DISTRICT OF COLUMBIA COURT OF APPEALS

Giron v. Dodds

35 A.3d 433 (D.C. 2012) · Decided January 5, 2012

SUMMARY

The District of Columbia Court of Appeals held that a post-arbitration claim seeking to pierce a corporation’s veil and enforce an arbitration award against individual shareholders was not subject to the parties’ construction-contract arbitration agreement. The court concluded that the veil-piercing claim arose from efforts to collect the award, rather than from the contract, and that the arbitrator had clarified that no veil-piercing claim had been submitted. The court affirmed the trial court’s denial of the motion to compel arbitration.

CASE DETAILS

COURT	District of Columbia Court of Appeals
WRITING FOR THE COURT	Nebeker, Senior Judge; Glickman; Nebeker; Oberly
JURISDICTION	District of Columbia
DECIDED	January 5, 2012
DISPOSITION	affirmed
PROCEDURAL POSTURE	After the Dodds obtained and confirmed an arbitration award against C & C General Builders, Inc., they amended their complaint to seek enforcement of the award against Carlos and Alex Giron by piercing C & C's corporate veil. The trial court denied the Girons' renewed motion to compel arbitration, and the Girons appealed.
STANDARD OF REVIEW	Whether a particular dispute is arbitrable is a question of law reviewed de novo. The trial court's factual findings are accepted unless clearly erroneous.
PRECEDENTIAL VALUE	Published and precedential opinion of the District of Columbia Court of Appeals
PARTIES	Carlos Giron, Alex Giron v. John Dodds, Teresa Dodds

TOPICS

arbitration · appellate jurisdiction · corporate veil piercing · civil procedure · remedies

PRACTICE AREAS

arbitration | civil procedure | corporate law | construction law | commercial litigation | remedies

QUESTIONS PRESENTED

1. Whether the Dodds' post-award claim to pierce C & C's corporate veil and impose personal liability on the Girons was subject to the construction-contract arbitration agreement.
2. Whether the veil-piercing claim was barred because the allegations had already been submitted to or decided in the prior arbitration.
3. Whether the trial court properly relied on Schattner v. Girard, Inc. in allowing the veil-piercing claim to proceed in court.

HOLDINGS

1. The Dodds' claim to pierce C & C's corporate veil to collect the arbitration award was a separate enforcement claim arising from efforts to collect the award, not a new controversy arising out of or relating to the construction contract. The trial court therefore properly exercised jurisdiction without compelling a second arbitration.
2. The veil-piercing claim was not barred as a previously arbitrated claim because the Dodds had proceeded in arbitration under an undisclosed-principal theory, not a corporate-veil-piercing theory, and the arbitrator expressly determined that no veil-piercing claim had been submitted.
3. The trial court did not err in applying Schattner's reasoning to the Girons' motion to compel arbitration.

KEY QUOTATIONS

> *"In this case, we conclude that the Dodds' claim to pierce the corporate veil does not involve a new dispute "arising out of or relating to this contract, or the breach thereof"; it instead arises out of the Dodds' efforts to collect the arbitration award rendered in their favor."* (35 A.3d at 438)

> *"Because the Dodds' amended complaint is a separate claim to enforce the arbitration award and raises no new issues that are subject to the arbitration agreement, the trial court did not err in asserting jurisdiction and denying the Girons' motion to compel arbitration."* (35 A.3d at 439)

> *"The Girons cannot have it both ways."* (35 A.3d at 440)

> *"Accordingly, we affirm the trial court's order taking jurisdiction over the Dodds' amended complaint without ordering the parties to proceed once again with arbitration."* (35 A.3d at 441)

FACTUAL BACKGROUND

The Dodds hired C & C General Builders, Inc. to demolish and renovate a residential building. After paying approximately 70 percent of the contract price, they received a report stating that only about 40 percent of the work was complete; C & C then demanded continued payments and abandoned the project. The Dodds arbitrated their contract claims against C & C, obtained a $120,872.42 award, and later alleged that Carlos and Alex Giron had looted or misused corporate assets so that C & C could not satisfy the award.

PROCEDURAL HISTORY

The Dodds contracted with C & C for construction work and initially brought claims that proceeded to arbitration. The arbitrator dismissed claims against the Girons individually, found liability against C & C, and awarded the Dodds $120,872.42. After learning that C & C was asset-less and would not pay, the Dodds obtained confirmation of the award and amended their complaint to assert a veil-piercing claim against the Girons. The Superior Court denied the Girons' renewed motion to compel arbitration; the Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Giron v. Dodds, 10-CV-1129 (D.C. Nov. 2, 2010)
- Hercules & Co. v. Beltway Carpet Service, Inc., 592 A.2d 1069, 1071-73 (D.C. 1991)
- Certain Underwriters at Lloyd's London v. Ashland, Inc., 967 A.2d 166, 173-74 (D.C. 2009)
- Lawlor v. District of Columbia, 758 A.2d 964, 974-75 (D.C. 2000)
- Brandon v. Hines, 439 A.2d 496, 501, 507 (D.C. 1981)
- In re Consolidated Rail Corp., 867 F. Supp. 25, 31 (D.D.C. 1994)
- Hellman v. Program Printing, Inc., 400 F. Supp. 915, 917-18 (S.D.N.Y. 1975)
- District Council No. 9 v. APC Painting, Inc., 272 F. Supp. 2d 229, 240 (S.D.N.Y. 2003)
- Carte Blanche (Singapore) v. Diners Club International, Inc., 2 F.3d 24, 25-28 (2d Cir. 1993)
- Schattner v. Girard, Inc., 668 F.2d 1366, 1367-71 (D.C. Cir. 1981)
- Allied Chemical Carriers, Inc. v. National Biofuels LP, No. H-10-1109, 2011 WL 2672512 (S.D. Tex. July 7, 2011)
- Northern Tankers (Cyprus) v. Backstrom, 967 F. Supp. 1391, 1394-95, 1398 (D. Conn. 1997)
- Hogue v. Hopper, 728 A.2d 611, 614 (D.C. 1999)
- Camacho v. 1440 Rhode Island Ave. Corp., 620 A.2d 242, 248 n. 20 (D.C. 1993)
- Grayson v. AT&T Corp., 15 A.3d 219, 263 (D.C. 2011)
- Menna v. Plymouth Rock Assurance Corp., 987 A.2d 458, 462-63 (D.C. 2010)