

SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION,
FIRST DEPARTMENT

Badme v. AECOM

2025 NY Slip Op 06640 (1st Dep't 2025) · No. Index No. 152683/24; Appeal No. 5275; Case No. 2025-01695 ·
Decided December 2, 2025

SUMMARY

The Appellate Division, First Department, unanimously affirmed an order compelling arbitration and staying an employment-related action. It held that the broad arbitration provision and incorporation of AAA rules delegated arbitrability issues, including whether expiration of the employment term affected enforceability, to the arbitrators. The court further held that the motion court should not have addressed the merits but properly stayed the entire action pending the arbitrators’ determination.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Renwick, P.J.; Scarpulla, J.; Kapnick, J.; Mendez, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	December 2, 2025
DOCKET	Index No. 152683/24; Appeal No. 5275; Case No. 2025-01695
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from an order of Supreme Court, New York County, granting defendant's motion to compel arbitration and stay the action.
PRECEDENTIAL VALUE	published
PARTIES	George J. Badme Jr. v. AECOM

TOPICS

- arbitration
- employment arbitration
- employment contracts
- civil procedure
- appellate procedure

PRACTICE AREAS

- arbitration
- employment law
- contracts
- civil procedure
- appellate procedure

QUESTIONS PRESENTED

1. Whether the effect of expiration of the employment term on the enforceability of the arbitration provision was an arbitrability issue for the arbitrators.
2. Whether the action was properly stayed in its entirety pending the arbitrators' determination of arbitrability.
3. Whether the motion court improperly addressed the merits after granting the motion to compel arbitration.

HOLDINGS

1. Because the employment agreement contained a broad arbitration provision and incorporated AAA rules delegating jurisdictional questions to the arbitration tribunal, the effect of expiration of the employment term on the arbitration obligation was an issue of arbitrability for the arbitrators to determine.
2. The action was properly stayed in its entirety pending the arbitrators' determination of the arbitrability issues because at least some claims plainly fell within the scope of the employment agreement.
3. The motion court should not have addressed the merits after recognizing the effect of the broad arbitration provision and compelling arbitration.

KEY QUOTATIONS

*“all disputes arising out of or relating to the agreement” (*1)*

*“authorize an arbitration tribunal to rule on its own jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement” (*1)*

FACTUAL BACKGROUND

George J. Badme Jr. sued his former employer, AECOM, under an employment agreement containing a broad arbitration provision requiring arbitration of all disputes arising out of or relating to the agreement. The agreement incorporated AAA rules authorizing the arbitrators to determine their own jurisdiction, including objections to the existence, scope, or validity of the arbitration agreement. Badme argued that expiration of the employment term affected the enforceability of the arbitration provision, while the complaint asserted at least some claims plainly within the employment agreement's scope.

PROCEDURAL HISTORY

Supreme Court, New York County, granted AECOM's motion to compel arbitration and stay the action. The Appellate Division unanimously affirmed, holding that arbitrability questions concerning the scope and enforceability of the broad arbitration provision were delegated to the arbitrators, although the motion court should not have addressed the merits.

DISPOSITION

affirmed

CASES CITED

- Life Receivables Trust v Goshawk Syndicate 102 at Lloyd's, 66 AD3d 495, 496 (1st Dep't 2009), aff'd 14 NY3d 850 (2010), cert denied 562 US 962 (2010)
- Schindler v Cellco Partnership, 200 AD3d 505, 506 (1st Dep't 2021)
- Remco Maintenance, LLC v CC Mgt. & Consulting, Inc., 85 AD3d 477, 480 (1st Dep't 2011)
- L&R Exploration Venture v Grynberg, 22 AD3d 221, 222 (1st Dep't 2005), lv denied 6 NY3d 749 (2005)
- Fairfield Towers Condominium Assn. v Fishman, 1 AD3d 252 (1st Dep't 2003)
- ACEquip Ltd. v American Engineering Corp., 315 F3d 151, 155-156 (2d Cir. 2003)
- County Glass & Metal Installers, Inc. v Pavarini McGovern, LLC, 65 AD3d 940, 940-941 (1st Dep't 2009)

OPINION

PER CURIAM.

Badme v AECOM (2025 NY Slip Op 06640) Badme v AECOM 2025 NY Slip Op 06640 Decided on December 02, 2025 Appellate Division, First Department Published by New York State Law Reporting Bureau pursuant to Judiciary Law § 431. This opinion is uncorrected and subject to revision before publication in the Official Reports. Decided and Entered: December 02, 2025 Before: Renwick, P.J., Scarpulla, Kapnick, Mendez, JJ. Index No. 152683/24|Appeal No. 5275|Case No. 2025-01695| [*1]George J. Badme Jr., Plaintiff-Appellant, v AECOM, Defendant-Respondent.

Walden Macht Haran & Williams LLP, New York (Milton L. Williams of counsel), for appellant. DLA Piper, New York (Brian S. Kaplan of counsel), for respondent. Order, Supreme Court, New York County (Mary V. Rosado, J.), entered on or about March 12, 2025, which granted defendant's motion to compel arbitration and stay the action, unanimously affirmed, without costs.

The arbitration provision in the employment agreement between plaintiff and defendant is a broad provision requiring "all disputes arising out of or relating to the agreement" to be referred to arbitration under AAA rules. Those rules in turn "authorize an arbitration tribunal to rule on its own jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement" (Life Receivables Trust v Goshawk Syndicate 102 at Lloyd's, 66 AD3d 495, 496 [1st Dept 2009], aff'd 14 NY3d 850 [2010], cert denied 562 US 962 [2010]).

Accordingly, the issue as to whether the expiration of the employment term affects the enforceability of the arbitration provision is one of arbitrability, which is for the arbitrators to determine (see id. at 496; see also Schindler v Cellco Partnership, 200 AD3d 505, 506 [1st Dept 2021]; Remco Maintenance, LLC v CC Mgt. & Consulting, Inc., 85 AD3d 477, 480 [1st Dept 2011]).

While the motion court properly recognized the effect of the broad arbitration provision and granted the motion to compel on that basis, the court should not have addressed the merits (see L&R Exploration Venture v Grynberg, 22 AD3d 221, 222 [1st Dept 2005], lv denied 6 NY3d 749

[2005]; *Fairfield Towers Condominium. Assn. v Fishman*, 1 AD3d 252 [1st Dept 2003]; see also *ACEquip Ltd. v American Engineering Corp.*, 315 F3d 151, 155-156 [2d Cir 2003]).

The complaint asserts at least some claims that are plainly within the scope of the employment agreement and would be subject to arbitration if the arbitrators determine that the arbitration obligation was not entirely extinguished by the expiration of the employment term.

Accordingly, the court properly stayed this action in its entirety pending the determination by the arbitrators on the arbitrability issues (see *County Glass & Metal Installers, Inc. v Pavarini McGovern, LLC*, 65 AD3d 940, 940-941 [1st Dept 2009]).THIS CONSTITUTES THE DECISION AND ORDER OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT. ENTERED: December 2, 2025