 (6th Cir. 2020)
- *Interbras Cayman Co. v. Orient Victory Shipping Co., S.A.*, 663 F.2d 4, 7 (2d Cir. 1981)
- *Brown v. Heartland Emp. Servs., LLC*, No. 19-11603, 2020 WL 2542009, at *4 (E.D. Mich. May 19, 2020)
- *DeOrnellas v. Aspen Square Mgmt., Inc.*, 295 F. Supp. 2d 753, 764 (E.D. Mich. 2003)
- *Stout v. J.D. Byrider*, 228 F.3d 709, 715 (6th Cir. 2000)
- *Sutton v. U.S. Small Bus. Admin.*, 92 F. App'x 112, 125–26 (6th Cir. 2003)
- *Barnes v. G4S Secure Sols. (USA) Inc.*, No. 23-12897, 2025 WL 769970, at *10 (E.D. Mich. Mar. 11, 2025)
- *Chaudhri v. StockX, LLC*, 19 F.4th 873, 881 (6th Cir. 2021)
- *Johnson v. Kelly Servs., Inc.*, No. 25-10570, 2025 WL 2794496, at *5 (E.D. Mich. Oct. 1, 2025)
- *Hardaway v. Aveanna Healthcare, LLC*, No. 23-12246, 2024 WL 2271826, at *3 (E.D. Mich. May 20, 2024)

- Tucker v. United Wholesale Mortg., Inc., No. 23-13134, 2024 WL 5629335, at *3 (E.D. Mich. July 10, 2024), aff'd, No. 24-1595, 2025 WL 1082316, at *3 (6th Cir. Apr. 10, 2025)
- Downing v. Valicor Env't Servs., LLC, No. 23-10764, 2023 WL 7285139, at *4 (E.D. Mich. Nov. 3, 2023), reconsideration denied, 2023 WL 8602265 (E.D. Mich. Dec. 12, 2023)
- Shye v. Bookspan LLC, No. 21-12285, 2022 U.S. Dist. LEXIS 42334 (E.D. Mich. Mar. 9, 2022)
- Staten v. Home Care Servs., No. 21-11323, 2021 U.S. Dist. LEXIS 240947 (E.D. Mich. Dec. 16, 2021)
- Crockett v. Audi of Am., LLC, 728 F. Supp. 3d 600, 606 (E.D. Mich. 2024)
- Smith v. Spizzirri, 601 U.S. 472, 478 (2024)
- Hilton v. Midland Funding, LLC, 687 F. App'x 515, 518 (6th Cir. 2017)
- Arabian Motors Grp. W.L.L. v. Ford Motor Co., 19 F.4th 938, 942 (6th Cir. 2021)