

IOWA COURT OF APPEALS

Conlon Construction Co. v. Tri-State Concrete Construction, Inc.,
Top Notch Plumbing Heating & Electrical, Inc., and Runde Electric,
LLC

No. No. 25-0499, Iowa Court of Appeals (January 28, 2026)

SUMMARY

The Iowa Court of Appeals held that a subcontractor's compulsory breach-of-contract counterclaim was subject to the parties' express arbitration agreement. The court affirmed the denial of Conlon Construction's motion to dismiss, reversed the denial of its motion to compel arbitration against Tri-State Concrete, and remanded for the district court to stay proceedings concerning Tri-State's claim pending arbitration. The court also noted that Top Notch and Runde had dismissed their counterclaims after the appeal was filed.

CASE DETAILS

COURT	Iowa Court of Appeals
WRITING FOR THE COURT	Schumacher, P.J.; Badding, J.; Langholz, J.
JURISDICTION	Iowa Court of Appeals
DECIDED	January 28, 2026
DOCKET	No. 25-0499
DISPOSITION	other
PROCEDURAL POSTURE	Conlon appealed the Iowa District Court for Dubuque County's denial of its motion to dismiss subcontractor counterclaims and its alternative motion to compel arbitration. The appeal principally concerned arbitration of Tri-State's compulsory breach-of-contract counterclaim.
STANDARD OF REVIEW	Correction of errors at law.
PRECEDENTIAL VALUE	Published Iowa Court of Appeals opinion
PARTIES	Conlon Construction Co. v. Tri-State Concrete Construction, Inc., Top Notch Plumbing, Heating & Electrical, Inc., Runde Electric, LLC

TOPICS

- arbitration
- construction law
- breach of contract
- civil procedure
- appellate procedure

PRACTICE AREAS

construction law

contracts

civil procedure

arbitration

appellate procedure

QUESTIONS PRESENTED

1. Whether Tri-State's compulsory breach-of-contract counterclaim was subject to the subcontract's express arbitration agreement.
2. Whether the district court could deny arbitration because the underlying mechanic's-lien foreclosure action involved multiple parties and related disputes.
3. Whether Conlon waived its right to arbitrate by initiating the mechanic's-lien foreclosure action.

HOLDINGS

1. Tri-State's breach-of-contract counterclaim fell within the subcontract's provision selecting binding arbitration for any claim or dispute arising out of or relating to the agreement and therefore had to be arbitrated.
2. The district court erred in refusing to enforce the arbitration clause merely because the case involved multiple parties and related disputes.
3. Conlon did not waive its right to arbitrate under the circumstances presented.

KEY QUOTATIONS

"The Parties choose binding arbitration for any claim or dispute arising out of or relating to this Agreement." (4)

"On application of a party showing an agreement described in section 679A.1 and the opposing party's refusal to arbitrate, the district court shall order the parties to proceed with arbitration." (7)

"[T]herefore the breach-of-contract claim must be arbitrated." (7)

FACTUAL BACKGROUND

Conlon served as general contractor for development of the Estates of Dubuque residential cooperative and filed a mechanic's-lien foreclosure action seeking nearly \$1.6 million. Tri-State entered a subcontract with Conlon to provide concrete services for \$229,399 and alleged that Conlon failed to pay. The subcontract selected binding arbitration for any claim or dispute arising out of or relating to the agreement, after specified mitigation or mediation procedures. Tri-State filed its breach-of-contract counterclaim in Conlon's foreclosure action, and the district court declined to compel arbitration because the dispute was part of a multiparty proceeding.

PROCEDURAL HISTORY

Conlon, the general contractor, filed a mechanic's-lien foreclosure action arising from the Estates of Dubuque project. Tri-State, Top Notch, and Runde filed compulsory breach-of-contract counterclaims alleging nonpayment. The district court denied Conlon's motion to dismiss or compel arbitration, concluding that the multiparty litigation should proceed before one tribunal. On appeal, the Iowa Court of Appeals affirmed the

denial of dismissal, reversed the denial of arbitration as to Tri-State, and remanded for a stay of Tri-State's claim pending arbitration.

DISPOSITION

other

REMAND INSTRUCTIONS

Reverse the denial of Conlon's motion to compel arbitration against Tri-State. Because Tri-State's claim is severable, the district court must stay proceedings concerning Tri-State's claim pending the outcome of arbitration.

CASES CITED

- Schaefer v. Putnam, 841 N.W.2d 68, 74–75 (Iowa 2013)
- Wesley Ret. Servs., Inc. v. Hansen Lind Meyer, Inc., 594 N.W.2d 22, 26, 29 (Iowa 1999)
- Pa. Life Ins. Co. v. Simoni, 641 N.W.2d 807, 811–13 (Iowa 2002)
- ACCU Steel, Inc. v. Legacy Bldg. Sols., Inc., No. 16-CV-00050, 2017 WL 11179922, at *2–*4 (S.D. Iowa Aug. 30, 2017)
- North Iowa Steel Co. v. Staley, 112 N.W.2d 364, 366 (Iowa 1961)
- Mod. Piping, Inc. v. Blackhawk Automatic Sprinklers, Inc., 581 N.W.2d 616, 621–22 (Iowa 1998)
- Liberty Builders, Inc. v. Horton, 521 S.E.2d 749, 753–54 (S.C. Ct. App. 1999)
- Schaefer v. Putnam, 841 N.W.2d 68, 77–78 (Iowa 2013)
- Clinton Nat'l Bank v. Kirk Gross Co., 559 N.W.2d 282, 284 (Iowa 1997)
- JAKS Props., LLC v. St. Croix Hospice, LLC, No. 17-1198, 2018 WL 5846088, at *9 (Iowa Ct. App. Nov. 7, 2018)