

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
FLORIDA

Bussen v. International Precious Metals Corp.

660 F. Supp. 94 (S.D. Fla. 1987) · Decided January 26, 1987

SUMMARY

The court denied defendants’ motion to compel arbitration and to stay proceedings concerning the other defendants. It held that the parties had not entered into a valid agreement to arbitrate because the account agreement selected Florida courts and the separate arbitration document did not clearly require arbitration. The court also construed the ambiguous arbitration language against its drafter.

CASE DETAILS

COURT	United States District Court for the Southern District of Florida
WRITING FOR THE COURT	Nesbitt, District Judge
JURISDICTION	Florida
DECIDED	January 26, 1987
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to compel arbitration of the claims against IPMC Options and to stay the proceedings against the other defendants. The court denied the motion.
STANDARD OF REVIEW	The court examined the writings to determine, as a threshold matter, whether the parties entered into a valid agreement to arbitrate.
PRECEDENTIAL VALUE	Published federal district court opinion; persuasive authority within the federal judiciary and not binding precedent outside the court.
PARTIES	Bussen v. International Precious Metals Corp.

TOPICS

- arbitration
- contract interpretation
- contracts
- commercial litigation
- civil procedure

PRACTICE AREAS

- arbitration
- contract law
- commercial litigation
- civil procedure

QUESTIONS PRESENTED

1. Whether the parties entered into a valid agreement to arbitrate the plaintiff's claims against IPMC Options.
2. Whether the arbitration agreement's language, considered together with the account agreement's forum-selection provision, required the plaintiff to arbitrate rather than litigate her claims.
3. Whether the proceedings against the other defendants should be stayed pending arbitration.

HOLDINGS

1. The parties did not enter into a valid agreement to arbitrate because the account agreement directed disputes to Florida state or federal courts and the separate arbitration agreement did not expressly require arbitration.
2. The arbitration agreement was ambiguous and, under the rule construing ambiguous contracts against the drafter, did not compel arbitration of the plaintiff's claims.
3. The court denied the request to stay the proceedings against the other defendants because the claims against IPMC Options were not subject to compelled arbitration.

KEY QUOTATIONS

“The first step towards determining whether or not arbitration should be compelled is determining whether or not an agreement to arbitrate was made.” (660 F. Supp. at 96)

“Arbitration is a matter of contract and a party cannot be forced to arbitrate any claim which he has not agreed to arbitrate.” (660 F. Supp. at 96)

“Thus, there is no agreement to arbitrate.” (660 F. Supp. at 96)

FACTUAL BACKGROUND

IPMC Options sent the plaintiff an account agreement that she signed and returned in February 1986. The account agreement provided that disputes arising from the agreement or transactions with IPMC Options would be submitted to Florida state courts or the United States District Court for the Southern District of Florida, with venue in Broward County. Four days later, the plaintiff signed a separate arbitration agreement containing regulatory disclosures but no express provision requiring arbitration of disputes.

PROCEDURAL HISTORY

The plaintiff brought an action seeking recovery for losses allegedly incurred in commodities trading and for commissions paid to defendants, alleging fraudulent inducement. Defendants sought to compel arbitration based on an account agreement and a separately signed arbitration agreement. The district court determined that the writings did not create a valid agreement to arbitrate and denied the motion to compel arbitration and stay.

DISPOSITION

other

CASES CITED

- Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, 473 U.S. 614, 105 S. Ct. 3346, 87 L. Ed. 2d 444 (1985)
- Bigge Crane and Rigging Co. v. Docutel Corp., 371 F. Supp. 240 (E.D.N.Y. 1973)
- Gateway Coal Co. v. United Mine Workers of America, 414 U.S. 368, 94 S. Ct. 629, 38 L. Ed. 2d 583 (1974)
- Hurt v. Leatherby Ins. Co., 380 So. 2d 432 (Fla. 1980)
- Corso v. Creighton University, 731 F.2d 529 (8th Cir. 1984)

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