MISSOURI COURT OF APPEALS
WESTERN DISTRICT

DAVID HOLM,
RESPONDENT

vs.

MENARD, INC.,
APPELLANT

DOCKET NUMBER WD83862

DATE: FEBRUARY 16, 2021

Appeal from:

The Circuit Court of Clinton County, Missouri
The Honorable Brent Elliott, Judge

Appellate Judges:

Division Two: W. Douglas Thomson, Presiding Judge, Lisa White Hardwick, Judge and Edward R. Ardini, Jr., Judge

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Attorneys:

Andrea M. Knernschield, for Respondent

Alex R. Meyers, for Appellant

MISSOURI APPELLATE COURT OPINION SUMMARY

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DAVID HOLM, RESPONDENT
v.
MENARD, INC., APPELLANT

WD83862 Clinton County

Division Two: W. Douglas Thomson, Presiding Judge, Lisa White Hardwick, Judge and Edward R. Ardini, Jr., Judge

Menard, Inc. ("Menards") appeals the denial of its motion to compel arbitration and stay the trial court proceedings ("Motion to Compel") brought against it by David Holm ("Holm"). On appeal, Menards claims that the trial court erred in denying its Motion to Compel because: (1) the notice provision in Missouri's Uniform Arbitration Act ("MUAA") is inapplicable and cannot invalidate an arbitration agreement that is covered by the Federal Arbitration Act ("FAA"); (2) the parties have a valid and binding arbitration agreement which Holm agreed to when he purchased cabinets from Menards; (3) the arbitration agreement is not unconscionable as it is authorized by Missouri law; (4) Holm waived his right to a jury trial per the arbitration agreement; and (5) Holm admitted to the existence and validity of the contract containing the arbitration agreement in his petition and is bound by his admissions made therein.

REVERSED AND REMANDED WITH INSTRUCTIONS.

Division Two holds:

The essential elements of offer, acceptance and consideration were satisfied rendering the Contract, including the Arbitration Agreement, valid and enforceable. Whether Menards' alleged lack of performance amounted to a breach of the contract is a matter the agreement of the parties leaves to the arbitration forum. As such, the non-performance of the Contract by Menards is not a legal basis for the trial court's denial of Menards' Motion to Compel. Because we find that the Contract is valid and enforceable as a matter of law, we need not rely on Holm's assertions in his petition to reach the same result.

The Contract between Menards and Holm involves interstate commerce within the meaning of the FAA because Holm is a Missouri resident and Menards is a Wisconsin corporation. Therefore, Menards' alleged non-compliance with the MUAA would not serve as a legal basis for the trial court's denial of Menards' Motion to Compel.

Holm's argument that two provisions of the Contract limiting Menards' liability render the Arbitration Agreement unconscionable fails as the provisions are expressly authorized by law. Moreover, the $200 filing fee cost of arbitration does not render the Arbitration Agreement unconscionable. Thus, Holm's argument that the Arbitration Agreement is unconscionable does not provide a lawful basis for the trial court's denial of Menards' Motion to Compel.

Where, as here, the Arbitration Agreement is clear, unambiguous, and conspicuous, the arbitration clause does not violate Holm's right to a jury trial. As such, Holm's argument on this point does not provide a basis for the trial court's denial of Menards' Motion to Compel.

Opinion by: W. Douglas Thomson, Judge Date: February 16, 2021

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