UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

VALERIE BOYD-HOLSINGER AND CASSANDRA MATTHEWS,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	CIVIL ACTION NO. 3:19-CV-01686-E
	§	
PELOTON COLLEGE, LLC,	§	
	§	
	§	
	§	
Defendant.	§	

ORDER COMPELLING ARBITRATION

Before the Court is Defendant's Motion to Compel Arbitration (Doc. 45). Defendant asks the Court to dismiss this action and compel the Plaintiffs' claims to arbitration. For reasons that follow, the Court grants the motion.

Factual and Procedural Background

Plaintiffs Valerie Boyd-Holsinger and Cassandra Matthews are former employees of Defendant Peloton College, LLC. Plaintiffs brought this action against Peloton, and others who are no longer before the Court, in July 2019, as a qui tam action under the False Claims Act, 31 U.S.C. § 3729. Plaintiffs allege Peloton, a for-profit college, was the recipient to funding under Title IV of the Higher Education Act of 1965. Among other things, Plaintiffs contend Peloton enrolled, then sought and received federal aid for, students who were not qualified, and in doing so created and/or used false records and statements. Plaintiffs also brought retaliation claims alleging Peloton terminated their employment in retaliation for their efforts to stop Peloton's fraud.

The United States government declined to intervene, and currently only Plaintiffs' retaliation claims remain.

Peloton moves the Court to compel arbitration. It contends that at the time each Plaintiff was hired, she signed two agreements that require her to submit her retaliation claim to arbitration. Plaintiffs did not file a response to the motion.

Plaintiff Matthews worked for Peloton from September of 2017 to September of 2018. Peloton's business records show that Matthews signed a "Mutual Agreement to Arbitration [sic] Claims" on September 18, 2017. The declaration of Peloton's Chief Administrative Officer states that this agreement was a mandatory term of employment. The agreement provides:

> I agree that I will settle any and all previously un-asserted claims, disputes or controversies arising out of or relating to [my] application or candidacy, employment or cessation of employment with Peloton College exclusively by final and binding arbitration before a neutral Arbitrator . . . . By way of example only, such claims include claims under federal, state and statutory or common law . . . . As part of the consideration for my agreement to Arbitrate, I understand that Peloton College will settle any and all un-asserted claims against me through arbitration.

In addition, also on September 18, 2017, Matthews signed an "Election and Arbitration Agreement" that refers to Peloton as "the Company." The Election and Arbitration Agreement was optional for employees; they were required to sign it only if they elected to participate in Peloton's employee injury benefit plan. That agreement provides:

> **MUTUAL PROMISES TO RESOLVE CLAIMS BY BINDING ARBITRATION:**
> I recognized that disputes may arise between the Company (or one of its affiliates) and me during or after my employment with the Company. I understand and agree that any and all such disputes that cannot first be resolved through the Company's internal dispute resolution procedures or mediation must be submitted to binding arbitration.
>
> **I acknowledge and understand that by signing this Agreement I am giving up the right to a jury trial on all of the claims covered by this Agreement** in

> exchange for eligibility for the [Employee Injury Benefit] Plan's medical, disability, dismemberment, death and burial benefits and in anticipating of gaining the benefits of a speedy, impartial, mutually-binding procedure for resolving disputes.
>
> This Agreement to resolve claims by arbitration is mutually binding upon both me and the Company . . . and it binds and benefits our successors, subsidiaries, assigns, beneficiaries, heirs, children, spouses, parents and legal representatives.
>
> **CLAIMS SUBJECT TO ARBITRATION:** Claims and disputes covered by this Agreement include:
>
> (a) All claims and disputes that I [may] now have or may in the future have against the Company and/or against its successors, subsidiaries and affiliates . . .

The Election and Arbitration Agreement then sets out examples of the types of claims covered by the agreement, which include claims for wrongful termination or discrimination.

According to the declaration of Peloton's Chief Administrative Officer, when Plaintiff Boyd-Holsinger was hired, in December 2013, Peloton was known as Lawyer's Assistant School of Dallas, LLC and Boyd-Holsinger's last name was Johnson. On December 4, 2013, Boyd-Holsinger/Johnson signed a "Mutual Agreement to Arbitrate Claims." The language of this agreement is virtually identical to the Mutual Agreement to Arbitration Claims, quoted above, that Matthews signed. Instead of "Peloton College," Boyd-Holsinger's agreement refers to "Lawyer's Assistant School of Dallas," and it specifies that arbitration will be before a neutral arbitrator in Dallas County, Texas. Also on December 4, 2013, Boyd-Holsinger signed an "Election and Arbitration Agreement" which is virtually identical to the Election and Arbitration Agreement signed by Matthews. It also refers to "Lawyer's Assistant School of Dallas" instead of Peloton.

Peloton has provided documentation of Lawyer's Assistant School's name change. The appendix to Peloton's motion to compel includes Articles of Amendment of Lawyer's Assistant School of Dallas, LLC. This amendment, which was filed with the Texas Secretary of State on

September 30, 2015, amends the LLC's articles of organization to change the name of the company to Peloton College, LLC.

Applicable Law

The Federal Arbitration Act provides that a written agreement to arbitrate disputes arising out of an existing contract "shall be 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 statute does not permit a trial court to exercise any discretion, "but instead mandates that district courts *shall* direct the parties to proceed to arbitration on issues as to which an arbitration agreement has been signed." *Dean Witter Reynolds, Inc. v. Byrd*, 470 U.S. 213, 218 (1985) (emphasis in original).

To assess whether a claim must be arbitrated, the Court conducts a two-step analysis. *Lloyd's Syndicate 457 v. FloaTEC, L.L.C.*, 921 F.3d 508, 514 (5th Cir. 2019). The first step is contract formation—whether the parties entered into *any arbitration agreement at all*. *Kubala v. Supreme Prod. Servs., Inc.*, 830 F.3d 199, 201 (5th Cir. 2016). If the answer is yes, the Court proceeds to the second step. *Lloyd's Syndicate*, 921 F.3d at 514. The second step involves contract interpretation to determine whether a plaintiff's claim is covered by the arbitration agreement. *Kubala*, 830 F.3d at 201. Ordinarily both steps are questions for the court. *Id.* The Court applies the federal policy favoring arbitration when addressing ambiguities regarding whether a question falls within an arbitration agreement's scope, but it does not apply this policy when determining whether a valid agreement exists. *Sherer v. Green Tree Servicing LLC*, 548 F.3d 379, 381 (5th Cir. 2008).

Under Texas law, the party seeking to compel arbitration bears the initial burden to establish the existence of an agreement to arbitrate. *Henry v. Gonzalez*, 18 S.W.3d 684, 688 (Tex. App.—San Antonio 2000, pet. dism'd). The party seeking to compel arbitration must prove by a

preponderance of the evidence that such an agreement exists. *See In re JPMorgan Chase & Co.*, 916 F.3d 494, 502–03 (5th Cir. 2019). If the party seeking to compel arbitration establishes the existence of an arbitration agreement, the burden shifts to the party opposing arbitration to show why the agreement should not be enforced. *In re Sands Bros. & Co.*, 206 S.W.3d 127, 130 (Tex. App.—Dallas 2006, no pet.); *see Carter v. Countrywide Credit Indus., Inc.*, 362 F.3d 294, 297, 301 (5th Cir. 2004).

Analysis

In support of its motion, Peloton submitted the written Mutual Agreements to Arbitrate Claims and the written Election and Arbitration Agreements bearing Plaintiffs' signatures. Both Agreements contain mutual arbitration provisions. The Court finds Peloton has established there are valid agreements to arbitrate between it and each Plaintiff. Further, the Court concludes Plaintiffs' retaliation claims fall within the broad scope of these arbitration agreements, leaving no doubt Plaintiffs' claims are encompassed. Further, even if there was any doubt, the Election and Arbitration Agreements require issues of arbitrability to be determined by the arbitrator. The Plaintiffs did not file a response to the motion and thus have not shown that the arbitration agreements are invalid or should not be enforced. The Court must compel Plaintiffs to arbitrate their claims against Peloton.

For the foregoing reasons, the Court **grants** Peloton's motion to compel arbitration of Plaintiffs' claims. Because all issues remaining in this action are arbitrable, the Court dismisses this action with prejudice. *See Alford v. Dean Witter Reynolds, Inc.*, 975 F.2d 1161, 1164 (5th Cir. 1992).

SO ORDERED.

Signed June 21, 2021.

Ada Brown
UNITED STATES DISTRICT JUDGE