

MONTANA SUPREME COURT

Anderson v. Deere & Co., 393 Mont. 157

429 P.3d 635 (2018) · Decided October 23, 2018

SUMMARY

The Montana Supreme Court affirmed the denial of Deere's motion to compel arbitration of Milton Anderson's tort claims. The court held that the arbitration clause in the dealership agreements covered disputes between Deere and the dealer, Frontline Ag, and did not encompass Anderson's personal claims merely because he had signed the agreements as a manager and guarantor. A dissent would have reached a different interpretation of the arbitration clause but concluded that Anderson was no longer bound by it after redeeming his ownership interest.

CASE DETAILS

COURT	Montana Supreme Court
WRITING FOR THE COURT	Justice Jim Rice; Chief Justice Mike McGrath; Justice Dirk M. Sandefur; Justice James Jeremiah Shea
JURISDICTION	Montana
DECIDED	October 23, 2018
DISPOSITION	affirmed
PROCEDURAL POSTURE	Deere appealed from the Fourth Judicial District Court's denial of its motion to compel arbitration of Anderson's tort claims.
STANDARD OF REVIEW	The Court reviews a district court's conclusions of law regarding arbitrability for correctness.
PRECEDENTIAL VALUE	Published Montana Supreme Court opinion; precedential
PARTIES	Deere & Co. and related Deere appellants v. Milton Anderson

TOPICS

arbitration commercial litigation torts contracts civil procedure

PRACTICE AREAS

Arbitration Contracts Commercial litigation Torts

QUESTIONS PRESENTED

1. Whether Anderson's personal guarantees and signatures on Frontline's dealership agreements bound him to the agreements' arbitration clause.
2. Whether Anderson's personal tort claims against Deere fell within the dealership agreements' defined category of arbitrable disputes.

HOLDINGS

1. The arbitration clause did not require arbitration of Anderson's personal tort claims because the agreement defined an arbitrable "Dispute" as a claim between the Dealer, meaning Frontline, and Deere or Deere Credit; Anderson was not Frontline merely because he signed the agreements as an agent or personally guaranteed Frontline's obligations.

KEY QUOTATIONS

"In considering whether to compel the arbitration of a dispute, the Court must first determine "whether the parties agreed to arbitrate that dispute." (429 P.3d at 638)

"The Arbitration Clause does not require arbitration of all disputes among the listed parties, but only of those "Disputes" defined in the Agreement." (429 P.3d at 639)

"It can be "said with positive assurance" that, under its plain wording, the Arbitration Clause does not incorporate Anderson's personal damage claims within its definition of disputes subject to mandatory arbitration." (429 P.3d at 640)

FACTUAL BACKGROUND

Anderson was an owner and managing participant in Frontline Ag, a John Deere agricultural equipment dealer. Frontline's dealership agreements with Deere contained arbitration clauses, while Anderson's personal guarantees did not address arbitration. After Deere allegedly conditioned Frontline's expansion on Anderson's removal, Anderson redeemed his ownership interest in Frontline and later sued Deere personally for tortious interference and related damages.

PROCEDURAL HISTORY

Anderson sued Deere for tortious interference with contract, tortious interference with business relations and prospective economic advantage, and punitive damages. Deere moved to stay the proceedings and compel arbitration under arbitration provisions in its dealership agreements with Frontline Ag, arguing that Anderson was bound as a guarantor and signatory. The District Court denied the motion, and the Montana Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Kalispell Educ. Ass'n v. Bd. of Trs., 2011 MT 154, 361 Mont. 115, 255 P.3d 199

- Greater Missoula Area Fed'n of Early Childhood Educators v. Child Start, Inc., 2009 MT 362, 353 Mont. 201, 219 P.3d 881
- Woodruff v. Bretz, Inc., 2009 MT 329, 353 Mont. 6, 218 P.3d 486
- AT&T Technologies, Inc. v. Communications Workers of Am., 475 U.S. 643, 648, 650 (1986)
- Granite Rock Co. v. Int'l Bhd. of Teamsters, 561 U.S. 287, 301 (2010)
- Higgins Dev. Partners, LLC v. Skanska U.S.A. Bldg., Inc., 2009 MT 287, 352 Mont. 243, 216 P.3d 199
- Klein v. State, 2008 MT 189, 343 Mont. 520, 185 P.3d 986

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