SUPREME COURT OF ALABAMA

SCI Alabama Funeral Services, Inc. v. Lanyon

896 So. 2d 495 (Ala. 2004) · No. 1030337 · Decided August 27, 2004

SUMMARY

The Supreme Court of Alabama held that a nonsignatory administrator was bound by an arbitration provision in a funeral-services purchase agreement because he was a third-party beneficiary who negotiated for and benefited from the agreement. The court concluded that his negligence, wantonness, and outrage claims arose from the agreement's embalming services, reversed the denial of arbitration, and remanded the case.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Stuart, Justice; Nabers, C.J.; Houston, J.; See, J.; Lyons, J.; Brown, J.; Harwood, J.; Woodall, J.; Johnstone, J.
JURISDICTION	Alabama
DECIDED	August 27, 2004
DOCKET	1030337
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	SCI appealed the trial court's denial of its motion to compel arbitration of Lanyon's tort claims.
STANDARD OF REVIEW	The denial of a motion to compel arbitration is reviewed de novo. The motion is analogous to a motion for summary judgment; the party seeking arbitration must prove the existence of an arbitration contract and that the contract evidences a transaction affecting interstate commerce, after which the nonmovant must show that the agreement is invalid or does not apply.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Alabama
PARTIES	SCI Alabama Funeral Services, Inc. v. Wilbert E. Lanyon, as administrator of the estate of Steven Lanyon, deceased

TOPICS

arbitration · third party beneficiary · contracts · torts · civil procedure

PRACTICE AREAS

arbitration contracts torts civil procedure

QUESTIONS PRESENTED

1. Whether a nonsignatory who benefited from a funeral-services agreement containing an arbitration clause may be compelled to arbitrate as a third-party beneficiary.
2. Whether tort claims concerning allegedly defective embalming arise out of the Purchase Agreement and fall within its broad arbitration clause.

HOLDINGS

1. A nonsignatory third-party beneficiary who negotiated for and benefited from services provided under an agreement containing an arbitration provision may be required to arbitrate claims against the signatory arising from that agreement.
2. A party may not avoid a broad arbitration clause by labeling claims as tort claims when those claims arise out of the transaction governed by the agreement.

KEY QUOTATIONS

> *"Arbitration is a matter of contract and "a party cannot be required to submit to arbitration any dispute he has not agreed to submit.""* (at 497)

> *"However, this Court has repeatedly stated "that a party may not avoid broad language in an arbitration clause by attempting to cast its complaint in tort rather than contract.""* (at 498)

FACTUAL BACKGROUND

After Steve Lanyon died at an out-of-state hospital, his father, Wilbert Lanyon, authorized SCI to take possession of the body and transport it for funeral services. Lanyon and family members selected funeral services, including embalming, but a former employer, Terry Adams, signed the Purchase Agreement and paid SCI's charges. Lanyon did not sign the agreement, which contained a broad arbitration clause. Problems with the embalming caused the body to decompose before burial, leading Lanyon to assert tort claims against SCI.

PROCEDURAL HISTORY

Lanyon sued SCI for negligence, wantonness, and the tort of outrage arising from problems with the embalming and handling of his son's remains. The trial court found that the transaction involved interstate commerce but denied SCI's motion to compel arbitration because Lanyon had not signed the Purchase Agreement. The Supreme Court of Alabama reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further proceedings consistent with the opinion, including enforcement of arbitration of Lanyon's claims.

CASES CITED

- Parkway Dodge, Inc. v. Yarbrough, 779 So. 2d 1205 (Ala. 2000)
- TranSouth Financial Corp. v. Bell, 739 So. 2d 1110, 1114 (Ala. 1999)
- Jim Burke Automotive, Inc. v. Beavers, 674 So. 2d 1260, 1265 n. 1 (Ala. 1995)
- Fleetwood Enterprises, Inc. v. Bruno, 784 So. 2d 277, 280 (Ala. 2000)
- National Auction Group, Inc. v. Hammett, 854 So. 2d 65, 69 (Ala. 2003)
- Cook's Pest Control, Inc. v. Boykin, 807 So. 2d 524, 526 (Ala. 2001)
- Equifirst Corp. v. Ware, 808 So. 2d 1, 4-5 (Ala. 2001)
- Capital Investment Group, Inc. v. Woodson, 694 So. 2d 1268, 1270 (Ala. 1997)
- Ex parte Stripling, 694 So. 2d 1281 (Ala. 1997)
- Wolff Motor Co. v. White, 869 So. 2d 1129 (Ala. 2003)
- Ex parte Dyess, 709 So. 2d 447 (Ala. 1997)
- ECS, Inc. v. Goff Group, 880 So. 2d 1140, 1147 (Ala. 2003)
- Beaver Construction Co. v. Lakehouse, L.L.C., 742 So. 2d 159, 165 (Ala. 1999)
- McBro Planning & Development Co. v. Triangle Electric Construction Co., 741 F.2d 342, 344 (11th Cir. 1984)