MISSOURI COURT OF APPEALS
WESTERN DISTRICT

COMPLETE TITLE OF CASE:

ASHLEE RUHL, ON BEHALF OF HERSELF AND ALL OTHERS SIMILARLY SITUATED
Respondent

v.

LEE'S SUMMIT HONDA
Appellant

DOCKET NUMBER **WD70189**

DATE: November 3, 2009

Appeal From:

Circuit Court of Jackson County, MO
The Honorable Jack Richard Grate, Jr., Judge

Appellate Judges:

Division Three: Thomas H. Newton, C.J., Victor C. Howard, and James Edward Welsh, JJ.

Attorneys:

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Attorneys:

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MISSOURI APPELLATE COURT OPINION SUMMARY
MISSOURI COURT OF APPEALS, WESTERN DISTRICT

ASHLEE RUHL, ON BEHALF OF HERSELF AND ALL OTHERS SIMILARLY SITUATED, Respondent, v. LEE'S SUMMIT HONDA, Appellant

WD70189 **Jackson County**

Before Division Three Judges: Newton, C.J., Howard, and Welsh, JJ.

Ashlee Ruhl filed a class action against Honda, seeking damages for Honda's unauthorized practice of law and its deceptive practices connected to the sale of merchandise based on Honda charging a fee separate from other sale costs for preparing legal documents used in financing vehicle sales transactions. Honda asked the court to deny class certification and compel Ruhl to arbitrate her individual claims. The trial court denied the motion to compel arbitration. Honda appeals.

REVERSED AND REMANDED.

Division Three Holds:

Honda claims that the trial court erred in failing to compel arbitration because Ruhl's claims were within scope of the arbitration agreement and the unauthorized practice of law claim was arbitrable. Arbitration should be compelled if the disputes are within the scope of a valid arbitration agreement. Applying the mandatory liberal construction, Ruhl's claims are within the scope of the arbitration agreement. The arbitration agreement provides that any dispute concerning the purchase of the vehicle will be arbitrated. Because the damages for the claims are based on refunding the charged fee—a component of the total selling price listed on the contract—the claims are within the scope of the arbitration agreement. The trial court erred in determining that the claims were not within the scope of the agreement.

The trial court also erred in determining that the unauthorized practice of law claim was not arbitrable. A party who agreed to arbitrate should be compelled to do so unless the legislature intended to preclude waiver of judicial remedies for the statutory rights at issue. After reading the statute, reviewing its history, and considering its purpose, we conclude that no such legislative intent is present. We also conclude that arbitration of unauthorized practice of law claims in this case does not interfere with the judiciary's exclusive authority to determine what constitutes the practice of law.

Additionally, Honda claims that the trial court erred in finding the arbitration agreement procedurally and substantively unconscionable. The trial court erred in determining that the arbitration agreement was procedurally unconscionable because it was a contract of adhesion. Nevertheless, a substantively unconscionable contract is not valid and will not be enforced. A class-action waiver within an arbitration agreement is unconscionable if it effectively immunizes the defendant from wrongdoing. The actual damages in this case range from $200-$600. The arbitration agreement contains class waiver and fee-sharing provisions. Based on these

provisions, the class-action waiver insulates Honda from any alleged wrongdoing. The class-action waiver clause is therefore unconscionable and will not be enforced.

Under federal law, the entire arbitration agreement, however, should not be voided where the unconscionable clause is severable. Because the class-waiver clause is severable, we must compel enforcement of the arbitration agreement absent the class-action waiver. Therefore, we reverse and remand to the trial court to compel arbitration of the class claims.

Opinion by: Thomas H. Newton, C. J. November 3, 2009

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