

SUPREME COURT OF ARKANSAS

Pine Hills Health & Rehabilitation, LLC v. Matthews

2014 Ark. 109 (2014) · No. CV-13-756 · Decided March 13, 2014

SUMMARY

The Supreme Court of Arkansas affirmed the denial of a motion to compel arbitration in a wrongful-death and nursing-home-care action. The court held that the arbitration agreement was unenforceable because there was no objective evidence that Pine Hills manifested mutual assent, including no signature by a Pine Hills representative.

CASE DETAILS

COURT	Supreme Court of Arkansas
WRITING FOR THE COURT	Josephine Linker Hart
JURISDICTION	Arkansas
DECIDED	March 13, 2014
DOCKET	CV-13-756
DISPOSITION	affirmed
PROCEDURAL POSTURE	Interlocutory appeal from an order denying appellants' joint motion to dismiss the complaint and compel arbitration.
STANDARD OF REVIEW	The construction and legal effect of an arbitration agreement are reviewed as matters of law; contract construction principles and state contract law govern whether an enforceable arbitration agreement exists.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Pine Hills Health and Rehabilitation, LLC, SLC Operations, LLC, SLC Professionals of Arkansas, LLC n/k/a SLC Professionals, LLC, Capital SeniorCare Ventures, LLC, 900 Magnolia Road SW, LLC, Senior Vantage Point, LLC, Senior Living Communities of Arkansas, LLC, Addit, LLC, Quality Review, LLC, Arkansas SNF Operations Acquisition, LLC, Arkansas Nursing Home Acquisition, LLC, CSCV Holdings, LLC, Capital Funding Group, Inc., Capital Funding, LLC d/b/a Capital Funding Group, Michael Hunter, in his capacity as administrator of Pine Hills Health and Rehabilitation, LLC, Patricia Bullard, in her capacity as administrator of Pine Hills Health and

Rehabilitation, LLC v. Rufus Brian Matthews, as special administrator of the estate of Rufus Owens, deceased, and on behalf of the wrongful-death beneficiaries of Rufus Owens

TOPICS

arbitration mutual assent contract formation appellate jurisdiction nursing home liability

PRACTICE AREAS

Contracts Arbitration Health law Nursing-home liability Appellate procedure

QUESTIONS PRESENTED

1. Whether the arbitration agreement was enforceable despite the absence of a signature by a Pine Hills representative.
2. Whether Pine Hills objectively manifested assent to the arbitration agreement through the agreement's language, its conduct, or the separate admission agreement.

HOLDINGS

1. The arbitration agreement was unenforceable because the record contained no objective evidence that Pine Hills manifested assent to its terms.
2. Pine Hills's preparation and retention of the documents, attempted enforcement of the arbitration agreement, and the language of the separate admission agreement did not establish objective manifestation of assent on the record presented.

KEY QUOTATIONS

“In employing an objective test for determining mutual assent, we hold that the Arbitration Agreement does not establish that Pine Hills manifested its assent to the Arbitration Agreement.” (at 8)

“Because there was no manifestation of mutual assent, the Arbitration Agreement was unenforceable.” (at 8-9)

FACTUAL BACKGROUND

Rufus Owens was admitted to a nursing facility in December 2007, and the facility's ownership and name changed to Pine Hills Health and Rehabilitation, LLC, on July 1, 2009. Matthews, acting under Owens's power of attorney, signed an arbitration agreement on June 29, 2009, as the responsible party. The agreement's third page, which was missing from the copy presented to the court, contained a signature block for a Pine Hills representative, but no Pine Hills representative had signed the agreement. A separate admission agreement was signed by Matthews and a Pine Hills representative on July 1, 2009, and merely stated that disputes could be submitted to arbitration through a separate agreement.

PROCEDURAL HISTORY

Matthews brought negligence, medical-malpractice, and long-term-care-related claims arising from Rufus Owens's care at Pine Hills. Appellants moved to compel arbitration based on an arbitration agreement signed by Matthews as the responsible party, but the Ouachita County Circuit Court denied the motion because the agreement lacked a signature showing Pine Hills's consent. The Supreme Court of Arkansas accepted the interlocutory appeal and affirmed.

DISPOSITION

affirmed

CASES CITED

- Courtyard Gardens Health & Rehab., LLC v. Quarles, 2013 Ark. 228, at 6, ___ S.W.3d ___, ___
- DIRECTV, Inc. v. Murray, 2012 Ark. 366, at 4, ___ S.W.3d ___, ___
- Independence Cnty. v. City of Clarksville, 2012 Ark. 17, at 6, 386 S.W.3d 395, 399
- DIRECTV, Inc. v. Murray, 2012 Ark. 366, at 9, ___ S.W.3d at ___
- Ward v. Williams, 354 Ark. 168, 180, 118 S.W.3d 513, 520 (2003)
- Parker v. Carter, 91 Ark. 162, 167, 120 S.W. 836, 838 (1909)
- DIRECTV, Inc. v. Murray, 2012 Ark. 366, at 9-11, ___ S.W.3d ___, ___