

SUPREME COURT OF PENNSYLVANIA

Wert v. Manorcare of Carlisle

Wert · No. 62 MAP 2014 · Decided October 27, 2015

SUMMARY

This is a concurring opinion by Chief Justice Saylor of the Supreme Court of Pennsylvania in an appeal concerning the enforceability of an arbitration agreement that designated the National Arbitration Forum after that forum had ceased administering consumer arbitrations. The concurrence supports the result based on the agreement's terms, the drafting party's responsibility for the failed forum designation, and concerns surrounding the National Arbitration Forum's withdrawal from consumer arbitration.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Chief Justice Saylor; Justice Stevens
JURISDICTION	Pennsylvania
DECIDED	October 27, 2015
DOCKET	62 MAP 2014
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from an order of the Superior Court of Pennsylvania affirming the Cumberland County Court of Common Pleas order in a civil action involving enforcement of a consumer arbitration agreement.
PRECEDENTIAL VALUE	Published Pennsylvania Supreme Court concurrence; the concurrence's reasoning is persuasive but not independently binding.
PARTIES	GGNSC Gettysburg LP, d/b/a Golden Living Center-Gettysburg, GGNSC Gettysburg GP, LLC, GGNSC Holdings, LLC, Golden Gate National Senior Care, LLC, GGNSC Equity Holdings, LLC, GGNSC Administrative Services, LLC v. Evonne K. Wert, Executrix of the Estate of Anna E. Kepner, Deceased

TOPICS

arbitration

contracts

consumer protection

civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether an arbitration agreement designating the National Arbitration Forum is enforceable when the agreement was executed after NAF had withdrawn from administering consumer arbitrations.
2. Whether courts should enforce or otherwise reform a form arbitration contract when the designated forum is unavailable because of the drafting party's negligence.

HOLDINGS

1. The concurrence supports the result that the arbitration agreement should not be enforced according to its terms because the designated consumer arbitration forum was unavailable when the agreement was made.

KEY QUOTATIONS

“it is not the courts’ role to compensate for the negligence of an entity presenting a form contract in a consumer-oriented setting which this entity knew or should have known could not be enforced on its own terms.” (slip op. at 1)

“reflexive adherence to the courts’ self-protective preferences for arbitration -- particularly relative to agreements which are incapable of enforcement according to their own terms – would be problematic.” (slip op. at 2)

FACTUAL BACKGROUND

The dispute concerned a consumer-oriented arbitration agreement that designated the National Arbitration Forum (NAF) as the arbitration forum. The agreement was executed eight months after NAF had announced its withdrawal from consumer arbitrations. Chief Justice Saylor also noted that NAF had entered into a consent decree with a state attorney general after allegations that it colluded with businesses in disputes involving consumers.

PROCEDURAL HISTORY

The Cumberland County Court of Common Pleas entered an order dated September 13, 2012. The Superior Court affirmed that order on December 19, 2013. The listed corporate defendants appealed to the Supreme Court of Pennsylvania, where Chief Justice Saylor filed this concurring opinion supporting the result reached by the Court.

DISPOSITION

affirmed

CASES CITED

- Green v. U.S. Cash Advance Illinois, LLC, 724 F.3d 787 (7th Cir. 2013)

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