

IN THE COURT OF COMMON PLEAS OF LYCOMING COUNTY, PENNSYLVANIA

L & N INTERIOR SYSTEMS, INC.,	:	DOCKET NO. 13-00,996
Plaintiff,	:	
vs.	:	CIVIL ACTION
	:	
HEPCO CONSTRUCTION, INC.,	:	PRELIMINARY
Defendant.	:	OBJECTIONS

**OPINION AND ORDER**

This matter comes before the Court on Defendant's preliminary objections. On May 23, 2013, Defendant filed objections to the Court's jurisdiction over this matter. Defendant argued that a valid and enforceable arbitration agreement exists between the parties and that the controversy underlying this matter falls within that arbitration agreement. For the reasons stated herein, the Court agrees and will GRANT Defendant's objections and DISMISS the matter.

When a party in a civil matter seeks to compel arbitration, the trial court must conduct a two-part test: first, the Court must conclude if a valid agreement to arbitrate exists between the parties; if so, the Court must then decide if the present controversy falls within the parties' arbitration agreement. *Pittsburgh Logistics Systems, Inc. v. Professional Transportation and Logistics, Inc.*, 803 A.2d 776 (Pa. Super. Ct. 2002). With this standard in mind, the Court turns to the parties' subcontractor agreement.

The parties' subcontractor agreement, dated June 4, 2012, provides:

12. ARBITRATION: *Any dispute* as to the operation, fulfillment or meaning of this SUBCONTRACT shall be resolved by arbitration in conformance with the then prevailing rules, regulations and procedures for commercial arbitration as established and administered by the American Arbitration Association and an award pursuant to such arbitration shall be final and binding to both parties.

Subcontract, 2 (emphasis added). Plaintiff does not argue that this arbitration agreement is invalid; it is Plaintiff's argument that the instant dispute does not fall within the arbitration clause. Therefore, the Court finds that the first prong of the test has been met.

Turning to the second prong of the test, this Court must decide if the present controversy falls within the parties' arbitration agreement. The Court finds that it does. The instant matter pertains to an issue arising out of that agreement, to wit: an alleged failure of the contractor to pay the subcontractor sums due and owing in the amount of \$12,013.00. Complaint, ¶ 10. Plaintiff raised four counts in his cause of action: I) breach of express contract, II) contract implied in fact, III) quantum meruit, and IV) Contractor and Subcontractor Payment Act, 73 P.S. §§ 501-16. Each of these actions arises out of, or relate to, the parties' subcontract or the breach thereof. Therefore, the Court finds that the instant controversy falls within the parties' mandatory arbitration agreement because it is a dispute regarding the fulfillment of the subcontract. In making this decision, the Court is guided by the Commonwealth's preference to enforce an agreement to arbitrate. *See Dodds v. Pulte Home Corp.*, 909 A.2d 348 (Pa. Super. Ct. 2006) (referencing *Quiles v. Financial Exchange Co.*, 879 A.2d 281 (Pa. Super. Ct. 2005)). *See also* 42 Pa. C.S. § 7303 (providing that a writing agreement to submit to arbitration is valid, enforceable and irrevocable).

Regardless of Plaintiff's argument, the parties' arbitration clause is all-encompassing. It provides that *any dispute* regarding the fulfillment, i.e. payment, of the contractual terms be settled in arbitration. The Court is bound by the parties' agreement and will abide by its terms. *See Ambridge Water Authority v. Columbia*, 328 A.2d 498, 501 (Pa. 1974) (stating "[w]here... there is an unlimited arbitration clause, any dispute which may arise between the parties concerning the principal contract is to be settled pursuant to its terms").

The Court enters the following Order.

**ORDER**

AND NOW, this 18<sup>th</sup> day of July, 2013, for the reasons stated above, it is hereby ORDERED and DIRECTED that Defendant's objections are GRANTED and this matter is DISMISSED.

BY THE COURT,

\_\_\_\_\_  
Date

\_\_\_\_\_  
Richard A. Gray, J.

cc: William P. Carlucci, Esq. – Counsel for Plaintiff  
Michael J. Zicoello, Esq. – Counsel for Defendant  
Gary L. Weber, Esq. – Lycoming County Reporter