

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IBRAHIMA TOURE

Plaintiff,

v.

No. 1:21-cv-01722-SB

AUTO EQUITY LOANS OF DE, LLC

Defendant.

Mark M. Billion, BILLION LAW, Wilmington, Delaware.

Counsel for Plaintiff.

Stephen Anthony Spence, BAIRD MANDALAS BROCKSTEDT LLC, Lewes, Delaware.

Counsel for Defendant.

MEMORANDUM OPINION

July 22, 2022

BIBAS, *Circuit Judge*, sitting by designation.

When parties agree to arbitrate a dispute, they cannot later pluck out parts of that dispute for a court to resolve. Because both sides here agree they must arbitrate, I cannot resolve their choice-of-law question.

Ibrahima Toure bought a car with a loan from Auto Equity Loans. D.I. 1 ¶ 7. That loan was extreme: Auto Equity charged Toure 121% interest. *Id.* ¶ 8; D.I. 4-2, at 1. And when he fell behind on his payments, it repossessed his car. D.I. 1 ¶¶ 10-11.

Toure was upset. Auto Equity's astronomical interest rate, he thought, violated Pennsylvania's ban on usury. *Id.* ¶¶ 20–22. So he sued in Pennsylvania district court.

But, Auto Equity countered, Toure had agreed to arbitrate in Delaware. D.I. 4-2, at 4. And after taking a second look at his loan agreement, Toure concurred. D.I. 5, at 1. Because the Pennsylvania court could not kick the case to a Delaware arbitrator, that court sent it to me instead. D.I. 15, at 1 n.2 (citing *Econo-Car Int'l, Inc. v. Antilles Car Rentals, Inc.*, 499 F.2d 1391, 1394 (3d Cir. 1974)).

The parties still agree that their dispute belongs in arbitration. D.I. 26, at 1. But before I send it there, Toure asks me to settle which state's usury laws will apply: Pennsylvania's or Delaware's. *Id.* To answer that, I would need to interpret a Delaware choice-of-law provision in the loan agreement. *See* D.I. 4-2, at 3.

But I cannot do so. Absent “a specific challenge to [the] delegation provision, [I] must treat that provision as valid and enforce it.” *MacDonald v. CashCall, Inc.*, 883 F.3d 220, 227 (3d Cir. 2018). Here, neither party makes any such challenge. So I must stay proceedings in this court and compel arbitration. 9 U.S.C. §§ 3, 4.

In response, Toure points to a Third Circuit case that conducted a choice-of-law analysis when deciding whether to compel arbitration. *See* D.I. 26, at 1 (discussing *Kaneff v. Del. Title Loans, Inc.*, 587 F.3d 616 (3d Cir. 2009)). But in *Kaneff*, a party had challenged the arbitration provision itself. *Kaneff*. 587 F.3d at 621. Thus the court had to decide which law applied to know whether the dispute was arbitrable at all. *Id.* Here, the parties agree it is. So I may only stay this case and compel arbitration.