IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

ANGELA GONZALEZ Plaintiff,	:	CIVIL ACTION
v.	:	
DRS TOWING LLC d/b/a ADVANCED FINANCIAL SERVICES & ROBERT CHINAPPI Defendants.	:	NO. 12-cv-5508

ORDER

AND NOW, this 30th day of November 2012, upon consideration of Defendants' Motion to Compel Arbitration (Doc. No. 3), Plaintiff's Response in Opposition to Defendant's Motion (Doc. No. 4), and Defendants' Reply Brief in Further Support of Motion to Compel Arbitration (Doc. No. 5-1), it is hereby ORDERED that Defendants' motion is DENIED.

On July 19, 2011, Plaintiff Angela Gonzalez ("Mrs. Gonzalez" or "Plaintiff") received a $515 loan from Northeastern Title Loans LLC ("Northeastern Title") pursuant to a loan agreement. The loan bore an interest rate of 365% A.P.R., requiring Mrs. Gonzelas to make monthly payments in the amount of $154.50. When Mrs. Gonzalez failed to make a timely payment for September 2011, Northeastern Title hired Defendant DRS Towing[1] to repossess her car.

On September 26, 2012, Plaintiff brought suit alleging Defendant violated the Fair Debt

[1] Reference to "Defendants" includes DRS Towing and Mr. Robert Chinappi.

Collection Practices Act ("FDCPA"), 15 U.S.C. § 1692 *et seq.*, and the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1962(c), when it repossessed her car. In response, Defendants filed a motion, arguing that Plaintiff is compelled to arbitrate her claims pursuant to the loan agreement Plaintiff entered into with Northeastern Title (the "Loan Agreement").

Before compelling a party to arbitrate, "a court must determine that (1) there is an agreement to arbitrate and (2) the dispute at issue falls within the scope of that agreement." Century Indem. Co. v. Certain Underwriters at Lloyd's, 584 F.3d 513, 523 (3d Cir. 2009). Here, it is undisputed that the Loan Agreement contains a valid and enforceable arbitration clause that requires Plaintiff and Northeastern Title to submit to binding arbitration for any claim related to the Loan Agreement. The issue is whether Plaintiff has agreed to arbitrate those claims with Defendants, even though Defendants did not sign the Loan Agreement.

Defendants acknowledge that they are not signatories to the Loan Agreement, but argue that the Court should invoke the doctrine of equitable estoppel to prevent Plaintiff from avoiding the arbitration provision. Because "arbitration is a creature of contract law" E.I. DuPont de Nemours and Co. v. Rhone Poulenc Fiber & Resin Intermediates, S.A.S., 269 F.3d 187, 194 (3d Cir. 2001), the Third Circuit has invoked the doctrine of equitable estoppel to help determine whether a signatory may be compelled by a nonsignatory to arbitrate. See id.; see also Oral Cancer Prevention International, Inc. v. Johnson & Johnson, No. 3:11-cv-3878, 2011 WL 6130599 (D. N.J. Dec. 7, 2011). Here, however, the Court need not invoke estoppel principles because the terms of the Loan Agreement clearly identify when Plaintiff may be compelled to

arbitrate with a third party. The arbitration clause states that it extends only to claims between "you and us," and explains in its opening paragraph that:

> [T]he terms "we," "us" and "our" mean the entity advancing funds (the lender) under the Loan Agreement, its parent companies, wholly or majority-owned subsidiaries, affiliates, commonly-owned companies, management companies, successors, assigns, and any of their shareholders, employees, officers and directors. For purposes of this Arbitration Agreement, these terms also mean any third party providing any goods and services in connection with the origination, servicing and collection of the Loan Agreement (or any prior loan or loans we provided to you) *if such third party is named as a party by you in any lawsuit between you and us.*"

(Doc. No. 3, Ex. A) (emphasis added).

This language clearly considers the possibility of future claims involving third parties. Despite this consideration, the parties expressly agreed that arbitration would extend to claims against a third party only if that third party was named in a lawsuit between Plaintiff and Northeastern Title. Since Northeastern Title is not a named defendant in this matter, compelling Plaintiff to arbitrate her claims against Defendants would contradict the clear intent of the parties and expand beyond the reach of the arbitration agreement. Therefore, Plaintiff never agreed to arbitrate her claims with Defendant, and we must deny Defendant's motion.

BY THE COURT:
/s/ Legrome D. Davis
Legrome D. Davis, J.