

Arbitration win with award of legal fees to industry 2017
Federal Court, Charleston, WV

By McGlinchey Stafford

ARBITRATION 2017 U.S. District Court in Charleston

CASE LAW Arbitration

CMH Homes, Inc. v. Bob's Home Services, LLC

DATE: 02/23/2017

CITATION: United States District Court, S.D. West Virginia, Charleston Division. Slip Copy. 2017 WL 722602

The defendants, Bob's Home Service LLC and Robert Southworth, entered into an independent contractor agreement with the plaintiff, CMH Homes, Inc., where the defendants agreed to construct CMH's manufactured homes for purchasers.

According to the agreement, the parties were to submit all disputes to binding arbitration, and the defendants were to defend and indemnify CMH should CMH be sued for the defendants' actions or negligence.

Two purchasers sued CMH for improper set-up of their manufactured home and were awarded a judgment. CMH filed an arbitration claim against the defendants seeking recovery of that judgment and attorney's fees associated with its litigation of the claim, in accordance with the defense and indemnity provision of the agreement.

CMH also sought recovery of attorney's fees in bringing the arbitration. The arbitrator awarded CMH \$1.16 million, and another \$412,088.36 for attorney's fees and expenses.

CMH filed for entry of judgment. The defendants failed to file any response or challenge to CMH's claim. A default award was filed against the defendants.

The federal court found that CMH established that there was a valid contract between the parties requiring arbitration of "any conflicts arising under this agreement" and that its demand for arbitration arose from the defendants' breach of the indemnity and defense provision of the agreement.

The court was satisfied that the claims resolved at arbitration were within the scope of the parties' agreement. Furthermore, although the defendants were served in the case, they failed to answer CMH's petition or otherwise make a showing of any grounds for vacating the arbitration award.

Accordingly, the court granted the motion for default judgment and the petition to confirm arbitration award and confirmed the arbitrator's award, plus interest.