

SUPREME COURT OF APPEALS OF WEST VIRGINIA

Gregory Toney v. EQT Corporation and Daniel Crowe

No. No. 13-1101, Supreme Court of Appeals of West Virginia (June 13, 2014)

SUMMARY

The Supreme Court of Appeals of West Virginia affirmed an order compelling Gregory Toney to arbitrate employment-related claims against EQT Corporation and Daniel Crowe. The court held that the parties' mutual commitments to arbitrate supplied sufficient consideration for the arbitration agreement and rejected challenges based on illusory promise and procedural or substantive unconscionability.

CASE DETAILS

COURT	Supreme Court of Appeals of West Virginia
WRITING FOR THE COURT	Per curiam; Justice Margaret L. Workman; Justice Menis E. Ketchum; Justice Allen H. Loughry II; Chief Justice Robin Jean Davis; Justice Brent D. Benjamin
JURISDICTION	West Virginia
DECIDED	June 13, 2014
DOCKET	No. 13-1101
DISPOSITION	affirmed
PROCEDURAL POSTURE	Petitioner appealed the Circuit Court of Kanawha County's order granting respondents' renewed motion to dismiss and compel arbitration and denying petitioner's motion for a stay of arbitration.
STANDARD OF REVIEW	The court reviewed the circuit court's legal determinations de novo and would preclude enforcement of the order compelling arbitration only upon an inescapable conclusion that the circuit court clearly erred as a matter of law or committed clear-cut legal error contrary to a statutory, constitutional, or common-law mandate.
PRECEDENTIAL VALUE	Published memorandum decision; the opinion states that it is issued under Rule 21 as a memorandum decision.
PARTIES	Gregory Toney v. EQT Corporation, Daniel Crowe

TOPICS

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unconscionability

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the Alternative Dispute Resolution Agreement was unenforceable for lack of consideration.
2. Whether EQT's short-term incentive plan promise was illusory and therefore incapable of supplying consideration.
3. Whether the Alternative Dispute Resolution Agreement was procedurally or substantively unconscionable.

HOLDINGS

1. The mutual commitments of Toney and EQT to submit their respective covered employment disputes to binding arbitration constituted sufficient consideration to support the arbitration agreement.
2. The short-term incentive plan did not render the arbitration agreement unenforceable because Toney received a valuable bonus directly as a result of signing the agreement, and the promise of eligibility for future plans was a future contingency rather than an illusory promise.
3. The Alternative Dispute Resolution Agreement was not unenforceable as unconscionable because Toney failed to establish both procedural and substantive unconscionability.

KEY QUOTATIONS

"In the present case, the circuit court was correct in finding that the mutual commitments to arbitrate alone constitute sufficient consideration to support the contract." (4)

"We believe EQT's promise of future eligibility constitutes a statement of a future contingency, not a meaningless gesture, or an illusory promise." (5)

"Moreover, petitioner must establish both procedural and substantive unconscionability in order to invalidate the agreement." (5-6)

FACTUAL BACKGROUND

Gregory Toney was employed by EQT for several years before being terminated in January 2012. In March 2007, Toney and EQT executed an Alternative Dispute Resolution Agreement requiring both parties to arbitrate covered employment disputes. In exchange for signing, Toney became eligible to participate in EQT's short-term incentive plans and received an \$8,475 bonus in 2007 and additional bonuses totaling \$59,035 before his termination. Toney later filed claims including age discrimination, retaliation, breach of employment contract, wage-payment violations, and emotional distress.

PROCEDURAL HISTORY

Toney filed an employment-related civil action against EQT Corporation and Daniel Crowe. After initially denying respondents' motion to dismiss because discovery was necessary regarding consideration for the arbitration agreement, the circuit court granted respondents' renewed motion to dismiss and compel arbitration after a hearing. The Supreme Court of Appeals of West Virginia affirmed.

DISPOSITION

affirmed

CASES CITED

- State ex rel. TD Ameritrade, Inc. v. Kaufman, 225 W. Va. 250, 692 S.E.2d 293 (2010)
- McGraw v. American Tobacco Co., 224 W. Va. 211, 681 S.E.2d 96 (2009)
- State ex rel. Clites v. Clawges, 224 W. Va. 299, 685 S.E.2d 693 (2009)
- Southland Corp. v. Keating, 465 U.S. 1 (1984)
- First Nat'l Bank of Gallipolis v. Marietta Mfg. Co., 151 W. Va. 636, 153 S.E.2d 172 (1967)
- Wheeling Downs Racing Ass'n v. West Virginia Sportservice, Inc., 158 W. Va. 935, 216 S.E.2d 234 (1975)
- Lacey v. Cardwell, 216 Va. 212, 217 S.E.2d 835 (1975)
- Charbonnages de France v. Smith, 597 F.2d 406, 415-416 (4th Cir. 1979)
- Ways v. Imation Enters. Corp., 214 W. Va. 305, 313, 589 S.E.2d 36, 44 (2003)
- Kirby v. Lion Enterprises, Inc., 756 S.E.2d 493 (W. Va. 2014)
- Dan Ryan Builders, Inc. v. Nelson, 230 W. Va. 281, 737 S.E.2d 550 (2012)
- Board of Education v. W. Harley Miller, Inc., 160 W. Va. 473, 236 S.E.2d 439 (1977)
- Tabler v. Hoult, 110 W. Va. 542, 158 S.E. 782 (1931)
- Hill v. Peoplesoft USA, Inc., 412 F.3d 540, 543 (4th Cir. 2005)
- State ex rel. Saylor v. Wilkes, 216 W. Va. 766, 613 S.E.2d 914 (2005)
- Brown ex rel. Brown v. Genesis Healthcare Corp., 228 W. Va. 646, 724 S.E.2d 250 (2011)
- Marmet Health Care Ctr., Inc. v. Brown, 132 S. Ct. 1201, 182 L. Ed. 2d 42 (2012)
- State ex rel. Johnson Controls, Inc. v. Tucker, 229 W. Va. 486, 729 S.E.2d 808 (2012)