

SUPREME COURT OF IDAHO

Driver v. SI Corporation, 139 Idaho 423

80 P.3d 1024 (2003) · No. Nos. 28258, 28921 · Decided November 13, 2003

SUMMARY

The Idaho Supreme Court reviewed challenges to an arbitration award arising from the sale of BonTerra America, Inc. to SI Corporation. The court held that SI failed to timely state specific grounds for vacating or modifying the award, affirmed confirmation of the arbitration award, and held that attorney fees could be awarded for the confirmation proceedings and on appeal. The case was remanded for the district court to determine the fees incurred below.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Schroeder, Justice; Schroeder; Trout; Walters; Kidwell; Eismann
JURISDICTION	Idaho
DECIDED	November 13, 2003
DOCKET	Nos. 28258, 28921
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Cross-appeals from a district court judgment confirming a binding arbitration award and denying the Drivers attorney fees incurred in the confirmation proceeding.
STANDARD OF REVIEW	Review of an arbitration award under Idaho's Uniform Arbitration Act is limited to the statutory grounds for vacatur or modification. Statutory interpretation is reviewed freely.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion; precedential
PARTIES	SI Corporation, Arthur A. Driver and Constance J. Driver v. Arthur A. Driver and Constance J. Driver, SI Corporation

TOPICS

- arbitration
- appellate procedure
- attorney fees
- statutory interpretation
- contracts

PRACTICE AREAS

- arbitration
- civil procedure
- appellate procedure
- contracts
- commercial litigation
- remedies

QUESTIONS PRESENTED

1. Whether SI's motion to vacate or modify the arbitration award adequately stated specific statutory grounds within the ninety-day period required by Idaho Code sections 7-911 and 7-912.
2. Whether the district court could consider the Drivers' challenge to the timeliness and specificity of SI's motion without a cross-appeal.
3. Whether attorney fees incurred in a proceeding to confirm an arbitration award may be awarded under Idaho Code section 7-914.
4. Whether the Drivers were entitled to attorney fees on appeal.

HOLDINGS

1. An application to vacate or modify an arbitration award must identify the specific statutory grounds for relief within the ninety-day period imposed by Idaho Code sections 7-912 and 7-913. SI's motion, which did not identify specific grounds until its supporting brief was filed after the deadline, was insufficient.
2. A cross-appeal was unnecessary because the Drivers sought only to sustain the judgment on a reason presented below, rather than obtain additional or different relief.
3. Attorney fees may be awarded under Idaho Code section 7-914 for proceedings to confirm an arbitration award because the statute's authorization of costs and disbursements includes attorney fees incurred in those proceedings.
4. The Drivers were entitled to attorney fees on appeal in the court's discretion because SI's appeal challenged the arbitration award on grounds beyond the limited statutory scope of review.

KEY QUOTATIONS

“The arbitrator's decision is binding on the reviewing court both as to questions of law and fact.” (1027)

“The 90-day time limitation under I.C. § 7-912 must be strictly construed, and acts as an absolute bar to a motion to vacate that fails to meet the time requirement.” (1029)

“Taking these provisions together, an application filed under I.C. §§ 7-912 and 7-913 must identify the specific grounds upon which the court should vacate or modify the arbitration award within the 90-day time limit.” (1030)

FACTUAL BACKGROUND

The Drivers sold the stock of BonTerra America, Inc. to SI Corporation under a Purchase Agreement and established a \$250,000 escrow fund to secure specified contractual obligations. The parties disputed several claims SI made against the escrow fund and submitted those disputes to binding arbitration. The arbitrator denied or resolved all but one claim, awarded the Drivers fees and costs, and assessed \$1,150,000 in punitive damages against SI for acting in bad faith.

PROCEDURAL HISTORY

The Drivers and SI agreed to arbitrate disputes concerning claims against an escrow fund established in connection with SI's purchase of BonTerra. The arbitrator awarded the Drivers attorney fees and costs, assessed \$1,150,000 in punitive damages against SI, and allowed only one claim against the escrow fund. The district court confirmed the award, denied the Drivers attorney fees for the confirmation proceeding, and granted them costs. Both sides appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded to the district court to determine the amount of attorney fees incurred by the Drivers in the district court confirmation proceeding. The arbitration award was confirmed, and the Drivers were awarded costs and attorney fees on appeal.

CASES CITED

- Chicoine v. Bignall, 127 Idaho 225, 899 P.2d 438 (1995)
- Hughes v. Hughes, 123 Idaho 711, 851 P.2d 1007 (Ct. App. 1993)
- Bingham County Comm'n v. Interstate Electric Co., 105 Idaho 36, 665 P.2d 1046 (1983)
- Hecla Mining Co. v. Bunker Hill Co., 101 Idaho 557, 617 P.2d 861 (1980)
- Nanney v. Linella, Inc., 130 Idaho 477, 943 P.2d 67 (Ct. App. 1997)
- Walker v. Shoshone County, 112 Idaho 991, 739 P.2d 290 (1987)
- Idaho Fair Share v. Idaho Public Utilities Comm'n, 113 Idaho 959, 751 P.2d 107 (1988)
- J.R. Simplot Co. v. Idaho State Tax Comm'n, 120 Idaho 849, 820 P.2d 1206 (1991)
- George W. Watkins Family v. Messenger, 118 Idaho 537, 797 P.2d 1385 (1990)
- Payette River Property Owners Ass'n v. Board of Comm'rs of Valley County, 132 Idaho 551, 976 P.2d 477 (1999)
- Blitz v. Beth Isaac Adas Israel Congregation, 115 Md. App. 460, 694 A.2d 107 (1997)
- Blitz v. Beth Isaac Adas Israel Congregation, 352 Md. 31, 720 A.2d 912 (1998)
- Owen v. Burcham, 100 Idaho 441, 599 P.2d 1012 (1979)
- Canon School District v. W.E.S. Construction Co., 180 Ariz. 148, 882 P.2d 1274 (1994)
- County of Clark v. Blanchard Construction Co., 98 Nev. 488, 653 P.2d 1217 (1982)
- Wachtel v. Shoney's Inc., 830 S.W.2d 905 (Tenn. App. 1991)
- Anchorage Medical & Surgical Clinic v. James, 555 P.2d 1320 (Alaska 1976)
- Ahtna, Inc. v. Ebasco Constructors, Inc., 894 P.2d 657 (Alaska 1995)
- Stein v. Feldmann, 85 Ill. App. 3d 973, 407 N.E.2d 768 (1980)
- Terra West Towne Homes, L.L.C. v. STU Henkel Realty, 298 Mont. 344, 996 P.2d 866 (2000)
- Floors, Inc. v. B.G. Danis of New England, Inc., 380 Mass. 91, 401 N.E.2d 839 (1980)
- MSP Collaborative Developers v. Fidelity & Deposit Co. of Maryland, 596 F.2d 247 (7th Cir. 1979)

- Phoenix Newspapers, Inc. v. Phoenix Mailers Union Local 752, 989 F.2d 1077 (9th Cir. 1993)
- Wolfe v. Farm Bureau Insurance Service Co., 128 Idaho 398, 913 P.2d 1168 (1996)
- Northwest Pipeline Corp. v. State, Department of Employment, 129 Idaho 548, 928 P.2d 898 (1996)
- Lowery v. Board of County Commissioners, 117 Idaho 1079, 793 P.2d 1251 (1990)

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