

SUPREME COURT OF INDIANA

Natare Corporation v. D.S.I., Duraplastec Systems, Inc., d/b/a D.S.I.,
Stewart J. "Jason" Mart, and Aquatic Renovation Systems, Inc.

Natare Corp. v. D.S.I., Duraplastec Sys., Inc., 855 N.E.2d 985 (Ind. 2006) · No. 49S05-0512-CV-637 · Decided
October 31, 2006

SUMMARY

The Indiana Supreme Court affirmed the trial court's decision upholding an arbitration award that denied Natare Corporation attorney fees after finding that D.S.I. breached a settlement agreement but that Natare proved no actual damages. The court held that the arbitrator did not exceed his authority and did not decide an issue that had not been submitted, emphasizing the limited statutory grounds for judicial review of arbitration awards under Indiana's Uniform Arbitration Act.

CASE DETAILS

COURT	Supreme Court of Indiana
WRITING FOR THE COURT	Sullivan, Justice; Shepard, C.J.; Dickson, J.; Boehm, J.; Sullivan, J.; Rucker, J.
JURISDICTION	Indiana
DECIDED	October 31, 2006
DOCKET	49S05-0512-CV-637
DISPOSITION	affirmed
PROCEDURAL POSTURE	Natare sought judicial review of an arbitration award that denied attorney fees. The trial court upheld the award, the Indiana Court of Appeals reversed and remanded for consideration of attorney fees, and the Indiana Supreme Court granted transfer.
STANDARD OF REVIEW	Judicial review of an arbitration award is limited to determining whether one of the statutory grounds for vacatur, modification, or correction under Indiana's Uniform Arbitration Act has been established.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Indiana
PARTIES	Natare Corporation v. D.S.I., Duraplastec Systems, Inc., d/b/a D.S.I., Stewart J. "Jason" Mart, Aquatic Renovation Systems, Inc.

TOPICS

arbitration

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contract interpretation

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QUESTIONS PRESENTED

1. Whether the arbitrator exceeded his authority by denying Natare attorney fees under the settlement agreement, thereby permitting vacatur under Indiana Code section 34-57-2-13(a)(3).
2. Whether the arbitrator awarded upon a matter not submitted to him by deciding the attorney-fee issue before it was submitted, thereby permitting correction or modification under Indiana Code section 34-57-2-14(a)(2).

HOLDINGS

1. The arbitrator did not exceed his authority because the settlement agreement permitted him to determine that the reasonable amount of attorney fees, if any, was zero; therefore, the award was not subject to vacatur under Indiana Code section 34-57-2-13(a)(3).
2. The arbitrator did not award upon a matter not submitted to him because the attorney-fee issue was submitted and the arbitrator expressly decided it; therefore, correction or modification under Indiana Code section 34-57-2-14(a)(2) was unavailable.
3. Indiana courts may set aside, modify, or correct an arbitration award only on the limited statutory grounds specified in Indiana's Uniform Arbitration Act.

KEY QUOTATIONS

“Indiana law specifies limited bases upon which an arbitrator's award may be challenged in a trial court.”
(855 N.E.2d at 986)

“We set forth these statutes in full primarily to emphasize the extremely limited scope that the Legislature has given courts in reviewing arbitration awards.” (855 N.E.2d at 987)

FACTUAL BACKGROUND

The parties settled two lawsuits in 1998 by agreeing not to disseminate disparaging information about one another and to arbitrate future disputes arising out of or relating to the settlement agreement. The agreement provided for liquidated damages, actual damages if proven, and reasonable attorney fees and costs for a breach. After Natare lost a potential Colorado contract, it alleged that D.S.I.'s disparaging statements caused \$45,000 in actual damages; the arbitrator found a breach, awarded \$5,000 in liquidated damages, denied actual damages, and found neither party entitled to attorney fees or costs.

PROCEDURAL HISTORY

Following arbitration under the parties' settlement agreement, the arbitrator awarded Natare \$5,000 in liquidated damages but denied actual damages, attorney fees, and costs. The trial court refused to vacate, modify, or correct the award. The Court of Appeals held that the arbitrator exceeded his authority and remanded for consideration of reasonable attorney fees. On D.S.I.'s petition, the Indiana Supreme Court granted transfer and affirmed the trial court.

DISPOSITION

affirmed

CASES CITED

- PSI Energy, Inc. v. AMAX, Inc., 644 N.E.2d 96, 98-99 (Ind. 1994)
- MPACT Constr. Group, LLC v. Superior Concrete Constructors, Inc., 802 N.E.2d 901, 905 (Ind. 2004)
- Sch. City of E. Chicago, Ind. v. E. Chicago Fed'n of Teachers, Local No. 511, A.F.T., 622 N.E.2d 166, 168 (Ind. 1993)
- Natare Corp. v. D.S.I., Duraplastec Sys., Inc., 833 N.E.2d 76, 80-84 (Ind. Ct. App. 2005)
- Natare Corp. v. D.S.I., Duraplastic Sys., Inc., 841 N.E.2d 192 (Ind. 2005) (table)

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