SUPREME COURT OF ALABAMA

Keel Motors, Inc. v. Tolbert

821 So. 2d 963 (Ala. 2001) · No. 1001751 · Decided November 9, 2001

SUMMARY

The Supreme Court of Alabama affirmed the denial of a motion to compel arbitration in a dispute arising from the repossession of an automobile. The court held that the defendants did not present sufficient evidence that the transaction substantially affected interstate commerce under the Federal Arbitration Act, and it also upheld the denial of limited discovery on that issue.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Hugh Maddox; Moore, C.J.; Houston, J.; See, J.; Lyons, J.; Brown, J.; Johnstone, J.; Harwood, J.; Woodall, J.; Stuart, J.
JURISDICTION	Alabama
DECIDED	November 9, 2001
DOCKET	1001751
DISPOSITION	affirmed
PROCEDURAL POSTURE	The defendants appealed the trial court's denial of their motion to compel arbitration and their motion for leave to conduct limited discovery concerning whether the transaction substantially affected interstate commerce.
STANDARD OF REVIEW	The Supreme Court reviewed whether the defendants presented sufficient evidence that the transaction substantially affected interstate commerce to support enforcement of the arbitration agreement and whether the trial court erred in denying limited discovery.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Keel Motors, Inc., Frank Robert Dial, Wesley McCoy, Angela King v. Jo Ann Tolbert

TOPICS

arbitration · civil procedure · contracts · commercial litigation · consumer protection

PRACTICE AREAS

arbitration · civil procedure · contracts · commercial litigation · consumer protection

QUESTIONS PRESENTED

1. Whether the defendants presented sufficient evidence that the automobile sale transaction substantially affected interstate commerce so that the arbitration agreement was enforceable.
2. Whether the trial court erred by denying the defendants' motion for leave to conduct limited discovery regarding the transaction's effect on interstate commerce.

HOLDINGS

1. The defendants did not present sufficient evidence showing that the transaction substantially affected interstate commerce, and the trial court correctly denied the motion to compel arbitration.
2. The trial court did not err in denying the defendants' motion for leave to conduct limited discovery.

KEY QUOTATIONS

> *"We concluded that the affidavit offered by the dealership did not contain sufficient evidence of an effect on interstate commerce."* (964)

> *"We went on to hold that the contract for the sale of the used car to Green in Alabama, which car was manufactured outside Alabama and was capable of traveling outside the state, did not per se involve interstate commerce and, therefore, that the arbitration clause was unenforceable."* (964)

FACTUAL BACKGROUND

Tolbert purchased a 1992 Diamante Mitsubishi automobile from Keel Motors. The vehicle had entered the United States through Brunswick, Georgia, had been transported to Alabama, leased and assigned to out-of-state entities, and was later purchased by Keel Motors for resale. Keel Motors's manager also stated that he had driven the vehicle to a dealership in Columbus, Georgia, on two occasions for service. Tolbert sued over the automobile's repossession, and the defendants sought to compel arbitration.

PROCEDURAL HISTORY

Jo Ann Tolbert sued the defendants in connection with the repossession of an automobile. The trial court denied the defendants' motion to compel arbitration, relying on Tefco Finance Co. v. Green, and also denied their request for limited discovery. The Supreme Court of Alabama affirmed both rulings.

DISPOSITION

affirmed

CASES CITED

- Tefco Finance Co. v. Green, 793 So. 2d 755 (Ala. 2001)

- American General Finance, Inc. v. Morton, 812 So. 2d 282 (Ala. 2001)