No. 25-____

In the Supreme Court of the United States

SANTANDER CONSUMER USA INC.,
Petitioner,

v.

JABARI MORESE LYLES,
Respondent.

On Petition for a Writ of Certiorari
to the Supreme Court of Maryland

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The Federal Arbitration Act provides that arbitration agreements "shall be valid, irrevocable, and enforceable," except for "such grounds as exist at law or in equity for the revocation of any contract[.]" 9 U.S.C. § 2. This statute not only prohibits state rules which facially discriminate against arbitration, but also those that target arbitration by more subtle methods, such as by interfering with fundamental attributes of arbitration.

The question presented is:

Does the Federal Arbitration Act preempt a state-court rule that prohibits an assignee of a financing contract from enforcing an arbitration provision that the party against whom arbitration is sought expressly agreed would govern "any controversy, claim or dispute arising out of or relating to the purchase or the financing" of the underlying transaction?

PARTIES TO THE PROCEEDINGS

Petitioner (Defendant-Appellee below) is Santander Consumer USA Inc. Respondent (Plaintiff-Appellant below) is Jabari Morese Lyles.

RULE 29.6 STATEMENT

Santander Consumer USA Inc. is a wholly-owned subsidiary of Santander Consumer USA Holdings Inc., which is in a wholly-owned subsidiary of Santander Holdings USA, Inc., which is a wholly-owned subsidiary of Banco Santander, S.A., a publicly-traded company on the New York Stock Exchange (SAN).

PROCEEDINGS BELOW

The proceedings below were:

1. *Lyles v. Santander Consumer USA Inc.*, SCM-REG-002-2025, Supreme Court of Maryland. Judgment entered Nov. 25, 2025.
2. *Lyles v. Santander Consumer USA Inc.*, No. 1459, Sept. Term, 2023, Appellate Court of Maryland. Judgment entered Oct. 31, 2024.
3. *Lyles v. Santander Consumer USA Inc.*, No. 24-C-21-000061, Circuit Court for Baltimore City, Maryland. Judgment entered Aug. 28, 2023.

TABLE OF CONTENTS

TABLE OF APPENDICES

Page

TABLE OF AUTHORITIES

Page

Cases

Statutes

Petitioner Santander Consumer USA Inc. ("Santander") respectfully petitions for a writ of certiorari to review the judgment of the Supreme Court of Maryland in this case.

OPINIONS BELOW

The November 25, 2025 decision of the Maryland Supreme Court is reported at 347 A.3d 449 and is reproduced at App.1a.

The October 31, 2024 decision of the Appellate Court of Maryland is reported at 325 A.3d 1000 and is reproduced at App.22a.

The August 28, 2023 bench ruling granting Santander's motion to compel arbitration and stay proceedings of the Circuit Court for Baltimore City is not reported and is reproduced at App.55a.

JURISDICTION

The Maryland Supreme Court entered its final judgment on November 25, 2025. The application of the Federal Arbitration Act ("FAA") to this case was first raised by Santander in its Motion to Compel Non-Class Arbitration and Stay Action, filed with the Circuit Court for Baltimore City on May 2, 2023. App.65a. Santander also argued that the FAA applied to this case in its briefs filed before the Appellate Court of Maryland and the Supreme Court of Maryland. App.60a, App.63a. This Court has jurisdiction under 28 U.S.C. § 1257(a).

STATUTORY PROVISION INVOLVED

Section 2 of the FAA, 9 U.S.C. § 2, provides in relevant part as follows:

> A written provision in any maritime transaction or a contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of such a contract, transaction, or refusal, shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract or as otherwise provided in chapter 4.

INTRODUCTION

Contrary to the strong public policy in favor of arbitration, this Court's precedents reiterating it and an agreement by Respondent Jabari Lyles ("Lyles") to arbitrate "any controversy, claim or dispute" arising out of the "financing" of his vehicle purchase, the Supreme Court of Maryland held that Petitioner Santander Consumer USA Inc. ("Santander") was not properly assigned the right to compel arbitration against Lyles. This conclusion, which was contrary to the rulings of both the Circuit Court of Baltimore City and the Appellate Court of Maryland, should be reviewed and rejected by this Court.

The Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* (the "FAA"), "reflects the fundamental principle that arbitration is a matter of contract." *Rent-A-Center,*

West, Inc. v. Jackson, 561 U.S. 63, 67 (2010). Arbitration agreements are "valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract[.]" 9 U.S.C. § 2.

The undisputed facts demonstrate that Lyles agreed to arbitrate the disputes raised against Santander. In 2015, Lyles purchased a vehicle from a Maryland automobile dealership. He and the dealership executed a Buyer's Order (containing the purchase terms) and a Retail Installment Sales Contract (the "RISC") (containing the finance terms) on the same day and as part of a single transaction. The dealership assigned the RISC to Santander.

The Buyer's Order contains a conspicuous arbitration provision in bold and capital letters that broadly states the parties agree to arbitrate any disputes arising from the purchase or financing of the vehicle (the "Arbitration Provision").

Lyles signed the Buyer's Order and acknowledged that he has "read and understood the terms and conditions" and that he "had been given the opportunity to review all documents prior to signing them." By doing so he clearly intended to be bound by its terms and conditions, including the arbitration provisions. Yet, after reaping the benefits of the transaction under the parties' agreement, Lyles attempted to avoid his obligations under it by filing this action.

Santander therefore sought to compel arbitration of the very type of dispute that Lyles had agreed would only be brought in that forum. Both the Maryland Circuit Court for Baltimore City and the Appellate Court of Maryland agreed that Santander properly invoked the Arbitration Provision.

Those courts held that the Buyer's Order and the RISC were executed as part of single transaction and thus to be read and construed together as single, integrated agreement. A party to that agreement can therefore invoke an arbitration provision contained in the Buyer's Order despite the execution of the RISC. It followed (at least to the first two courts to hear the issue) that as an assignee of the single, integrated agreement standing in the shoes of the assignor, Santander has the same rights as the originator under the agreement, including the right to invoke the arbitration provision. This ruling was in accord with analysis of the Fourth Circuit under very similar contracts in *Rota–McLarty v. Santander Consumer USA, Inc.*, 700 F.3d 690 (4th Cir. 2012).

The Maryland Supreme Court disagreed. It held that Santander was not permitted to enforce the Arbitration Provision because the RISC supposedly carved it out from the scope of the agreement's assignment to Santander as part of the RISC's integration clause. This was so even though the Arbitration Provision obligated Lyles to submit any disputes about the financing of his vehicle purchase to binding arbitration. In fact, the Maryland Supreme Court barely even mentioned this language.

The state court's refusal to enforce the Arbitration Provision is flatly inconsistent with this Court's precedents under the FAA. Further, that decision is inconsistent with the Fourth Circuit's ruling in *Rota–McLarty*, meaning that whether the Arbitration Provision is enforced in Maryland now depends solely on whether there is federal jurisdiction. This Court should grant review and reverse.

STATEMENT OF THE CASE

I. Factual Background

On October 20, 2015, Lyles purchased a 2013 Ford Escape truck from Liberty Ford, a dealer located in Randallstown, Maryland (the "Dealership"). App.3a. In connection with that purchase, on the same day Lyles executed a Buyer's Order, that set forth the terms of the vehicle purchase, and a RISC, that set forth the financing terms regarding the purchase. App.3a-7a.

The Buyer's Order is a one-page document with a front and back side. App.3a-5a. On the front page, it states that the "Purchaser agrees" that the Buyer's Order contains terms and conditions "on both the face and reverse side hereof." The back page also states, "The above and reverse side along with all other documents signed by Purchaser in connection with the Order comprise the entire agreement affecting this purchase[.]"

The bottom of the first page in conspicuous capital and bold lettering identifies the existence of an agreement that the parties are obligated to arbitrate all disputes and claims:

> **NOTICE: SEE REVERSE SIDE AND SEPARATE ARBITRATION AGREEMENT FOR IMPORTANT INFORMATION ON YOUR RIGHTS AS TO RESOLVING DISPUTES, CONTROVERSIES OR CLAIMS ARISING FROM THIS ORDER.**

App.4a. Lyles' signature on the Buyer's Order appears directly below this notice.

The back page of the Buyer's Order contains "Additional Terms and Conditions." It includes the Arbitration Provision that states as follows:

> **The parties irrevocably agree that any controversy, claim or dispute arising out of or relating to the purchase or the financing of this vehicle including but not limited to this Purchase Agreement or the breach thereof shall be resolved by binding arbitration, pursuant to the separate Agreement to Arbitrate Disputes . . . SEE SEPARATE ARBITRATION AGREEMENT ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN FOR SPECIFIC DETAILS.**

App.4a-5a.

By its plain language, the Arbitration Provision explicitly requires any dispute arising from the purchase and financing of the vehicle to resolved by binding arbitration. The Arbitration Provision also states that a separate Arbitration Agreement is "incorporated" in the Buyer's Order Arbitration Provision. App.5a.

For its part, the Arbitration Agreement, like the Arbitration Provision in the Buyer's Order, also requires any dispute arising from the purchase and financing of the vehicle to resolved by binding arbitration. App.27a-28a. It states:

Arbitration Agreement to Arbitrate Disputes

> Purchaser and Dealer agree that if any controversy, claim or dispute arise out of or relates to the purchase and/or financing of the vehicle . . . the controversy, claim or dispute will be resolved by binding arbitration by a single arbitrator under the applicable rules of the alternative dispute resolution of the American Arbitration Association, with that arbitrator rendering a written decision with separate findings of fact and conclusions of law.

Id. The Arbitration Agreement also prohibits the parties from pursuing class-wide consideration of any dispute and includes a specific jury trial waiver:

> Purchaser agrees that a class wide arbitration may not be undertaken and that no claim arising from a controversy, claim or dispute may be adjudicated in or be the basis for compensation as a result of any class action proceeding . . .
>
> THE PARTIES UNDERSTAND THAT THEY ARE WAIVING THEIR RIGHTS TO A TRIAL, INCLUDING BUT NOT LIMITED TO A JURY TRIAL AND CLASS

> CONSIDERATION OF ALL DISPUTES BETWEEN THEM NOT SPECIFICALLY EXEMPTED FROM ARBITRATION.

Id.

All vehicle purchasers of the Dealership were required by the Dealership to sign the Arbitration Agreement, along with the Buyer's Order and the RISC, as part of all vehicle transaction.[1] App.32a. The Arbitration Agreement was the Dealership's operative agreement at the time Lyles purchased the vehicle. *Id.*

By his signature, Lyles "agrees that this [Buyer's] Order includes all of the terms and conditions on both the face and reverse side hereof." App.3a-4a. He represents that he "read and understood its terms and conditions including the reverse side," which included the arbitration terms. *Id.*

Lyles also signed the RISC establishing terms of the financing agreement for the vehicle. App.5a-7a. The RISC includes what the parties have called an "integration clause." It provides:

> This contract, **along with any other documents signed by you in connection with the purchase of the vehicle**, comprise the entire agreement between you and us affecting the purchase. No oral agreements or understandings are binding..

[1] The Dealership is no longer in business, and the specific the Arbitration Agreement signed by Lyles cannot be located. App.32a.

> Upon assignment of this contract (i) only this contact and the addenda to this contact comprise the entire agreement between you and the assignee relating to this contract . . .

Id. (emphasis added). The Dealership assigned the RISC to Santander.

II. Procedural History

A. On January 11, 2021, Lyles filed a Class Action Complaint (the "Complaint") against Santander. App.7a. The Complaint sets forth a count on his behalf and on behalf of a putative class alleging that Santander violated Maryland's Credit Grantor Closed End Credit Provisions, Md. Commercial Law §§ 12-1001, *et seq*. ("CLEC") and a count alleging that Santander breached the RISC by charging and collecting "convenience fees" from them for payments they owed under the RISC and made to Santander "by phone through a live representative or through an automated system or through the internet." *Id*. The Complaint seeks statutory penalties pursuant to CLEC § 12-1018.

Santander filed a Motion to Compel Non-Class Arbitration and Stay Action (the "Motion") on April 25, 2023.[2] App.8a. Lyles opposed the motion. The Circuit Court held a hearing regarding Santander's motion on August 28, 2023. *Id*. At the conclusion of a hearing, the Circuit Court granted Santander's Motion and compelled non-class arbitration of the dispute, set forth its

[2] The two-year gap between the filing of this case and the motion to compel arbitration is due to extended proceedings following Santander's attempt to remove this case pursuant to the Class Action Fairness Act. App.8a.

rationale on the record, and entered an Order dated August 28, 2023. *Id*.

The Circuit Court concluded that "there is an arbitration agreement . . . it does exist," and the agreement "encompasses the scope" of Lyles' claims. App.58a. Although not all the details were set out in the Buyer's Order, the Circuit Court stated, it was "enough," and the arbitrator could determine the other details. App.59a. Finally, the Circuit Court concluded that the integration clause did not preclude Santander, as assignee of the RISC, from invoking the arbitration agreement in the Buyer's Order. App.57a.

B. Lyles appealed that decision and order. The Appellate Court issued its published decision on October 31, 2024 affirming the Circuit Court order compelling non-class arbitration. *Lyles v. Santander Consumer USA Inc.*, 325 A.3d 1000 (Md. App. Ct. 2024). As relevant here, the Appellate Court, relying on *Ford v. Antwerpen Motorcars Ltd.*, 117 A.3d 21 (Md. 2015), held that "the Buyer's Order and RISC should be interpreted together as part of a single transaction, and the assignee obtained all of the rights of the assignor including the right to compel arbitration." 325 A.3d at 1017.

C. Lyles then petitioned the Maryland Supreme Court for a writ of certiorari, which it granted on February 21, 2025. 331 A.3d 1276 (Md. 2025). On November 25, 2025, the Supreme Court announced its judgment, reversing the Appellate Court. 347 A.3d 449 (Md. 2025). As relevant to this Petition, the Supreme Court first assumed, without deciding, that there was a binding arbitration obligation between Lyles and the Dealership. *Id.* at 455. "Even accepting this premise," however," the Supreme Court "conclude[d] that any

such arbitration agreement was not within the scope of the assignment from [the Dealership] to Santander." *Id*. at 455-56.

REASONS FOR GRANTING THE PETITION

I. The Decision Below Contravenes This Court's Precedents

Over the past two decades, this Court has been repeatedly confronted with decisions of lower courts announcing rules hostile on both their face, and in practice, to arbitration. *Lamps Plus, Inc. v. Varela*, 587 U.S. 176 (2019); *Epic Sys. Corp. v. Lewis*, 584 U.S. 497 (2018); *Kindred Nursing Centers Ltd. P'ship v. Clark*, 581 U.S. 246 (2017); *AT & T Mobility LLC v. Concepcion,* 563 U.S. 333 (2011). These rules were, in every instance, found to be preempted by the FAA. The decision below cannot be reconciled with those precedents and should suffer the same fate.

"Congress adopted the [FAA] in 1925 in response to a perception that courts were unduly hostile to arbitration." *Epic Sys. Corp.*, 584 U.S. at 505. Through the FAA, "Congress directed courts to abandon their hostility and instead treat arbitration agreements as 'valid, irrevocable, and enforceable.' The Act, this Court has said, establishes '"a liberal federal policy favoring arbitration agreements."' *Id*.

The FAA counters judicial hostility to arbitration through "an equal-treatment principle[.]" *Kindred Nursing*, 581 U.S. at 251–52. A court may invalidate an arbitration agreement based on "generally applicable contract defenses" like fraud or unconscionability, but not on legal rules that "apply only to arbitration or that derive their meaning from the fact that an agreement to arbitrate is at issue." *Concepcion,* 563 U.S. at 339. Where such rules "'stand[] as an obstacle to the

accomplishment and execution of the full purposes and objectives of Congress'" through the FAA, the rule is preempted. *Id.* at 352 (citation omitted).

This principle operates in different ways depending upon the nature the barrier to arbitration created by state law. The FAA "preempts any state rule discriminating on its face against arbitration—for example, a 'law prohibit[ing] outright the arbitration of a particular type of claim.'" *Kindred Nursing*, 581 U.S. at 251 (quoting *Concepcion*, 563 U.S. at 341)). "The Act also displaces any rule that covertly accomplishes the same objective by disfavoring contracts that (oh so coincidentally) have the defining features of arbitration agreements." *Id.*; *Viking River Cruises, Inc. v. Moriana*, 596 U.S. 639, 650 (2022) ("under our decisions, even rules that are generally applicable as a formal matter are not immune to preemption by the FAA"); *Epic Sys. Corp.*, 584 U.S. at 508 (the FAA prohibits rules "that target arbitration either by name or by more subtle methods, such as by 'interfer[ing] with fundamental attributes of arbitration'" (quoting *Concepcion*, 563 U.S. at 344)).

Beginning with *Concepcion*, the Court reviewed a decision by the California Supreme Court holding that class-action waivers in arbitration agreements were unconscionable under California law. *Concepcion*, 563 U.S. at 339-41. The consumers argued that the California rule was not preempted by the FAA because the prohibition was "all dispute-resolution contracts, since California prohibits waivers of class litigation as well." *Id.* at 341. The Court rejected this contention, examining the myriad ways in which the California rule "interferes with arbitration." *Id.* Among other things, "the switch from bilateral to class arbitration sacri-

fices the principal advantage of arbitration—its informality—and makes the process slower, more costly, and more likely to generate procedural morass than final judgment." *Id.* at 348.

In *Kindred Nursing*, the Kentucky Supreme Court adopted a clear-statement rule, pursuant to which agents acting under a power of attorney lacked authority to bind their principals without an explicit authorization to do so in the power of attorney. *Kindred Nursing*, 581 U.S. at 250-51. This Court held that the Kentucky rule was preempted by the FAA. This was because, notwithstanding the state court's "attempt to case the rule in broader terms," in reality the court "did exactly what *Concepcion* barred: adopt a legal rule hinging on the primary characteristic of an arbitration agreement—namely, a waiver of the right to go to court and receive a jury trial." *Id.* at 252-53. Kentucky's rule was thus "too tailor-made to arbitration agreements—subjecting them, by virtue of their defining trait, to uncommon barriers—to survive the FAA's edict against singling out those contracts for disfavored treatment." *Id.* at 252.

In *Epic Systems*, this Court considered whether the National Labor Relations Act ("NLRA") superseded the FAA's command that arbitration be treated equally with all other contracts. *Epic Sys.*, 584 U.S. at 502-03. There, employees who had previously agreed to class and collective-action waivers in their arbitration agreements argued that "the NLRA renders their particular class and collective action waivers illegal," and therefore there were not enforceable under the FAA. *Id.* at 507. This Court disagreed, holding that the FAA's savings "clause offers no refuge for 'defenses that apply only to arbitration or that derive their meaning from the fact that an agreement to arbitrate

is at issue.'" *Id.* at 507-08 (citation omitted). "[T]his means the saving clause does not save defenses that target arbitration either by name or by more subtle methods, such as by 'interfer[ing] with fundamental attributes of arbitration.'" *Id.* at 508.

In *Lamps Plus*, the Ninth Circuit was faced with an arbitration clause that "was ambiguous on the issue of class arbitration." *Lamps Plus*, 587 U.S. at 180. Applying the traditional common-law canon of *contra proferentem*, the Ninth Circuit resolved this ambiguity in favor of the non-drafting party and permitted class arbitration. *Id.* at 186. This Court reversed, holding that a finding of ambiguity necessarily means that the parties did not affirmatively consent to class arbitration, and the Ninth Circuit's reliance upon *contra proferentem* to compel class arbitration was error. *Id.* at 187 ("Unlike contract rules that help to interpret the meaning of a term, and thereby uncover the intent of the parties, *contra proferentem* is by definition triggered only after a court determines that it *cannot* discern the intent of the parties."). While noting the arguments in dissent that *contra proferentem* "is a neutral rule that gives equal treatment to arbitration agreements and other contracts alike," the Court explained that "equal treatment . . . cannot save from preemption general rules 'that target arbitration either by name or by more subtle methods, such as by 'interfer[ing] with fundamental attributes of arbitration.'" *Id.* at 188.

While the specific arbitration-skeptical devices used in these cases differ from the one adopted by the Maryland Supreme Court in the decision below, the effect is ultimately the same: arbitration cannot be had, notwithstanding Lyles' agreement to submit the very disputes at issue here to binding arbitration.

"[T]he foundational FAA principle [is] that arbitration is a matter of consent." *Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662, 684 (2010). Thus, "[w]hether enforcing an agreement to arbitrate or construing an arbitration clause, courts and arbitrators must 'give effect to the contractual rights and expectations of the parties.' In this endeavor, 'as with any other contract, the parties' intentions control.'" *Id.* at 682 (citation omitted).

Yet, even though the whole "purpose of the exercise" is "to give effect to the intent of the parties," *Stolt-Nielsen*, 559 U.S. at 684, the Maryland Supreme Court largely ignored the text of the Arbitration Provision agreed to by Lyles. Rather, the Court focused on parsing the language of the assignment provisions of the RISC. *Lyles*, 347 A.3d at 458-59. Specifically, the Court held that "Lyles's agreement with Santander was narrower than his agreement with [the Dealership]," as "neither the Order nor the arbitration provisions referenced within it were included within the assignment to Santander." *Id.*

It is indisputable that Lyles intentionally, and clearly, consented to arbitrate not only his disputes with the Dealership concerning the sale of the truck, but also the financing of the sale. On the obverse side of the Buyer Order executed by Lyles, he "irrevocably agree[d] that any controversy, claim or dispute arising out of or relating to the purchase **or the financing of this vehicle** . . . **shall be settled by binding arbitration**[.]" App.4a-5a (emphases added). Thus, "the intent of the parties," one of "fundamental importance" under the FAA, *Stolt-Nielsen*, 559 U.S. at 681, was that "any controversy, claim or dispute arising out of or relating to . . . the financing of this vehicle" was to "be settled by binding arbitration." App.4a.

This manifestation of intent on Lyles' part to submit disputes regarding the financing of his vehicle to binding arbitration is plain, and thus must be enforced under the FAA. *Viking River Cruises*, 596 U.S. at 650 (the FAA "renders agreements to arbitrate enforceable as a matter of federal law"); *CompuCredit Corp. v. Greenwood*, 565 U.S. 95, 104 (2012) ("the FAA requires the arbitration agreement to be enforced according to its terms").

That is true regardless whether the Buyer Order was assigned by the Dealership to Santander. Both Maryland and federal law recognize that non-signatories to arbitration agreements like Santander can "'compel a signatory to the clause to arbitrate the signatory's claims against the nonsignatory despite the fact that the signatory and nonsignatory lack an agreement to arbitrate.'"[3] *Lomax v. Weinstock, Friedman & Friedman, P.A.*, 583 F. App'x 100, 101 (4th Cir. 2014) (citation omitted). Accordingly, Lyles "is equitably estopped from disclaiming" his agreement to arbitrate "any controversy, claim or dispute arising out of or relating to . . . the financing of this vehicle." *Id.* The Maryland Supreme Court's decision thus refused to compel arbitration because it concluded that Santander was not a party to the arbitration agreement even though neither Maryland nor federal law requires Santander to be a party to the arbitration agreement.

The Maryland Supreme Court's decision therefore contravenes this Court's repeated pronouncements that, under the FAA, agreements to submit disputes

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[3] Nothing in the FAA precludes enforcement of arbitration clauses by non-parties against those agreeing to arbitrate the claims in question. *Arthur Andersen LLP v. Carlisle*, 556 U.S. 624, 632 (2009).

to arbitration must be enforced. This Court should grant certiorari and reverse.

II. The Maryland Supreme Court's Decision Creates a Divergent Federal-State Approach in Maryland That This Court Should Resolve

As the Maryland Supreme Court acknowledged, the Fourth Circuit has previously addressed the precise question at issue here, coming out the opposite way. *Lyles*, 347 A.3d at 459 (citing *Rota-McLarty v. Santander Consumer USA, Inc.*, 700 F.3d 690 (4th Cir. 2012)). There, as here, a consumer purchased a car from a Maryland dealer; to consummate this transaction, the parties executed two contracts: "a Buyer's Order, which provides the terms of the sale and contains an agreement to arbitrate disputes" and "a Retail Installment Sale Contract . . ., which does not contain an arbitration provision." *Rota-McLarty*, 700 F.3d at 695. The former was not assigned to Santander, while the latter was. *Id*. The assigned agreement contained an integration clause stating that "'[t]his contract contains the entire agreement between you and us relating to this contract.'" *Id*. The Fourth Circuit nonetheless "held that Santander, as assignee of a retail installment sales contract, could enforce an arbitration provision contained in a Buyer's Order that was not expressly assigned." *Lyles*, 347 A.3d at 459. This was so even though the only agreement actually assigned to Santander (1) did not itself contain an arbitration clause and (2) contained an integration provision. *Rota-McLarty*, 700 F.3d at 700.

In the decision below, the Maryland Supreme Court "neither adopt[ed] nor reject[ed] the court's analysis in *Rota-McLarty*," but instead found it inapplicable under the terms of the RISC. *Lyles*, 347 A.3d

at 459. In other words, different appellate courts routinely applying Maryland law have taken divergent approaches to the arbitrability of disputes relating to retail installment contracts in Maryland.

Given the "pronounced" and "substantial federal concern for the enforcement of arbitration agreements," *Quackenbush v. Allstate Ins. Co.*, 517 U.S. 706, 728–29 (1996), the Court should act to neutralize this threat to intrastate uniformity and comity.

This Court has acknowledged the strong federal interest in ensuring intrastate uniformity. *Felder v. Casey*, 487 U.S. 131, 153 (1988) ("A law that predictably alters the outcome of § 1983 claims depending solely on whether they are brought in state or federal court within the same State is obviously inconsistent with this federal interest in intrastate uniformity.").

State courts have similarly recognized that divergence between federal and state courts in the same jurisdiction goes against "principles of comity and consistency."[4] *Martinez v. Empire Fire & Marine Ins. Co.*, 139 A.3d 611, 619 (Conn. 2016). Allowing "federal statutes and regulations to apply differently, and potentially change the outcome of a case, based solely on" whether suit is filed in state or federal court, "would create confusion about how federal law . . . and would

[4] Of course, state courts are not **obligated** to follow the decisions of lower federal courts as a matter of vertical *stare decicis*. *Lockhart v. Fretwell*, 506 U.S. 364, 376 (1993) (Thomas, J., concurring) ("The Supremacy Clause demands that state law yield to federal law, but neither federal supremacy nor any other principle of federal law requires that a state court's interpretation of federal law give way to a (lower) federal court's interpretation. In our federal system, a state trial court's interpretation of federal law is no less authoritative than that of the federal court of appeals in whose circuit the trial court is located.").

potentially encourage forum shopping." *Id*. at 620; *see Weatherford ex rel. Michael L. v. State*, 81 P.3d 320, 324 (Az. 2003) ("We agree that, although state courts are not bound by decisions of federal circuit courts, we may choose to follow substantive decisions of the Ninth Circuit Court of Appeals, recognizing that doing so furthers federal-state court relationships. In addition, consistent decisions among federal and state courts further predictability and stability of the law."); *Littlefield v. State, Dep't of Human Servs.*, 480 A.2d 731, 737 (Me. 1984) ("in the interests of existing harmonious federal-state relationships, it is a wise policy that a state court of last resort accept, so far as reasonably possible, a decision of its federal circuit court on such a federal question"); *Commonwealth v. Negri*, 213 A.2d 670, 672 (Pa. 1965) (declining to follow federal circuit decisions applying in Pennsylvania would result in litigants "'walk[ing] across the street' to gain a difference result," an "unfortunate situation would cause disrespect for the law"), *overruled on other grounds*, *Commonwealth v. Senk*, 223 A.2d 97 (Pa. 1966).

This case exemplifies the potential for mischief where divergent state and federal views on issues of federal import occur. Shortly after this putative class action was filed, "Santander removed the case to the United States District Court for the District of Maryland, pursuant to the Class Action Fairness Act of 2005 ("CAFA")." *Lyles*, 347 A.3d at 454 n.1. Had the case stayed in federal court, the Fourth Circuit's decision in *Rota-McLarty* would have controlled the outcome of Santander's motion to compel arbitration. However, "[o]n April 17, 2023, the United States District Court remanded this matter to the circuit court for failing to meet the jurisdictional threshold" under

CAFA. *Id*. As a result, the Maryland Supreme Court's contrary rule, and contrary outcome, applies.

The outcome determinative nature of this happenstance "is obviously inconsistent with this federal interest in intrastate uniformity." *Felder*, 487 U.S. at 153. The Court should grant certiorari in order to ensure the desirable outcome of intrastate uniformity.

CONCLUSION

For the foregoing reasons, the Court should grant the petition for a writ of certiorari.

Respectfully submitted,

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FEBRUARY 23, 2026

APPENDIX

TABLE OF APPENDICES

APPENDIX A — OPINION OF THE SUPREME COURT OF MARYLAND, FILED NOVEMBER 25, 2025

IN THE SUPREME COURT
OF MARYLAND

No. 2
September Term, 2025

JABARI MORESE LYLES

v.

SANTANDER CONSUMER USA INC.

Filed November 25, 2025

Fader, C.J.,
Watts,
Booth,
Biran,
Gould,
Eaves,
Killough,

JJ.

Opinion by Gould, J.

In this dispute between the purchaser of a used car and the lender that financed that purchase, we must determine whether the circuit court erred in granting the lender's motion to compel arbitration. The purchaser

and the car dealership signed two contracts: one that established the purchase price and the other that established the financing terms. The purchase contract included a provision requiring the parties to arbitrate certain types of disputes. The financing contract contained no such requirement, but did contain language providing that: (1) it was immediately assigned to the lender; and (2) upon its assignment, the lender's contract with the buyer consisted of only the financing contract and any addenda to the financing contract.

Relying on caselaw providing that multiple contracts governing a single transaction must be construed as one, the lender argued that, as the assignee of the financing contract, it was also the assignee of the purchase contract and, hence, the arbitration agreement contained therein. The purchaser, on the other hand, disputed that the purchase contract included a binding arbitration agreement but argued that, even if it did, the lender was assigned only the financing contract and therefore was not an assignee of the arbitration agreement. The circuit court agreed with the lender on both issues and granted its motion to compel arbitration. The Appellate Court of Maryland affirmed the circuit court's judgment in a reported opinion. *Lyles v. Santander Consumer USA Inc.*, 263 Md. App. 583, 325 A.3d 1000 (2024).

This case turns on contract language that distinguishes between the purchaser's entire agreement with the dealer and the contract rights that passed to the lender. For the following reasons, we hold that, even if there was a binding agreement to arbitrate between the purchaser and the car

dealer, the arbitration agreement was not within the scope of the assignment to the lender. Accordingly, we reverse the judgment of the Appellate Court.

I

A

On October 20, 2015, Petitioner Jabari Morese Lyles bought a Ford Escape truck from Deer Automotive Group, LLC. The transaction was memorialized in two signed contracts.

1

The first was a purchase order for the truck ("Order"), a one-page document with terms and provisions on both sides. The Order identifies the truck by its vehicle identification number and states the purchase price, warranty price, trade-in allowance, and other charges, all of which yielded an "unpaid cash balance due on delivery" of $20,657.

The signature lines for "Purchaser" and "Dealer" are on the front page of the Order. Immediately above the signatures appear these two provisions:

> Purchaser agrees that this Order includes all of the terms and conditions on both the face and reverse side hereof, and that this Order cancels and supersedes any prior agreement and as of the date hereof comprises the complete

> and exclusive statement of the terms of the agreement relating to the subject matters covered.
>
> **NOTICE: SEE REVERSE SIDE AND SEPARATE ARBITRATION AGREEMENT FOR IMPORTANT INFORMATION ON YOUR RIGHTS AS TO RESOLVING DISPUTES, CONTROVERSIES OR CLAIMS ARISING FROM THIS ORDER.**

In addition, immediately above Mr. Lyles's signature appears this condition:

> SUBJECT TO FINANCE APPROVAL, IF APPLICABLE.

The reverse side of the Order lists "ADDITIONAL TERMS AND CONDITIONS," one of which was Paragraph 7:

> **The parties irrevocably agree that any controversy, claim or dispute arising out of or relating to the purchase or the financing of this vehicle including but not limited to this Purchase Agreement or the breach thereof shall be settled by binding arbitration, pursuant to the separate Agreement to Arbitrate Disputes. However, binding arbitration will not apply to the failure of the Purchaser to provide consideration including failure to pay a note, a dishonored**

> **check, failure to provide a trade title, or failure to pay a deficiency resulting from an additional payoff on a trade. In . . . addition, binding arbitration will not apply to Dealer's right to retake possession of the vehicle. SEE SEPARATE ARBITRATION AGREEMENT ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN FOR SPECIFIC DETAILS.**

The reverse side of the Order also includes Paragraph 18:

> The above and the reverse side along with other documents signed by Purchaser in connection with this Order comprise the entire agreement affecting this purchase, and no other agreement or understanding of any nature concerning same has been made or entered into or will be recognized.

On both sides of the document, the Order refers to itself as "this Order," "**THIS ORDER**," "this Agreement," "this agreement," "this order," or "**this Purchase Agreement**."

2

The second contract was a two-page Retail Installment Sale Contract ("RISC"). At the top of the first page, Mr. Lyles is identified as "Buyer" and throughout is referred to as "you." Deer Auto is identified as the "Seller-Creditor" and is defined as "we," "us," and "Seller."

Appendix A

The first page contains the business terms of the $20,657 loan, including monthly payments of $503.52 for six years, a total finance charge of $15,596.44, and a total payment of $36,253.44. On the first page, immediately above the signature line, the RISC contains this integration clause:

> This contract, along with all other documents signed by you in connection with the purchase of this vehicle, comprise the entire agreement between you and us affecting this purchase. No oral agreements or understandings are binding. Upon assignment of this contract: (i) only this contract and the addenda to this contract comprise the entire agreement between you and the assignee relating to this contract; (ii) any change to this contract must be in writing and the assignee must sign it; and (iii) no oral changes are binding.
>
> * * *
>
> NOTICE TO RETAIL BUYER: Do not sign this contract in blank. You are entitled to a copy of the contract at the time you sign. Keep it to protect your legal rights.

Immediately below the signature lines appears the following assignment clause:

> Seller assigns its interest in this contract to SANTANDER CONSUMER USA (Assignee)

> under the terms of Seller's agreement(s) with Assignee.

The RISC contains no arbitration provisions.

The second page of the RISC includes other terms and conditions. On both pages, the RISC consistently refers to itself as "this contract." In one place, it refers to itself as "THIS CONSUMER CREDIT CONTRACT" and in another place, it distinguishes itself from "the contract of sale," an evident reference to the Order:

> 5. Used Car Buyers Guide. The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

B

On January 11, 2021, Mr. Lyles filed a putative class action complaint in the Circuit Court for Baltimore City, alleging that Santander violated statutory and contractual obligations as outlined in Maryland's Credit Grantor Closed End Credit Provisions, Md. Code Ann., Com. Law § 12-1001 *et seq.* (2023). Specifically, Mr. Lyles contended that Santander breached its RISC with Mr. Lyles and the other members of the putative class by improperly charging and receiving convenience fees for the payments made on its loans.

Over two years later,[1] Santander moved to compel arbitration. At that time, Deer Auto was no longer in business. Santander supported its motion with an affidavit from Deer Auto's former attorney, and Mr. Lyles supported his opposition with a sworn declaration from the same attorney. The attorney acknowledged that he had no personal knowledge of Mr. Lyles's purchase of the truck. The attorney did say, however, that he

> drafted and/or reviewed the arbitration agreement to be signed by customers as part of all vehicle transactions (the "Arbitration Agreement"), along with a Buyer's Order and a Retail Installment Sales Contract ("RISC"). It was my understanding that all [of Deer Auto's] vehicle purchasers, new or used, were obligated to sign the Arbitration Agreement as part of a vehicle transaction.

The attorney further explained that Deer Auto's records were unavailable, but he authenticated a copy of an arbitration agreement with another customer as evidence

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1. In March 2021, Santander removed the case to the United States District Court for the District of Maryland, pursuant to the Class Action Fairness Act of 2005 ("CAFA"), as set forth in 28 U.S.C. § 1332(d)(2). Santander also moved to compel arbitration. On April 17, 2023, the United States District Court remanded this matter to the circuit court for failing to meet the jurisdictional threshold for a CAFA claim and denied Santander's motion as moot.

of the agreement that Deer Auto had used at the time it contracted with Mr. Lyles. That arbitration agreement provided:

> Unless specifically exempted from arbitration pursuant to paragraph 7 of the Purchase Agreement, Purchaser and Dealer agree that if any controversy, claim or dispute arise out of or relates to the purchase and/or financing of the vehicle, including any negotiations or applications for credit or other dealings or interactions with the Dealership, the controversy, claim or dispute will be resolved by binding arbitration by a single arbitrator under the applicable rules of the alternative dispute resolution of the American Arbitration Association, with that arbitrator rendering a written decision with separate findings of fact and conclusions of law. The arbitrator shall be a person involved in the retail automotive field having no less than five (5) years experience in such field, disinterested in this purchase, lease or financing transaction, not affiliated with the parties, and recognized as ethical and reputable. An award by the arbitrator shall be final and binding on all parties to the proceeding and is not appealable to any court or other body. The arbitrator shall apply the substantive law of the state of Maryland and the arbitration shall take place in Baltimore County, Maryland.

Mr. Lyles opposed the motion and countered that he never signed an arbitration agreement, was never presented with the Separate Arbitration Agreement referenced in paragraph 7 of the Order, and never reviewed any such document. Mr. Lyles also argued that, even if he had agreed to arbitrate disputes with Deer Auto, the arbitration agreement was not assigned to Santander.

At a hearing on Santander's motion, the circuit court concluded that: (1) the Order included a binding agreement to arbitrate; (2) because the Order and RISC memorialized a single transaction, they needed to be construed as one contract; and (3) the integration clause in the RISC did not render the arbitration agreement unenforceable. As a result, the court granted the motion to compel arbitration.

2

Mr. Lyles timely appealed and advanced the same arguments in the Appellate Court of Maryland, which affirmed the circuit court in a reported opinion. *Lyles v. Santander Consumer USA Inc.*, 263 Md. App. 583, 325 A.3d 1000 (2024). The court concluded that Mr. Lyles's "failure to sign or receive the Separate Arbitration Agreement does not make the arbitration provision unenforceable," holding that Mr. Lyles was "presumed to know the contents" of the incorporated agreement, despite never being shown its terms. *Id.* at 606-07, 325 A.3d 1000. The court also determined that the absence of specific arbitration details did not defeat the agreement to arbitrate, as such gaps could be filled by the Maryland Uniform Arbitration Act. *Id*. at 604, 325 A.3d 1000.

The court further held that "the Buyer's Order and RISC should be interpreted together as part of a single transaction, and the assignee [Santander] obtained all the rights of the assignor [Deer Auto], including the right to compel arbitration." *Id.* at 612, 325 A.3d 1000.

Mr. Lyles petitioned for a writ of certiorari, which we granted. *Lyles v. Santander Consumer USA, Inc.*, 490 Md. 81, 331 A.3d 1276 (2025).

II

A

When faced with a petition to compel arbitration under section 3-207 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, the circuit court's role is limited to determining, without a jury, whether an arbitration agreement for the specific dispute exists. *Park Plus, Inc. v. Palisades of Towson, LLC*, 478 Md. 35, 51, 272 A.3d 309 (2022) (first citing Md. Code Ann., Cts. & Jud. Proc. ("CJP") §§ 3-204, 3-207(b), *3-208(c) (2020); and then citing *Gold Coast Mall, Inc. v. Larmar Corp.*, 298 Md. 96, 104, 468 A.2d 91 (1983)). A court's enforcement power can be invoked in two ways: first, when one party refuses to arbitrate, the other party may petition to compel arbitration; and second, when one party initiates or threatens arbitration, the resisting party may petition to stay the proceedings. *Id.* at 51, 272 A.3d 309. In either instance, if the court determines that an arbitration agreement exists, it shall order arbitration; otherwise, it shall deny the petition. *Id.* (citing CJP § 3-207(c)).

B

Mr. Lyles advances two principal arguments against the existence of a binding arbitration agreement. The first argument raises an issue of contract formation. Mr. Lyles contends that he cannot be bound by the Separate Arbitration Agreement referenced on the first page of the Order because it was not, in fact, attached to the Order and therefore was not incorporated by reference under its plain language. He also maintains that because he never received, reviewed, or signed the Separate Arbitration Agreement, he is not bound by it because Maryland law requires mutual assent to contract terms. He argues that "[a] form contract cannot, by its own self-serving declaration, magically bind a consumer to secret terms tucked away elsewhere." Mr. Lyles further contends that the language in the Order is too indefinite to create any enforceable obligation to arbitrate.

Santander counters that ordinary principles of contract law, coupled with Maryland's strong public policy favoring arbitration, support enforcement of the arbitration agreement. Santander argues that Mr. Lyles is bound by the Separate Arbitration Agreement through valid incorporation by reference, asserting that Maryland law presumes a party who signs a contract knows its contents and that Mr. Lyles acknowledged reading and understanding the Order. Santander further maintains that any lack of specificity in arbitration procedures is cured by the Maryland Uniform Arbitration Act's gap-filling provisions.

The second argument made by Mr. Lyles raises an issue of contract interpretation. Mr. Lyles argues that Santander, as assignee of only the RISC, lacks standing to enforce any arbitration provision in the unassigned Order. He maintains that the RISC's "upon assignment" integration clause limits Santander's rights exclusively to "this contract and the addenda to this contract"—the RISC, which contains no arbitration provision—distinguishing this clause from the separate integration clauses in the Order and RISC that governed his relationship with Deer Auto.

Santander counters that, under *Ford v. Antwerpen Motorcars Ltd.*, 443 Md. 470, 117 A.3d 21 (2015), the Order and RISC constitute a single, integrated agreement that should be construed together, giving Santander, as assignee, all rights of the assignor, including the right to compel arbitration. Santander maintains that the integration clause language here is identical to that in *Ford* and *Rota-McLarty v. Santander Consumer USA, Inc.*, 700 F.3d 690 (4th Cir. 2012), where both courts concluded that assignees could enforce arbitration provisions. Mr. Lyles contends that these cases are distinguishable.

For purposes of our analysis, we assume without deciding that the arbitration provisions referenced in the Order created a binding obligation between Mr. Lyles and Deer Auto.[2] Even accepting this premise, we conclude that

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2. This Court granted the petition for writ of certiorari on two issues:

> 1. Where a separate document is never made available to, shown to, or signed by a contracting

any such arbitration agreement was not within the scope of the assignment from Deer Auto to Santander.

1

We begin with the principles that guide our interpretation of contracts:

> Maryland courts follow the objective theory of contract interpretation. Under that approach, unless the language of the contract is ambiguous, we interpret it based on what a reasonable person in the position of the parties would have understood the language to mean and not the subjective intent of the parties at the time of formation. Therefore, it is the written language embodying the terms of an agreement that will govern the rights and liabilities of the parties,

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party, but that separate document is incorporated by reference into the underlying contract, is a consumer bound by the terms of that separate document despite the fact that the consumer had no knowledge of or access to the terms contained in that separate document?

2. When a contract contains two distinct integration clauses—one defining the rights and obligations between the buyer and seller and the other defining the rights and obligations between the buyer and the assignee—does the assignee obtain rights under the terms of the buyer/seller integration clause?

Our resolution of the second question renders it unnecessary to address the first.

irrespective of the intent of the parties at the time they entered into the contract.

We do not, however, interpret contractual language in a vacuum. Instead, we interpret that language in context, which includes not only the text of the entire contract but also the contract's character, purpose, and the facts and circumstances of the parties at the time of execution. Although providing relevant context may necessarily require consultation of evidence beyond the four corners of the contract itself, it does not extend to extrinsic or parol evidence of the parties' subjective intent, such as evidence of the parties' negotiations. Such evidence may be considered only after a court first determines that the relevant contract language is ambiguous, which occurs when, viewing the plain language in its full context, a reasonably prudent person could ascribe more than one reasonable meaning to it.

In interpreting the plain language of a contract in context, we attempt to construe the contract as a whole, interpreting separate provisions harmoniously, so that, if possible, all of them may be given effect. Construing the contract as a whole requires that effect be given to each clause to avoid an interpretation which casts out or disregards a meaningful part of the language of the writing unless no other course can be sensibly and reasonably followed.

> It is a bedrock principle of contract interpretation in Maryland that our courts consistently strive to interpret contracts in accordance with common sense.

Adventist Healthcare, Inc. v. Behram, 488 Md. 410, 432-34, 322 A.3d 1 (2024) (citation modified).

Some transactions are memorialized in multiple instruments. In such transactions, to the extent possible, courts will harmonize and give effect to the provisions of each instrument. *Rourke v. Amchem Prods., Inc.*, 384 Md. 329, 354, 863 A.2d 926 (2004). Put otherwise, to ascertain the contracting parties' intentions, courts will apply the traditional canons of contract interpretation across the multiple instruments by construing them as a single contract. The multiple instrument rule, therefore, merely assists courts in carrying out their interpretive role. It is not used to negate or override the parties' intent made evident in the language used in the contract documents.

2

This Court applied the multiple instrument rule in *Ford v. Antwerpen Motorcars* to determine whether used-car purchasers were required to arbitrate their disputes with the dealer. 443 Md. at 483, 117 A.3d 21. In *Ford*, the purchasers sued the dealership, alleging misrepresentations related to the sale. *Id.* at 473, 117 A.3d 21. As with the transaction here, the buyers and dealer memorialized their agreement in a "Buyer's Order" and a retail installment sale contract. The arbitration

agreement was included in the Buyer's Order, not the installment contract. The buyers contended that, because the installment contract was signed *after* the Buyer's Order, "the Buyer's Order was superseded by the RISC, which contained no arbitration agreement." *Id.* at 475, 117 A.3d 21. This Court rejected that argument, holding that the Buyer's Order and the installment contract should be read together as evidencing the parties' entire agreement. *Id.* at 479-80, 117 A.3d 21.

In reaching that conclusion, we relied on the installment contract's integration clause, which stated that "[t]his contract along with all other documents signed by you in connection with the purchase of this vehicle, comprise the entire agreement." *Id.* at 479, 117 A.3d 21 (alteration in original) (emphasis omitted). We also applied the principle that "[w]here several instruments are made a part of a single transaction they will all be read and construed together as evidencing the intention of the parties in regard to the single transaction." *Id.* (quoting *Rocks v. Brosius*, 241 Md. 612, 637, 217 A.2d 531 (1966)).

Santander relies on *Ford* for the proposition that the Order and RISC must be construed as a single contract. But Santander's reasoning conflates two issues: (1) whether the two instruments (the Order and the RISC) should be *read together* to understand the obligations of the original parties to the contracts—Mr. Lyles and Deer Auto; and (2) the scope of the assignment, that is, whether *both* instruments were assigned to Santander. *Ford* resolved only the former, but the issue before us is the latter. Because *Ford* did not involve claims against

an assignee, it provides no guidance on the scope of the assignment to Santander.

Contract rights can be assigned in whole or in part. *See Pub. Serv. Comm'n of Md. v. Panda-Brandywine, L.P.*, 375 Md. 185, 197-98, 825 A.2d 462 (2003). Determining the scope of an assignment does not turn on whether the transaction was documented in a single instrument or multiple instruments. Rather, it turns on the specific language used in the provisions governing the assignment. To illustrate the point, consider what the analysis would entail if we extracted each provision from both the Order and the RISC, inserted them into a single document, and organized the document with sequential numbering. This would be a change in form only. But because we would now have a single document, there would be no need to apply the multiple instrument rule; we would simply apply the settled rules of contract interpretation. Thus, we would examine the assignment clause and related contract language to determine which provisions—or which rights arising from those provisions—were included within the scope of the assignment to Santander. That Deer Auto chose to memorialize this transaction in two separate documents does not alter the analysis.

3

The RISC has two provisions that define the scope of the assignment. The first is the assignment clause itself: "Seller assigns its interest in this contract to SANTANDER CONSUMER USA (Assignee) under the terms of Seller's agreement(s) with Assignee." Under

the plain language of this provision, the thing assigned to Santander was Deer Auto's entire interest in "this contract." The RISC refers to itself as "this contract" in at least 25 places. Because the arbitration provisions Santander seeks to enforce are contained only in the Order, we must determine whether, as Santander insists, "this contract"—the RISC—incorporates the Order.

Answering this question requires us to construe the assignment clause in harmony with the RISC's integration clause, which reads:

> This contract, along with all other documents signed by you in connection with the purchase of this vehicle, comprise the entire agreement between you and us affecting this purchase. No oral agreements or understandings are binding. Upon assignment of this contract: (i) only this contract and the addenda to this contract comprise the entire agreement between you and the assignee relating to this contract; (ii) any change to this contract must be in writing and the assignee must sign it; and (iii) no oral changes are binding.

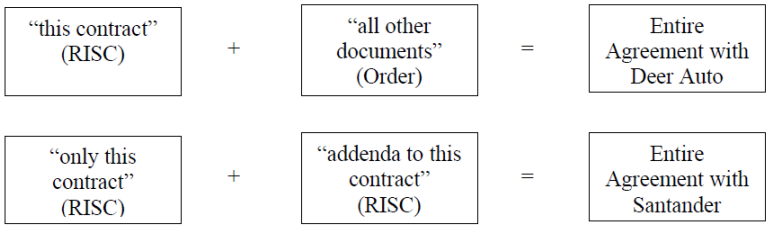
The first sentence defines "the entire agreement" between Mr. Lyles and Deer Auto as "this contract" plus "all other documents signed by you in connection with the purchase of this vehicle." The only two documents signed by Mr. Lyles were the RISC and the Order.

Appendix A

Notice that under the plain language and grammatical structure of the first sentence, "this contract" is one thing—the RISC—and "all other documents" (including the Order) are separate things that, when combined, comprise the "entire agreement" between the original contracting parties: Mr. Lyles and Deer Auto. Put another way, the Order is part of the "entire agreement" with Deer Auto but is not part of "this contract." Under the assignment clause, however, only "this contract" was assigned, not the "entire agreement."

The third sentence confirms this interpretation by defining "the entire agreement between you and the assignee"—that is, Mr. Lyles and Santander—upon assignment of "this contract." Notice the use of the limiting word "only" in confirming that "only this contract [the RISC] and the addenda to [the RISC] comprise the entire agreement between" Mr. Lyles and Santander.

The first and third sentences of the integration clause can be expressed in separate equations:



As these equations illustrate, Mr. Lyles's agreement with Santander was narrower than his agreement with Deer Auto. The word "only" in the third sentence is the

linchpin. By providing that "only this contract and the addenda to this contract comprise the entire agreement between you and the assignee," the third sentence (represented by the second equation) excludes from the "entire agreement" with the assignee what the first sentence included in the "entire agreement" with the dealer: "all other documents signed by you in connection with the purchase of this vehicle." The Order falls squarely within that excluded category; therefore, neither the Order nor the arbitration provisions referenced within it were included within the assignment to Santander.

Santander's interpretation—that "this contract" includes the Order—would render the bifurcated structure of the RISC's integration clause superfluous. If "this contract" includes the Order, there is no reason to distinguish between the pre-assignment scope ("this contract, along with all other documents . . . ") and the post-assignment scope ("only this contract and the addenda . . . "). The limiting word "only" would serve no function. We reject an interpretation that strips this word of all meaning.

4

Santander's reliance on *Rota-McLarty*, 700 F.3d at 697-98, is misplaced. There, a used-car buyer brought a putative class action against Santander, the assignee of a retail installment sales contract, alleging violations of Maryland consumer protection laws. *Id.* at 694-95. The United States Court of Appeals for the Fourth Circuit held that Santander, as assignee of a retail installment sales

contract, could enforce an arbitration provision contained in a Buyer's Order that was not expressly assigned. *Id.* at 701. We neither adopt nor reject the court's analysis in *Rota-McLarty*, but instead find it inapplicable because it does not address the bifurcated integration language on which our analysis turns.

In *Rota-McLarty*, the integration clause in the installment contract stated simply: "This contract contains the entire agreement between you and us relating to this contract. Any change to this contract must be in writing and we must sign it. No oral changes are binding." *Id.* at 695. Unlike the RISC here, that integration clause contained no "upon assignment" provision defining what rights pass to an assignee. The court, thus, did not confront language specifically limiting the scope of the assignment. We do, and that language controls our analysis.

JUDGMENT OF THE APPELLATE COURT OF MARYLAND REVERSED. CASE REMANDED TO THAT COURT WITH INSTRUCTIONS TO REMAND TO THE CIRCUIT COURT FOR FURTHER PROCEEDINGS. COSTS TO BE PAID BY RESPONDENT.

APPENDIX B — OPINION OF THE APPELLATE COURT OF MARYLAND, FILED OCTOBER 31, 2024

IN THE APPELLATE COURT
OF MARYLAND

No. 1459
September Term, 2023

JABARI MORESE LYLES

v.

SANTANDER CONSUMER USA INC.

Filed October 31, 2024

Graeff,
Tang,
Eyler, Deborah S.
(Senior Judge, Specially Assigned)

JJ.

Opinion by Graeff, J.

This appeal arises from a class action complaint filed by Jabari Lyles, appellant, in the Circuit Court for Baltimore City, against Santander Consumer USA Inc. ("Santander"), appellee. The complaint alleged breach of contract and violations of the Maryland Credit Grantor Closed End Credit Provisions ("CLEC"), Md. Code Ann., Com. Law ("CL") §§ 12-1001 to 1030 (2023 Supp.),

in connection with Santander's practice of collecting convenience fees from customers. Santander filed a Motion to Compel Non-Class Arbitration and Stay the Action (the "Motion to Compel Arbitration"), which the circuit court granted.

On appeal, appellant presents three questions for this Court's review,[1] which we have consolidated into the following question:

> Did the court err in granting Santander's Motion to Compel Arbitration?

For the reasons set forth below, we shall affirm the judgment of the circuit court.

---

1. Mr. Lyles's questions presented are as follows:

   1. Were either the Buyer's Order or Separate Arbitration Agreement incorporated, by reference, into the RISC ***with respect to Santander?***
   2. Do the Buyer's Order or Separate Arbitration Agreement independently provide ***Santander*** the contractual right to force Lyles to arbitration?
   3. Under Maryland contract law, can a party be bound by a contract if that party did not sign the contract, was not provided a copy of the contract, and did not otherwise agree to the terms contained within the contract?

Appendix B

FACTUAL AND PROCEDURAL BACKGROUND

I.

Vehicle Purchase

In October 2015, Mr. Lyles purchased a Ford Escape from Liberty Ford, a Maryland automobile dealership.[2] Mr. Lyles and Liberty Ford each signed two documents: (1) an order that established the vehicle purchase terms ("Buyer's Order"); and (2) a Retail Installment Sales Contract (the "RISC"), which established the vehicle financing terms. The documents were signed on the same day as part of one transaction.

The Buyer's Order listed the unpaid cash balance of the vehicle purchase as $20,657. There were two signatories to the Buyer's Order, the "DEALER OR AUTHORIZED REPRESENTATIVE," Wendell Fisher, a Liberty Ford salesman, and the "PURCHASER," Mr. Lyles. The Buyer's Order did not refer to Santander, or any other assignee, and it did not contain any language indicating that the obligation established in the Buyer's Order may be assigned to a third party. The Buyer's Order, a one-page document, contained the following provision, in bold, directly above the signature line on the front page:

> **NOTICE: SEE REVERSE SIDE AND SEPARATE ARBITRATION AGREEMENT**

2. Liberty Ford is part of Deer Automotive Group, LLC.

Appendix B

FOR IMPORTANT INFORMATION ON YOUR RIGHTS AS TO RESOLVING DISPUTES, CONTROVERSIES OR CLAIMS ARISING FROM THIS ORDER.

The back page of the Buyer's Order contained "Additional Terms and Conditions." Paragraph 18 of these terms and conditions stated that "[t]he above and reverse side along with other documents signed by Purchaser in connection with this Order comprise the entire agreement affecting this purchase, and no other agreement or understanding of any nature concerning same has been made or entered into will be recognized." Paragraph 7 stated, in bold print, as follows:

> **The parties irrevocably agree that any controversy, claim or dispute arising out of or related to the purchase or the financing of this vehicle including but not limited to this Purchase Agreement or the breach thereof shall be settled by binding arbitration, pursuant to the separate Agreement to Arbitrate Disputes. However, binding arbitration will not apply to the failure of the Purchaser to provide consideration including failure to pay a note, a dishonored check, failure to provide a trade title, or failure to pay a deficiency resulting from an additional payoff on a trade. In [] addition, binding arbitration will not apply to Dealer's right to retake possession of the vehicle. SEE SEPARATE ARBITRATION**

Appendix B

AGREEMENT ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN FOR SPECIFIC DETAILS.

There is no record of a separate signed arbitration agreement between Lyles and Liberty Ford. Mr. Lyles stated that he was not presented with, and never signed, a separate arbitration agreement.

The standard Arbitration Agreement to Arbitrate Disputes (the "Separate Arbitration Agreement") allegedly used by Liberty Ford at the time of Mr. Lyles' vehicle purchase, however, stated that any disputes relating to the purchase or financing of the vehicle would be subject to binding arbitration. It provided:

> Purchaser and Dealer agree that if any controversy, claim or dispute arise out of or relates to the purchase and/or financing of the vehicle, including any negotiations or applications for credit or other dealing or interactions with the Dealership, the controversy, claim or dispute will be resolved by binding arbitration by a single arbitrator under the applicable rules of the alternative dispute resolution of the American Arbitration Association, with that arbitrator rendering a written decision with separate findings of fact and conclusions of law. The arbitrator shall be a person involved in the retail automotive field having no less than five (5) years experience in such field, disinterested in this purchase,

> lease or financing transaction, not affiliated with the parties, and recognized as ethical and reputable.

The Separate Arbitration Agreement also specified that purchasers were waiving their right to a jury trial and class action consideration for any claims subject to arbitration:

> THE PARTIES UNDERSTAND THAT THEY ARE WAIVING THEIR RIGHTS TO A TRIAL, INCLUDING BUT NOT LIMITED TO A JURY TRIAL AND CLASS CONSIDERATION OF ALL DISPUTES BETWEEN THEM NOT SPECIFICALLY EXEMPTED FROM ARBITRATION.

The RISC, which was signed the same day as the Buyer's Order, established the terms of the financing agreement for the vehicle. It provided that Mr. Lyles would make monthly loan payments in the amount of $503.52 for 72 months, for a total of $36,253.44. The RISC was signed by Mr. Lyles, the "Buyer," and Deer Automotive Group LLC, the "Seller-Creditor." The RISC stated that the seller "may assign this contract and retain its right to receive a part of the Finance Charge." Underneath the seller's signature, at the bottom of the first page of the document, the RISC stated: "Seller assigns its interest in this contract to SANTANDER CONSUMER USA (Assignee) under the terms of Seller's agreement(s) with Assignee."

The RISC also contained an integration clause, which provided, in relevant part, as follows:

> This contract, along with all other documents signed by you in connection with the purchase of this vehicle, comprise the entire agreement between you and us affecting the purchase.[3] No oral agreements or understandings are binding. Upon assignment of this contract: (i) only this contract and the addenda[4] to this contract comprise the entire agreement between you and the assignee relating to this contract; (ii) any change to this contract must be in writing and the assignee must sign it; and (iii) no oral changes are binding.

Mr. Lyles signed directly under this provision. There is no mention of arbitration in the RISC.

Pursuant to the assignment provision of the RISC, Mr. Lyles made monthly payments to Santander. The complaint alleged that, as of December 2020, Mr. Lyles had paid a total of $27,029.67 on the loan, and Santander claimed that he still owed $15,603.54.

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3. The RISC specified that the term "us" in the contract referred to the Seller-Creditor.

4. No evidence of any addenda to the RISC was presented.

Appendix B

II.

Complaint and Motion to Compel Arbitration

On January 11, 2021, Mr. Lyles filed the Class Action Complaint (the "Complaint") against Santander in the Circuit Court for Baltimore City, alleging breach of contract and violations of the CLEC due to Santander's practice of collecting convenience fees from customers who made loan payments "by phone through a live representative or through an automated system or through the internet." The named class members were all persons who entered into a RISC governed by the CLEC between October 15, 2015 and October 31, 2015, were charged a convenience fee by Santander between January 1, 2016 and January 15, 2016, and "from whom Santander collected more than the principal amount of the RISC." Mr. Lyles sought civil remedies under the CLEC, actual damages equal to the amount of the convenience fees collected, and an award of pre-judgment and post-judgment interest on all sums awarded.

On March 4, 2021, Santander filed a Notice of Removal to the United States District Court for the District of Maryland pursuant to the Class Action Fairness Act of 2005 ("CAFA"), 28 U.S.C. § 1332(d)(2). On March 5, 2021, Santander filed a Motion to Compel Non-Class Arbitration and Stay Action, and Mr. Lyles filed a motion to remand the case to state court. On April 17, 2023, the United States District Court issued an order remanding the case to the Circuit Court for Baltimore City, concluding that the amount in controversy did not meet the five million

dollar threshold for diversity jurisdiction under CAFA,[5] and denying Santander's motion to compel arbitration as moot.

Following remand to the circuit court, Santander filed a Motion to Compel Non-Class Arbitration and Stay Action and Request for Hearing. Santander argued that because Mr. Lyles signed the Buyer's Order, which included a "clear and conspicuous Arbitration Provision" applying to "any controversy, claim or dispute arising out of or relating to the purchase or the financing of this vehicle" and expressly incorporated the Separate Arbitration Agreement, he could not "reasonably argue that he was unaware that he agreed" to binding arbitration. Santander further argued that "the fact that the arbitration provision is contained in the Buyer's Order and not the RISC is immaterial under Maryland" law, which holds that the two documents should be read together as the entire agreement between the parties under the integration clause. Santander asserted that, based on the terms of the Separate Arbitration Agreement and the arbitration provision in the Buyer's Order, Lyles was prohibited from

5. While the motion to remand was pending, Mr. Lyles filed an unopposed motion to certify a question of law related to the calculation of damages under the CLEC to the Supreme Court of Maryland. The Supreme Court of Maryland answered the certified question of law, holding that the proper damages calculation in this case was "three times the amounts of interest, fees, and charges collected in violation of CLEC." *Lyles v. Santander Consumer USA Inc.*, 478 Md. 588, 592-93, 275 A.3d 390 (2022). The amount in controversy in Mr. Lyles' complaint did not meet the statutory threshold under the calculation formula established by the Supreme Court of Maryland.

pursuing class-wide claims and must resolve any claims against Santander on an individual basis.

Santander did not produce an executed copy of a Separate Arbitration Agreement between Mr. Lyles and Liberty Ford. Instead, Santander attached, as an exhibit to its motion to compel arbitration, the Affidavit of Steven R. Freeman ("Freeman Affidavit"). Mr. Freeman, an attorney for Liberty Ford, declared that he drafted and reviewed the Separate Arbitration Agreement "to be signed by customers as part of all vehicle transactions . . . along with a Buyer's Order and a [RISC]." He attached to his affidavit a form document, which he stated was the "Arbitration Agreement incorporated in Liberty Ford's Buyer's Orders during the relevant time period." Mr. Freeman also stated in his affidavit that the "Liberty Ford records [we]re unavailable," but the attached Arbitration Agreement was a "record kept by the dealership in the course of its regularly conducted business."

Mr. Lyles filed an opposition to Santander's motion to compel arbitration, contending that he and Liberty Ford never entered into an arbitration agreement. He asserted that he did not sign the Separate Arbitration Agreement when he purchased the vehicle, and there was no evidence of a signed agreement in the record.[6] Mr. Lyles also submitted a sworn declaration by Mr. Freeman ("Freeman Declaration"), prepared after the Freeman Affidavit, that

6. Mr. Lyles also filed a declaration in support of his opposition, stating that he never reviewed, executed, or was presented with a "SEPARATE ARBITRATION AGREEMENT" at any time during the transaction to purchase the vehicle.

he had "no personal knowledge of what documents were presented to [Mr.] Lyles . . . with respect to the purchase of the vehicle" or "of what documents [Mr.] Lyles did or did not sign." Mr. Freeman also stated that the "standalone Arbitration Agreement required both the purchaser and [Liberty] to sign in order for the standalone Arbitration Agreement to become effective." Mr. Freeman asserted that Liberty "does not have any records or documents related to [Mr. Lyles'] transaction with [Liberty]."

Mr. Lyles argued in his opposition that, even if he had agreed to arbitration with Liberty Ford by signing the Buyer's Order, Santander, as assignee of Liberty Ford's interest in the RISC, could not enforce that arbitration provision because the integration clause in the RISC between him and Santander did not incorporate the Buyer's Order. Rather, the integration clause in the RISC specified that only the RISC and any addenda "comprise the entire agreement between [Lyles] and [Santander]." Finally, Mr. Lyles asserted that the Separate Arbitration Agreement was not properly incorporated into the Buyer's Order, and the arbitration provision in the Buyer's Order was "fatally indefinite," and therefore, unenforceable because it did not set forth the "essential terms" of the arbitration process.

III.

Hearing on the Motion to Compel

On August 28, 2023, the circuit court held a hearing on the motion to compel arbitration. Santander stated

that the court's analysis of a motion to compel is limited to two questions: (1) "whether the parties entered into a valid and enforceable agreement to arbitrate disputes"; and (2) "whether the scope of the agreement includes resolution of this particular dispute." With respect to the first question, Santander argued that it, as the assignee of the RISC, and Mr. Lyles "entered into a valid and [en] forcible agreement to arbitrate." The Buyer's Order, signed by Mr. Lyles, contained an arbitration provision stating that all disputes pertaining to the purchase and financing of the vehicle would be subject to binding arbitration. Moreover, the Buyer's Order incorporated a separate Arbitration Agreement, which was referenced "in bold and capital letters" and established the specific terms of the arbitration. Santander noted that Mr. Freeman submitted an affidavit stating that the attached arbitration agreement "was the operative agreement at the time Mr. Lyles purchased the vehicle and that the dealership required the buyers to sign it upon purchase." Santander argued that, because Mr. Lyles acknowledged that he "read and understood" the terms and conditions of the Buyer's Order, including the arbitration provision, he was bound by it.

Even if the Separate Arbitration Agreement was not incorporated into the Buyer's Order, Santander argued that the arbitration provision in the Buyer's Order was sufficient by itself to compel arbitration under Maryland law. Santander asserted that, under *Ford v. Antwerpen Motorcars Ltd.*, 443 Md. 470, 117 A.3d 21 (2015), an arbitration provision contained in a Buyer's Order, but not in a RISC, is still "valid and enforceable" for claims

brought under the RISC because the integration clause makes the two contracts "a single enforceable agreement."[7]

Mr. Lyles presented two primary arguments in opposition to the motion to compel: (1) Santander presented no evidence that he agreed to arbitration with it or Liberty Ford; and (2) even if he did agree to arbitration with Liberty Ford, Santander as the assignee of the RISC did not obtain the right to compel arbitration. With respect to the second argument, Mr. Lyles asserted that there were two separate integration clauses in the RISC. The first, which expressly applied only to him and Liberty Ford, provided that "this contract along with all other documents signed by you in connection with the purchase of this vehicle comprise the entire agreement between you and us affecting this purchase." The second, which expressly applied to him and Santander, assignee, provided that, "upon assignment of this contract, only this contract and the addenda to this contract comprise the entire agreement between you and the assignee relating to this contract." Mr. Lyles argued the second integration clause "sets forth a very different set of documents that define the scope of the agreement between [Mr.] Lyles and the assignee," and it "expressly limits the agreement between [Mr.] Lyles and the assignee" of the RISC and any addenda.

Mr. Lyles argued that *Ford* was not relevant because that case did not involve an assignee, and therefore, the

7. With regard to the second question, Santander asserted that it was undisputed that Mr. Lyles' claims concerning unlawful service fees fell within the arbitration provision.

court did not address the scope of the second integration clause. Because the RISC did not require arbitration, Mr. Lyles argued that Santander's motion to compel should be denied. Moreover, any agreement to arbitrate incorporated into the RISC was between him and Liberty Ford, not Santander.

Finally, Mr. Lyles asserted that there was no signed copy of the Separate Arbitration Agreement in evidence, and he was never provided a copy of the agreement to review at the time of the transaction. The form agreement produced by Santander, signed by a different customer from a different transaction, did not satisfy the Maryland Uniform Arbitration Act's requirement "that a party seeking to compel arbitration . . . prove the existence of a written arbitration agreement." He argued that the Separate Arbitration Agreement was not properly incorporated by reference in the Buyer's Order, and therefore, it was not part of his purchase agreement with Liberty Ford, "let alone Santander." The one-clause arbitration provision in the Buyer's Order also did not confer a right to arbitration upon Santander because: (1) Santander was not a party to that agreement; and (2) the provision was too indefinite to be enforceable.

IV.

Court's Ruling

At the close of the hearing, the circuit court issued a ruling from the bench. It noted that a party who signs a contract "is presumed to have read and understood its

terms and as such will be bound by its execution." Citing *Ford*, the court stated that "[b]uyer's orders and retail sale contracts for vehicles are considered by law [as] a single transaction and can be construed and interpreted together as . . . evidencing the entire agreement of the parties to a vehicle sale[s] contract." The court explained that, in *Ford*, the "integration clause did not preclude the dealership from invoking [the] arbitration provision in the buyer's order in buyer's action against the dealership" for alleged consumer protection violations.

In this case, the Buyer's Order clearly stated that the parties "irrevocably agree[d]" to binding arbitration with respect to any dispute arising out of the purchase or financing of the vehicle "pursuant to the separate agreement to arbitrate the disputes . . . attached hereto and incorporated by reference thereto for specific details." Based on this language, and the fact that Mr. Lyles signed this contract, the court found that "there is an arbitration agreement . . . it does exist," and the agreement "encompasses the scope" of Mr. Lyles' claims regarding the financing of the vehicle. Although not all details of arbitration were set out in the Buyer's Order, "it [wa]s enough," and the arbitrator could determine other details. The court stayed the proceedings and ordered arbitration.

This appeal followed.

DISCUSSION

Mr. Lyles contends that the circuit court "incorrectly determined" that he agreed to arbitrate his claims against

Santander, and it erred in granting Santander's Motion to Compel. Initially, he argues that he has no obligation to arbitrate disputes, asserting that "[t]he Separate Arbitration Agreement is not binding" on him because he did not "receive, review, or sign the Separate Arbitration Agreement." He further argues that the clause in the Buyer's Order that says all disputes must be resolved by arbitration is insufficient to compel arbitration because the terms are "too indefinite" to enforce under Maryland law.

Mr. Lyles further argues that, even if the Buyer's Order and Arbitration Agreement were incorporated into the RISC, and signed by him, the agreement to arbitrate was between only Mr. Lyles and Liberty Ford. He argues that the RISC, which was assigned to Santander, "does not create a contractual right for Lyles or Santander to arbitrate disputes against each other" because the express terms of the integration clause provide that, upon assignment, the agreement between him and Santander constituted only the RISC and "the addenda to this contract." Because there was no addenda to the RISC, and neither the Buyer's Order nor the Separate Arbitration Agreement were part of the agreement between Mr. Lyles and Santander, there was no agreement to arbitrate with Santander.

Santander contends that the circuit court correctly held that there was a valid agreement to arbitrate between Mr. Lyles and Santander. It argues that "the irrefutable evidence demonstrates that the parties intended to be bound by the Buyer's Order and its conspicuous Arbitration Provision," and Mr. Lyles signed the document

acknowledging that he "read and understood its terms and conditions."

Santander asserts that, as the assignee of the RISC, it "can enforce the terms of the Buyer's Order" because the parties intended the Buyer's Order and the RISC to be read together as one integrated agreement from a single transaction. Santander construes the term "contract" in the RISC's integration clause as referring "to the parties' entire agreement, including the Buyer's Order," not two distinct contracts "each applying to a different party."

I.

Standard of Review

An "order to compel arbitration constitutes a final and appealable judgment." *Walther v. Sovereign Bank*, 386 Md. 412, 422, 872 A.2d 735 (2005). *Accord Deer Auto. Grp., LLC v. Brown*, 454 Md. 52, 65, 163 A.3d 176 (2017) ("[O]rders *granting* requests to compel arbitration are final, appealable orders because they terminate the underlying action and put the parties out of the court issuing the order.").[8] Our "review of a trial court's order compelling arbitration 'extends only to a determination of the existence of an arbitration agreement.'" *Access Funding, LLC v. Linton*, 482 Md. 602, 639, 290 A.3d 112 (2022) (quoting *Holloman v. Cir. City Stores, Inc.*,

8. This is true even when the circuit court has stayed proceedings pending the outcome of arbitration. *See Walther v. Sovereign Bank*, 386 Md. 412, 420 n.4, 872 A.2d 735 (2005).

391 Md. 580, 588, 894 A.2d 547 (2006)). A circuit court's determination that a dispute is subject to arbitration is a question of law, which we review *de novo* for legal correctness. *Id.* at 639, 290 A.3d 112.

II.

Arbitration Framework

Arbitration is a process created by contract "whereby parties voluntarily agree to substitute a private tribunal" for the legal process "otherwise available to them." *Access Funding*, 482 Md. at 640, 290 A.3d 112 (quoting *Holloman*, 391 Md. at 590, 894 A.2d 547). Arbitration agreements executed in transactions involving interstate commerce are governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1-16. *Id.* The Maryland Uniform Arbitration Act, ("MUAA"), Md. Code Ann., Cts & Jud. Proc. ("CJ") §§ 3-201 to -234 (2020 Repl. Vol.), "was purposefully meant to mirror the language of the FAA," and it "embodies [the FAA's] legislative policy favoring enforcement of executory agreements to arbitrate." *Id.* at 641, 290 A.3d 112. Under both the FAA and the MUAA, a written agreement to arbitrate "is valid and enforceable, and is irrevocable, except upon grounds that exist at law or in equity for the revocation of a contract." CJ § 3-206(a); 9 U.S.C. § 2.

The MUAA establishes the process for a party to petition a court to compel arbitration. CJ § 3-206(a). It "gives the court the authority to determine whether a valid arbitration agreement exists." *Access Funding*, 482 Md. at 641, 290 A.3d 112. The court's function in a

suit to compel arbitration is limited "to the resolution of a single issue—is there an agreement to arbitrate the subject matter of a particular dispute." *Id.* (quoting *Gold Coast Mall, Inc. v. Larmar Corp.*, 298 Md. 96, 103, 468 A.2d 91 (1983)). Whether a valid arbitration agreement exists is a threshold issue that is always decided by the court, not an arbitrator. *Id.* at 642, 290 A.3d 112. "If an arbitration agreement *does* exist, the court must enforce it by ordering the parties to arbitrate." *Park Plus, Inc. v. Palisades of Towson, LLC*, 478 Md. 35, 51, 272 A.3d 309 (2022); *see also* CJ § 3-207 ("If the court determines that the [arbitration] agreement exists, it shall order arbitration."). Absent an express agreement to arbitrate, the parties cannot be "compelled to submit to arbitration in contravention of [their] right to legal process." *Ford*, 443 Md. at 477, 117 A.3d 21 (quoting *Curtis G. Testerman Co. v. Buck*, 340 Md. 569, 579, 667 A.2d 649 (1995)). *Accord Access Funding*, 482 Md. at 640, 290 A.3d 112.

III.

Analysis

A.

Agreement to Arbitrate

We begin with the two distinct issues a circuit court must address when considering a motion to compel arbitration: "(1) whether an agreement to arbitrate exists; and (2) whether a particular dispute falls within the scope of the arbitration agreement." *Access Funding*, 482 Md.

at 642, 290 A.3d 112. Mr. Lyles does not dispute that his claims in the complaint against Santander would fall within the scope of the arbitration provision. Thus, we focus on the first issue.

Whether a valid agreement to arbitrate exists is governed by contract principles. *Ford*, 443 Md. at 477, 117 A.3d 21. As the Supreme Court of Maryland explained:

> "The fundamental rule in the construction and interpretation of contracts is that the intention of the parties as expressed in the language of the contract controls the analysis." *Buck*, 340 Md. at 580 [667 A.2d 649]. "In construing contracts, Maryland follows the objective interpretation principle. If the language of the contract is unambiguous, we give effect to its plain meaning and do not delve into what the parties may have subjectively intended." *Rourke v. Amchem Prods., Inc.*, 384 Md. 329, 354 [863 A.2d 926] (2004). "[A] party who signs a contract is presumed to have read and understood its terms and as such will be bound by its execution . . . [W]e are loath to rescind a conspicuous agreement that was signed by a party whom now, for whatever reason, does not desire to fulfill that agreement." *Koons Ford of Balt., Inc. v. Lobach*, 398 Md. 38, 46 [919 A.2d 722] (2007) (citations omitted).

Id. at 477, 117 A.3d 21 (cleaned up).

Appendix B

Despite the clear arbitration language in the Buyer's Order, Mr. Lyles contends that he did not agree to arbitrate his disputes. He argues that the arbitration provisions in the Buyer's Order, by themselves, are "too indefinite to create any obligation to arbitrate." He further asserts that the Separate Arbitration Agreement was not properly incorporated by reference into the Buyer's Order.

Santander disagrees. It argues that the Buyer's Order included a clear arbitration provision, and it expressly incorporated the Separate Arbitration Agreement, which mandates that disputes be resolved by arbitration. Under these circumstances, Santander argues that Mr. Lyles "cannot seriously dispute that he intended to arbitrate all disputes."

Here, as indicated, the Buyer's Order stated, in bold, as follows:

> The parties irrevocably agree that any controversy, claim or dispute arising out of or relating to the purchase or *the financing* of this vehicle including but not limited to this Purchase Agreement or breach thereof shall be settled by binding arbitration, pursuant to the separate Agreement to Arbitrate Disputes.

(Emphasis added). The Buyer's Order clearly contained an agreement to arbitrate disputes.

Mr. Lyles contends, however, that the terms of the agreement to arbitrate were too indefinite to enforce. We disagree.

Appendix B

The omission of specific terms and procedures governing the arbitration process does not render an arbitration provision unenforceable. *See Bloch v. Bloch*, 115 Md. App. 368, 379, 693 A.2d 364 (1997) ("lack of specificity" in provision stating that disputes regarding the inability to pay alimony "shall be resolved by resorting to final and binding arbitration" was "not fatal to the agreement"). *Accord Schulze & Burch Biscuit Co. v. Tree Top, Inc.*, 831 F.2d 709, 716 (7th Cir. 1987) (provision stating that "ALL DISPUTES UNDER THIS TRANSACTION SHALL BE ARBITRATED IN THE USUAL MANNER" was "not too vague to be enforced"). Rather, the key determination is whether the provision compelling arbitration is unambiguous. *Schulze*, 831 F.2d at 716 ("What the clause requires the parties in the present case to do is clear: arbitrate all disputes."). If the parties clearly agree to arbitration, even a sparse arbitration clause will be enforced. *Bloch*, 115 Md. App. at 379, 693 A.2d 364 ("While this clause may be sparse, it is not ambiguous.").

Although it may be the better practice for parties to address details such as the location of the arbitration, identity of the arbitrator, and cost sharing arrangements in a contract's arbitration provision, the "absence of these details" does not defeat an agreement to arbitrate because the MUAA is designed to provide these "gap-fillers." *Bloch*, 115 Md. App. at 375, 693 A.2d 364. As we explained in *Bloch*:

> [MUAA S]ection 3-211 provides for the appointment of arbitrators by the court if

> the agreement is otherwise silent: "A court shall appoint one or more arbitrators if . . . [t]he arbitration agreement does not provide a method of appointment." CJ § 3-211(c)(1). Similarly, "[u]nless the arbitration agreement provides otherwise, the award shall provide for payment of the arbitrators' expenses, fees, and any other expense incurred in the conduct of the arbitration." CJ § 3-221(a). The award may not, however, "include counsel fees," unless the arbitration agreement provides otherwise. CJ § 3-221(b). Furthermore, "[u]nless the agreement provides otherwise, the arbitrators shall designate a time and place for hearing and notify the parties . . . not less than five days before the hearing." CJ § 3-213(a). "On petition of a party, the court may direct the arbitrators to proceed promptly with the hearing and determination of the controversy." CJ § 3-213(d). Finally, "[t]he majority of the arbitrators may determine any question and render a final award." CJ § 3-215(a). *Thus, through resort to the Maryland Uniform Arbitration Act, the court's concerns can be answered when, as here, the agreement is otherwise silent.*

Id. at 375-76, 693 A.2d 364 (emphasis added). *Accord Schulze*, 831 F.2d at 716 (FAA "contemplates" general arbitration clauses and sets forth a process for naming an arbitrator and choosing the location of arbitration); *Sydnor v. Conseco Fin. Servicing Corp.*, 252 F.3d 302, 306 (4th

Cir. 2001) (arbitration agreement was not "unconscionable because of unknown cost, fees, and procedures").

Here, the circuit court concluded that, although all the terms of the arbitration were not stated, "it [wa]s enough" under Maryland law to find that the parties mutually agreed to arbitrate disputes. We perceive no error of law in this regard. *See Park Plus, Inc.*, 478 Md. at 41, 58, 272 A.3d 309 (undisputed that clause which stated that claims shall be resolved by binding arbitration, but omitted specific terms, was enforceable).

Moreover, as Santander notes, the Buyer's Order referred to a Separate Arbitration Agreement, which *did* specify arbitration terms. Mr. Lyles contends, however, that he did not see or sign the Separate Arbitration Agreement, and therefore, it was not validly incorporated by reference into the Buyer's Order.

"[U]nder Maryland law, a party who signs a contract is presumed to have read and understood its terms and as such will be bound by its execution." *Holloman*, 391 Md. at 595, 894 A.2d 547.

> One is under a duty to learn the contents of a contract before signing it; if, in the absence of fraud, duress, undue influence, and the like he fails to do so, he is presumed to know the contents, signs at his peril, suffers the consequences of his negligence, and is estopped to deny his obligation under the contract.

Holzman v. Fiola Blum, Inc., 125 Md. App. 602, 629, 726 A.2d 818 (1999) (quoting 17 C.J.S. *Contracts* § 137(b) (1963)). This is true even if the party never receives or signs the separate agreement. *See Harby ex rel. Brooks v. Wachovia Bank, N.A.*, 172 Md. App. 415, 423, 915 A.2d 462 (2007).

In *Harby*, we held that a bank customer was bound by the arbitration provision contained in a separate deposit agreement because it was expressly incorporated into the signature card that the customer signed when opening an account. *Id.* at 423-24, 915 A.2d 462. Because the customer signed the signature card indicating that she "understood its terms and agreed to be bound by them," and the terms included a separate agreement containing an arbitration provision, we held that the arbitration provision was enforceable, even though (1) the signature card itself did not reference arbitration and (2) the customer did not sign the separate agreement. *Id.* at 421, 424, 915 A.2d 462.[9]

Applying these principles here, we conclude that Mr. Lyles' failure to sign or receive the Separate Arbitration Agreement does not make the arbitration provision unenforceable. Mr. Lyles signed the Buyer's Order acknowledging that he "read and underst[oo]d its terms and conditions, *including the reverse side hereof.*" (Emphasis added). He also acknowledged that he had "been given the opportunity to review all documents prior to signing them and that [he had] not signed any

9. Here, in contrast, the Buyer's Order itself contained a clause notifying Mr. Lyles that disputes regarding the financing agreement were subject to arbitration.

documents in blank." Mr. Lyles' signature is directly below a conspicuous notice in all caps and bold lettering stating: "**NOTICE: SEE REVERSE SIDE AND SEPARATE ARBITRATION AGREEMENT FOR IMPORTANT INFORMATION ON YOUR RIGHTS AS TO RESOLVING DISPUTES, CONTROVERSIES OR CLAIMS ARISING FROM THIS ORDER.**" On the reverse side of the document, there is a statement in bold, capital letters that the parties agree that any dispute will be settled by binding arbitration. It directed Mr. Lyles to: "**SEE SEPARATE ARBITRATION AGREEMENT ATTACHED HERETO AND INCOPORATED BY REFERENCE HEREIN FOR SPECIFIC DETAILS.**"

By signing under a statement that he had read and understood the terms of the Buyer's Order, including the provision incorporating the Separate Arbitration Agreement, Mr. Lyles acknowledged that he was on notice of the separate agreement. Under Maryland law, Mr. Lyles is "presumed to know the contents" of the agreement, and in failing to request a copy of it, he "suffers the consequences of his negligence, and is estopped to deny his obligation under the contract." *Holzman*, 125 Md. App. at 629, 726 A.2d 818. *Accord Harby*, 172 Md. App. at 423, 915 A.2d 462 ("We have no trouble applying the contract rules [of incorporation by reference] to enforce the arbitration terms and conditions in the [separate] Deposit Agreement."). Accordingly, Mr. Lyles did agree with Liberty Ford to submit disputes, including those relating to financing, to arbitration.

Appendix B

B.

Right of Santander to Compel Arbitration

The question then is whether Santander can compel arbitration based on that agreement. The RISC provides, immediately under the signatures of Liberty Ford and Mr. Lyles, that Liberty Ford assigned "its interest in this contract" to Santander. "[A]n assignee generally has the same rights and responsibilities as its assignor." *Nationstar Mortg. LLC v. Kemp*, 476 Md. 149, 156, 258 A.3d 296 (2021). The "assignee stands in the shoes of the assignor." *Id.* at 157, 258 A.3d 296 (quoting *Kemp's Ex'x v. M'Pherson*, 7 H. & J. 320, 336 (Md. 1826)). *Accord Roberts v. Total Health Care, Inc.*, 349 Md. 499, 511, 709 A.2d 142 (1998) (assignment of an interest in a contract to a third party generally "transfer[s] all interests in the property from the assignor to the assignee"); *Thompkins v. Mountaineer Invs., LLC*, 439 Md. 118, 139-40, 94 A.3d 61 (2014) (in contract for sale of goods, there is a presumption that an assignee assumes rights, benefits, and privileges under a contract, as well as assignor's obligations). Accordingly, Santander, the assignee of the RISC, generally would stand in the shoes of its assignor, Liberty Ford, and could raise the same claims or defenses that Liberty could under the RISC.

Mr. Lyles contends, however, that because Santander is an assignee only of the RISC, it cannot enforce the arbitration provisions in the Buyer's Order or the Separate Arbitration Agreement. We disagree.

Appendix B

As the Supreme Court of Maryland has noted, "[w]here several instruments are made a part of a single transaction they will all be read and construed together as evidencing the intention of the parties in regard to the single transaction." *Ford*, 443 Md. at 479, 117 A.3d 21 (quoting *Rocks v. Brosius*, 241 Md. 612, 637, 217 A.2d 531 (1966)). *Accord Rourke*, 384 Md. at 354, 863 A.2d 926 ("Where the contract comprises two or more documents, the documents are to be construed together, harmoniously, so that, to the extent possible, all of the provisions can be given effect."). Thus, a Buyer's Order and an RISC may be "read together as constituting one transaction." *Ford*, 443 Md. at 483, 117 A.3d 21.

In *Ford*, the Court addressed whether the arbitration provision in a Buyer's Order compelled the purchasers to arbitrate their claims against the dealership when the separate RISC, signed on the same day, did not provide for arbitration. *Id.* at 474, 117 A.3d 21. The purchasers argued that "the Buyer's Order was superseded by the RISC, which contained no arbitration agreement." *Id.* at 475, 117 A.3d 21. The Court disagreed, noting the well-established law that documents may be construed together as part of a single transaction. *Id.* at 478-79, 117 A.3d 21. In looking at the documents involved in that case, the Court noted that the Buyer's Order and the RISC, which were signed on the same day, indicated an intention that they "be construed together as part of the same transaction." *Id.* at 482, 117 A.3d 21. The RISC contained an integration clause incorporating by reference the arbitration provision in the Buyer's Order, providing that "[t]his contract along with all other documents signed by you in connection with the

purchase of this vehicle, comprise the entire agreement." *Id.* at 478-79, 117 A.3d 21 (emphasis omitted). The Buyer's Order also stated that it, along with other documents signed in connection with the Order, comprised the entire agreement between the parties. *Id.* Finally, the arbitration agreement in the Buyer's Order defined "dispute" as any monetary claim arising from, among other things, any retail installment sales contract. *Id.* at 482-83, 117 A.3d 21.

Under these circumstances, the Court held that the Buyer's Order and the RISC were to be construed together as showing the entire agreement of the parties. *Id.* at 483, 117 A.3d 21. The Court, therefore, affirmed the circuit court's ruling granting the dealership's motion to compel arbitration. *Id.*

To be sure, as Mr. Lyles notes, *Ford* involved a dispute between the purchaser and the dealership, and this case involves the purchaser and the assignee of the RISC, Santander. That factual difference, however, does not help Mr. Lyles.

In *Rota-McLarty v. Santander Consumer USA, Inc.*, 700 F.3d 690 (4th Cir. 2012), the Court addressed a case where Santander sought, as it does here, to compel arbitration as an assignee. Similar to this case, the Buyer's Order contained an agreement to arbitrate, and the RISC did not contain an arbitration provision. *Id.* at 695. The RISC contained an integration clause stating: "This contract contains the entire agreement between you and us relating to this contract." *Id.* The car dealer assigned the RISC to Santander after the sale. *Id.* The Court addressed "whether Santander, as an assignee only to

the RISC, which contains an integration clause providing that it is the complete agreement between the parties, and not the Buyer's Order, which includes the arbitration language, could invoke arbitration." *Id.* at 699. Noting that Maryland law provides that documents made as part of a single transaction should be interpreted together if that is the intent of the parties, the Court looked to the language of the documents. *Id.* at 700. In that case, the Buyer's Order referenced the assignee of the RISC,[10] and it defined "the 'Agreement' collectively with other documents made in connection with the Buyer's Order." *Id.* Accordingly, the Court concluded that both contracts should be read together as a single agreement, and Santander, as an assignee, could enforce the arbitration agreement. *Id.*

These cases make clear that a Buyer's Order and a RISC can be construed together to constitute the entire agreement if the language of the documents indicate that intention. Accordingly, we assess the specific language of the documents here to determine the intent of the parties.

As indicated, the RISC stated:

> This contract, along with all other documents signed by you in connection with the purchase

10. The court noted as an example that the arbitration provision in the Buyer's Order stated that: "The parties understand that they have a right or opportunity to litigate disputes through a Court, but that they prefer to resolve their disputes through arbitration, except that the Dealer (or the Assignee of any Retail Installment Sales Contract) may proceed with Court action in the event the Purchaser fails to pay any sums due under the Agreement." *Rota-McLarty*, 700 F.3d at 700 n.9.

> of this vehicle, comprise the entire agreement between you and us affecting this purchase. No oral agreements or understandings are binding. Upon assignment of this contract: (i) only this contract and the addenda to this contract comprise the entire agreement between you and the assignee relating to this contract.

This language is the same as the language used in the RISC in *Ford*, 443 Md. at 491, 117 A.3d 21. As indicated, the Supreme Court held in *Ford* that this integration clause[11] indicated that the RISC and the Buyer's Order be construed together as part of the same transaction and allowed the dealer to enforce the arbitration agreement in the Buyer's Order for disputes arising under the RISC. *Id.* at 482, 117 A.3d 21.

Mr. Lyles contends, however, that the third sentence, which addresses assignment of the contract, requires a different result when the dispute is with the assignee. He argues that the plain terms of the integration clause provide that his agreement with Liberty Ford consisted of the RISC and "all other documents signed by" him, but the agreement with Santander, as assignee, consisted of "this contract," which he construes as the RISC, and "the addenda" to the RISC. He asserts that neither the

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11. An integration or merger clause in a contract provides that the agreement is the final agreement of the parties, "such that it 'supersedes all informal understandings and oral agreements relating to the subject matter of the contract.'" *Adventist Healthcare, Inc. v. Behram*, 488 Md. 410, 441, 322 A.3d 1 (2024) (quoting *Integration Clause, Black's Law Dictionary* 963 (11th ed. 2019)).

Buyer's Order nor the Separate Arbitration Agreement constituted "this contract" or "the addenda," and therefore, they were not part of the agreement between him and Santander.

We are not persuaded. We read the two sentences quoted above in context. The first sentence, as in *Ford*, makes clear that the RISC and the Buyer's Order, including the arbitration agreement, are to be read together as the agreement between the parties. The third sentence provides that, upon assignment, "this contract," which refers to the agreement discussed in the first sentence (including all documents signed), as well as any addenda, constitutes the entire agreement between the assignee and Mr. Lyles.[12] The integration clause does not prevent reading both documents together as part of a single transaction.

We hold that the Buyer's Order and RISC should be interpreted together as part of a single transaction, and the assignee obtained all the rights of the assignor, including the right to compel arbitration. The circuit court properly granted Santander's motion to compel arbitration.

JUDGMENT OF THE CIRCUIT COURT FOR BALTIMORE CITY AFFIRMED. COSTS TO BE PAID BY APPELLANT.

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12. The third sentence including "the addenda" allows the purchaser and the assignee to make further agreements as desired.

APPENDIX C — EXCERPT OF TRANSCRIPTS IN THE CIRCUIT COURT FOR BALTIMORE CITY, MARYLAND, DATED AUGUST 28, 2023

IN THE CIRCUIT COURT FOR
BALTIMORE CITY, MARYLAND

Case No.: 24-C-21-000061

JABARI MORESE LYLES,

Plaintiff,

vs.

SANTANDER CONSUMER USA, INC.,

Defendant.

August 28, 2023

**OFFICIAL TRANSCRIPT OF PROCEEDINGS
MOTIONS HEARING**

BEFORE: HONORABLE MELISSA K. COPELAND, ASSOCIATE JUDGE

* * *

[30] THE COURT: Thank you, gentlemen and lady, because I believe Ms. Furshman did author the memorandum, as well. And thank you for that.

Appendix C

I have, in fact—thank you for the arguments here today, as well as yours memorandums—I did in fact read many of the cases in regards—that were cited as well as some other cases in this matter. And after review of your memorandums, your exhibits, and the arguments here today—the fundamental rule and the instruction and the interpretation of contracts is that of the intentions of the parties as expressed in the language of the contract, and that controls (indiscernible—9:37:55) analysis. And in construing those contracts, Maryland follows the objective interpretation principle and if the language of the contract is unambiguous, the courts should give it effect to its plain meaning and do not delve into the what the parties may have subjectively intended. A party who does, in fact, sign the contract is presumed to have read and understood its terms and as such will be bound by its execution.

The courts have stated that we are loathed to rescind a conspicuous agreement that was signed by a party who now, for whatever reason, may in fact does not desire to fulfill in fact those agreements. Buyer's orders and [31] retail sales contracts for vehicles are considered by law a single transaction and can be construed and interpreted together as in evidencing the entire agreement of the parties to a vehicle sale contract. The integration clause does not preclude dealerships from invoking arbitration provisions in buyer's orders and in buyer's actions against dealerships alleging violations of consumer protection law. Absent from the integration clause as any indication that any prior agreement, such as the buyer's order executed, only before a risk—I'm sorry. Excuse me. Give me one moment. I'm sorry. There's something in my throat. Give me one moment. I apolo—

MR. BRENER: No problem, Your Honor.

THE COURT: All right. I'm sorry. And that was just the—thank you. I appreciate that.

That was the headnote from the Ford Antwerpen case. Where in that case the headnote note did, in fact, indicate that the buyer's order in the retail sales contract for the vehicle were a part of a single transaction. And the court indicated that it could be interpreted together as evidencing the entire agreement of the parties to a vehicle sales contract and thus the risk integration clause did not preclude the dealership from invoking arbitration provision in the buyer's order in buyer's action against the dealership alleging violations [32] of consumer protections laws.

Absent from the integration clause was any indication that any prior agreement such as the buyer's order executed only moments before the risk were no longer of any enforce and effect. And one of the agreements in the risk that required buyer's signature was that that the contract along with all other documents signed by you in connection with the purchase of this vehicle comprised the entire agreement. The determination of whether there is an agreement to arbitrate, of course, depends on the contract principles, since arbitration is a matter of contract. And the parties cannot be required to submit any dispute of arbitration that they have not agreed to submit. If an arbitration agreement does exist, the court must enforce it by ordering the parties to arbitrate.

So what do I have in front of me? I do have, in fact, the risk and the buyer's agreement. And it says on the buyer's orders see the reverse side in separate arbitration agreement for important information on your rights as to resolving disputes, controversies, or claims arising from this order. And on the back of the buyer's orders is clear—what I believe is clear language—I'm going to read it from the memorandum because I don't—I wore my glasses today but on one of them it's particularly small.

[33] "The parties irrevocably agree that any controversy, claim, or dispute arising out of or relating to the purchase for the financing of this vehicle including but not limited to this purchase agreement or the breach thereof shall be settled by binding arbitration pursuant to the separate agreement to arbitrate the disputes. See separate arbitration agreement attached hereto and incorporated by reference thereto for specific details."

If, in fact, that agreement is, in fact, to arbitrate I'd find that it—that there is an arbitration agreement, and it does exist. The second question is—and I would agree with Defense counsel—the second question is is the scope of that agreement. And they agree that all claims or disputes arising either relating to the purchase or the financing of this agreement, including not and limited to the purchase or the breach thereof. The whole basis of the Plaintiff's argument is in regards to the financing and the buying of this agreement, so it encompasses the scope.

I don't find any fraud. I don't find any duress. The arbitration agreement is clear. Are all of the terms of the

agreement there? It is enough, in this Court's opinion. In some of the other information and some of the other details of arbitration is up for the arbitrator. Knowledge of the Defendant—he, in fact, signed this [34] agreement, which he gave—which by signing it is his right to arbitrate. And we all know knowledge. I think the federal courts are dealing greatly with that. And I think even in the early—I guess, the mid-2010s we all talked about all of these things that we were giving away by just (indiscernible—9:44:12) our phones every time we pull up something, we have absolutely no idea all of the rights that we're giving up but we give it up. But in this case, it is clear and unambiguous, and that the agreement was, in fact, in bold. It was not hidden. There's no indication that—I will lead up to that separate arbitration agreement. I did find it somewhat curious that it was not—that I did not have a signed copy of it. But he has actually acknowledged his separate arbitration agreement by signing the agreement. He's acknowledging that separate arbitration agreement. I guess that is something up for argument but I think by signing the order, that is in clear to see the separate arbitration agreement attached hereto. I don't necessarily know that he can, then, indicate—I guess, it can be somewhat of an argument—that he had absolutely no knowledge to it. He did, in fact, sign it.

And for those reasons, this Court is, in fact, finding that there is an agreement to arbitrate and that the complaint that the Plaintiff seeks in this case is [35] within the scope of the arbitration clause. This matter will be stayed. And this Court will order arbitration in this case.

* * *

APPENDIX D — EXCERPTS OF THE BRIEF OF APPELLEE SANTANDER CONSUMER USA INC. IN THE SUPREME COURT OF MARYLAND, FILED JULY 2, 2025

IN THE SUPREME COURT OF MARYLAND

Petition No. 407
September Term, 2024

SCM-REG-002-2025

JABARI MORESE LYLES,

Appellant

v.

SANTANDER CONSUMER USA INC.,

Appellee

BRIEF OF APPELLEE SANTANDER CONSUMER USA INC.

* * *

I. Valid And Enforceable Agreement To Arbitrate Disputes Exists Between Lyles and Santander.

A. The FAA and Maryland law governs this dispute.

The FAA applies "to nearly all arbitration agreements, and, like all federal law, it preempts inconsistent state law."

Walther, 386 Md. at 423. The FAA "supplies not simply a procedural framework applicable in federal courts; it also calls for the application, in state as well as federal courts, of federal substantive law regarding arbitration." *Preston v. Ferrer*, 552 U.S. 346, 349 (2008).

The "principal purpose" of the FAA is to place arbitration agreements "upon the same footing as other contracts," and "ensur[e] that private arbitration agreements are enforced according to their terms." *Volt Information Sciences, Inc. v. Board of Trustees of Leland Stanford Junior Univ.*, 489 U.S. 468, 478 (1989); *see also Stolt–Nielsen S.A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662, 664 (2010).

The FAA favors the enforcement of arbitration agreements. *See EEOC v. Waffle House, Inc.*, 534 U.S. 279, 289 (2002). The statute is a "clear federal directive in support of arbitration" and emblematic of the longstanding "liberal federal policy favoring arbitration agreements." *Adkins v. Labor Ready, Inc*, 303 F.3d 496, 500-01 (44th Cir. 2002) (quoting *Hightower v. GMRI, Inc.*, 272 F.3d 239, 241 (4th Cir. 2001)); *Moses H. Cone Memorial Hospital.*, 460 U.S. 1, 24 (1983). Courts have repeatedly described the FAA as "embod[ying] [a] national policy favoring arbitration." *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440, 443 (2006).

The Fourth Circuit has held, in facts nearly identical to those here, that the FAA applies in the context of consumer finance agreements between an out-of-state finance company and an in-state consumer. *See, e.g.*,

Rota–McLarty v. Santander Consumer USA, Inc., 700 F.3d 690, 697–98 (4th Cir. 2012). *See also*, *Barbagallo v. Niagra Credit Solutions, Inc.*, 2012 WL 6478956 (D. Md. 2012) (the FAA governs a dispute over a retail installment contract between an out of state financing company and a Maryland consumer).[2]

Under the FAA, a written arbitration clause "shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of a contract." 9 U.S.C. § 2 (emphasis added).

* * *

2. Unpublished cases are cited for the strength of their reasoning and not for precedential value. *See* Md. Rule 1-104(a).

APPENDIX E — EXCERPT OF BRIEF IN THE APPELLATE COURT OF MARYLAND, FILED MARCH 1, 2024

IN THE APPELLATE COURT OF MARYLAND

NO. 1459, SEPTEMBER TERM, 2023
ACM-REG-1459-2023

JABARI MORESE LYLES,

Appellant,

v.

SANTANDER CONSUMER USA INC.,

Appellee.

Filed March 1, 2024

BRIEF OF APPELLEE SANTANDER CONSUMER USA INC.

APPEAL FROM THE CIRCUIT COURT
FOR BALTIMORE CITY
(THE HONORABLE MELISSA K. COPELAND)

* * *

[10] The FAA and Maryland law govern the Buyer's Order and the RISC. The FAA applies "to nearly all arbitration agreements, and, like all federal law, it

preempts inconsistent state law." *Walther*, 386 Md. at 423. Section 2 of the FAA, which state courts are bound to recognize and enforce, *see id.*, provides that a written arbitration clause "shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of a contract." 9 U.S.C. § 2. Furthermore, the FAA favors the enforcement of arbitration agreements, see *EEOC v. Waffle House, Inc.*, 534 U.S. 279, 289 (2002), and "embodies the national policy favoring arbitration." *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440, 443 (2006).

* * *

APPENDIX F — EXCERPT OF MEMORANDUM OF LAW IN THE CIRCUIT COURT FOR BALTIMORE CITY, MARYLAND FILED MAY 2, 2023

IN THE CIRCUIT COURT FOR
BALTIMORE CITY, MARYLAND

Case No. 24-C-21000061

JABARI MORESE LYLES,

Plaintiff,

v.

SANTANDER CONSUMER USA INC.,

Defendant.

Filed May 2, 2023

MEMORANDUM OF LAW IN SUPPORT OF SANTANDER CONSUMER USA INC.'S MOTION TO COMPEL NON-CLASS ARBITRATION AND STAY ACTION

* * *

[7] **I. The FAA Governs This Dispute; The FAA And Maryland Strongly Favor The Enforcement Of Arbitration Agreements.**

The FAA "supplies not simply a procedural framework applicable in federal courts; it also calls for the application, in state as well as federal courts, of federal substantive law regarding arbitration." *Preston v. Ferrer*, 552 U.S. 346, 349 (2008). The FAA applies "to nearly all arbitration agreements, and, like all federal law, it preempts inconsistent state law." *Walther v. Sovereign Bank*, 386 Md. 412, 423 (2005) *citing Southland Corp. v. Keating*, 465 U.S. 1, 16 [8] (1984) ("[i]n creating a substantive rule applicable in state as well as federal courts, Congress intended to foreclose state legislative attempts to undercut the enforceability of arbitration agreements") (footnote omitted).

The "principal purpose" of the FAA is to place arbitration agreements "upon the same footing as other contracts," and "ensur[e] that private arbitration agreements are enforced according to their terms." *Volt Information Sciences, Inc. v. Board of Trustees of Leland Stanford Junior Univ.*, 489 U.S. 468, 478 (1989); *see also Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662,664 (2010).

This purpose is readily apparent from the FAA's text. Section 2 of the FAA provides that a written arbitration clause "**shall be valid, irrevocable, and enforceable**, save upon such grounds as exist at law or in equity for the revocation of a contract." 9 U.S.C. § 2 (emphasis added).

Appendix F

Section 3 requires courts **to stay** litigation of arbitral claims pending arbitration of those claims "in accordance with the terms of the agreement"; and Section 4 requires courts **to compel** arbitration "in accordance with the terms of the agreement" upon the motion of either party to the agreement (assuming that the "making of the arbitration agreement or the failure ... to perform the same" is not at issue). 9 U.S.C. §§ 3-4.

Furthermore, the FAA **favors** the enforcement of arbitration agreements. *See EEOC v. Waffle House, Inc.*, 534 U.S. 279, 289 (2002). The statute is a "clear federal directive in support of arbitration" and emblematic of the longstanding "liberal federal policy favoring arbitration agreements." *Adkins*, 303 F.3d at 500-01 (quoting *Hightower v. GMRI, Inc.*, 272 F.3d 239, 241 (4th Cir. 2001)); *Moses H Cone Memorial Hospital.*, 460 U.S. 1, 24 (1983). Courts have repeatedly described the FAA as "embod[ying] [a] national policy favoring arbitration." *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440,443 (2006).

* * *