

INDIANA COURT OF APPEALS

Joseph S. Rechlicz, et al. v. Price Point Builders, LLC

Rechlicz v. Price Point Builders, LLC, No. 25A-PL-1071 (Ind. Ct. App. Feb. 12, 2026) · No. 25A-PL-1071 ·
Decided February 12, 2026

SUMMARY

The Indiana Court of Appeals affirmed an order compelling arbitration in a dispute between homeowners and their builder concerning alleged construction defects. The court held that the homeowners' claims arose under a limited warranty agreement containing mandatory arbitration language, rather than solely under a construction agreement with an optional arbitration provision. The court also held that the builder did not waive arbitration through its litigation conduct and that prejudice was irrelevant to the waiver analysis under Indiana law.

CASE DETAILS

COURT	Indiana Court of Appeals
WRITING FOR THE COURT	Judge DeBoer; Judge Brown; Judge Altice
JURISDICTION	Indiana Court of Appeals
DECIDED	February 12, 2026
DOCKET	25A-PL-1071
DISPOSITION	affirmed
PROCEDURAL POSTURE	Interlocutory appeal under Indiana Appellate Rule 14(B) from an order compelling arbitration and staying the trial proceedings, following denial of the plaintiffs' motion to correct error.
STANDARD OF REVIEW	Denial of a motion to correct error is reviewed for abuse of discretion; legal questions are reviewed de novo. Whether to compel arbitration involves contract interpretation and is reviewed de novo.
PRECEDENTIAL VALUE	Published Indiana Court of Appeals opinion
PARTIES	Joseph S. Rechlicz, Melissa Rechlicz v. Price Point Builders, LLC

TOPICS

- arbitration
- construction defects
- contract interpretation
- waiver
- interlocutory appeal

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Rechliczes' construction-defect and failure-to-cure claims were subject to the mandatory arbitration provision in the limited warranty agreement.
2. Whether Price Point waived its contractual right to compel arbitration by delaying its motion and participating in litigation.
3. Whether prejudice to the opposing party is relevant to waiver of the right to compel arbitration under Indiana law.
4. Whether Price Point waived arbitration by failing to plead arbitration as an affirmative defense or by filing a third-party complaint against a subcontractor.

HOLDINGS

1. The Rechliczes' claims arose under the limited warranty agreement, whose unambiguous language required that warranty claims be resolved by arbitration. The construction agreement's optional-arbitration provision and reasonable-time requirement did not govern those claims.
2. Prejudice or detrimental reliance is not required and is irrelevant to determining whether a party waived its contractual right to compel arbitration under Indiana law.
3. Price Point did not waive its right to compel arbitration by waiting fourteen months, participating in case-management and discovery matters, failing to plead arbitration as an affirmative defense, or filing a third-party complaint against a nonparty to the arbitration agreement.

KEY QUOTATIONS

“The language of the agreement is unambiguous and clearly evinces the parties’ intent to submit disputes . . . to binding arbitration.” (10)

“Neither prejudice nor detrimental reliance is a part of that equation.” (13-15)

“Indiana’s appellate courts have found waiver only in the most blatant of circumstances” (16)

“the right to compel arbitration is not in the nature of an affirmative defense and need not be asserted in a defendant’s answer.” (19)

“The filing of counterclaims and cross-claims does not always indicate active participation in litigation.” (20)

FACTUAL BACKGROUND

Joseph and Melissa Rechlicz entered into a construction agreement and later a limited warranty agreement with Price Point Builders for construction of a single-family home. The construction agreement made arbitration available at the option of either party and required invocation within a reasonable time, while the limited warranty agreement required that warranty disputes shall be resolved by arbitration and imposed no express time limit. After discovering alleged workmanship problems and construction defects, the Rechliczes sued Price

Point. Price Point participated in some litigation activity but moved to compel arbitration fourteen months after the complaint was filed.

PROCEDURAL HISTORY

The Rechliczes sued Price Point in the Lake Superior Court alleging defects in the construction of their home. Fourteen months after the complaint was filed, Price Point moved to compel arbitration. The trial court granted the motion, the Rechliczes moved to correct error, and the trial court denied that motion. The Indiana Court of Appeals accepted the interlocutory appeal and affirmed.

DISPOSITION

affirmed

CASES CITED

- Coronado v. Coronado, 243 N.E.3d 1121, 1124 (Ind. Ct. App. 2024)
- Ind. Bureau of Motor Vehicles v. Watson, 70 N.E.3d 380, 384 (Ind. Ct. App. 2017)
- Decker v. Star Fin. Grp., Inc., 204 N.E.3d 918, 920-21 (Ind. 2023)
- Taylor Bldg. Corp. of Am. v. Milton, 271 N.E.3d 626, 630, 633 (Ind. Ct. App. 2025)
- Koors v. Steffen, 916 N.E.2d 212, 215 (Ind. Ct. App. 2009)
- Safety Nat'l Cas. Co. v. Cinergy Corp., 829 N.E.2d 986, 1000, 1004 (Ind. Ct. App. 2005)
- Illinois Cas. Co. v. B&S of Fort Wayne Inc., 235 N.E.3d 827, 837-38 (Ind. 2024)
- Martin v. Yasuda, 829 F.3d 1118, 1123 (9th Cir. 2016)
- Howsam v. Dean Witter Reynolds, Inc., 537 U.S. 79, 84 (2002)
- Welty Bldg. Co. v. Indy Fedreau Co., 985 N.E.2d 792, 798-99, 803 (Ind. Ct. App. 2013)
- Reuille v. E.E. Brandenberger Constr., Inc., 888 N.E.2d 770, 771 (Ind. 2008)
- Rheem Mfg. Co. v. Phelps Heating & Air Conditioning, Inc., 746 N.E.2d 941, 952 n.12 (Ind. 2001)
- Nave v. Powell, 96 N.E. 395, 399 (Ind. App. 1911)
- Doe 1 v. Carmel Operator, LLC, 144 N.E.3d 743, 752-53 (Ind. Ct. App. 2020)
- Morgan v. Sundance, Inc., 596 U.S. 411, 417-18 (2022)
- United States v. Olano, 507 U.S. 725, 733 (1993)
- Erdman Co. v. Phoenix Land & Acquisition, LLC, 650 F.3d 1115, 1117 (8th Cir. 2011)
- MPACT Constr. Grp. v. Superior Concrete Constructors, Inc., 802 N.E.2d 901, 904-05, 910-11 (Ind. 2004)
- Volt Info. Scis., Inc. v. Bd. of Trs. of Leland Stanford Jr. Univ., 489 U.S. 468, 477 (1989)
- Brumley v. Commonwealth Bus. Coll. Educ. Corp., 945 N.E.2d 770, 776 (Ind. Ct. App. 2011)
- Capitol Constr. Servs., Inc. v. Farah, LLC, 946 N.E.2d 624, 628 (Ind. Ct. App. 2011)
- Washington Twp. Assessor v. Verizon Data Servs., Inc., 43 N.E.3d 697, 704 (Ind. T.C. 2015)
- Lafayette Car Wash, Inc. v. Boes, 282 N.E.2d 837, 839-40 (Ind. 1972)
- Professional Constr., Inc. v. Historic Walnut Square, LLC, 224 N.E.3d 352, 360 (Ind. Ct. App. 2023)

- *Eastridge v. Est. of Rayles*, 177 N.E.3d 875, 879 (Ind. Ct. App. 2021)
- *Tamko Roofing Prods., Inc. v. Dilloway*, 865 N.E.2d 1074, 1079-80 (Ind. Ct. App. 2007)
- *Fin. Ctr. First Credit Union v. Rivera*, 178 N.E.3d 1245, 1252-53 (Ind. Ct. App. 2021)
- *Finlay Props., Inc. v. Hoosier Contracting, LLC*, 802 N.E.2d 453, 456 (Ind. Ct. App. 2003)
- *Willis v. Westerfield*, 839 N.E.2d 1179, 1185 (Ind. 2006)
- *Paint Shuttle, Inc. v. Cont'l Cas. Co.*, 733 N.E.2d 513, 524 (Ind. Ct. App. 2000)
- *Brockmann v. Brockmann*, 938 N.E.2d 831, 836 (Ind. Ct. App. 2010)
- *Polinsky v. Violi*, 803 N.E.2d 684, 688-89 (Ind. Ct. App. 2004)
- *Doyle v. UBS Fin. Servs., Inc.*, 144 F.4th 122, 128 (2d Cir. 2025)
- *White v. Samsung Elecs. of Am., Inc.*, 61 F.4th 334, 339 (3d Cir. 2023)
- *Toastique Holdings, LLC v. C&G Rest. Holdings, Inc.*, 2025 WL 1444545, at *2 (D.C. Cir. May 20, 2025)
- *Khan v. Parsons Glob. Servs., Ltd.*, 521 F.3d 421, 425 (D.C. Cir. 2008)
- *Mid Cent. Operating Eng'rs Health and Welfare Fund v. HoosierVac LLC*, 2025 WL 574234, at *3 (S.D. Ind. Feb. 21, 2025)
- *McElroy v. Leppert*, No. 25A-MI-255, at *10 (Ind. Ct. App. Sept. 16, 2025) (mem.)

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