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Rollins, Inc. v. Lighthouse Bay Holdings, Ltd.

Case No. 2D03-4792 (Fla. 2d DCA January 7, 2005)

Those interested in arbitration, and particularly whether an arbitration agreement's waiver of a party's statutory remedies renders the agreement void and unenforceable, will be interested in the Second District Court of Appeal's recent decision in *Rollins, Inc. v. Lighthouse Bay Holdings, Ltd.* The court applied the Federal Arbitration Act to a pest treatment agreement that limited the customer's remedies, including remedies otherwise available under Florida's Deceptive and Unfair Trade Practices Act. Acknowledging that this area of law is "still not completely settled," the court squarely held, as a matter of first impression, that the enforceability of the agreement's remedial limitations should be determined by the arbitrator, not the courts.

Though the decision is not clear on this point, the rules favoring arbitration that the Second District applied may be more broad, and result in more referrals to arbitration, than the rules currently followed by the Eleventh Circuit. The Eleventh Circuit has previously held that a waiver of statutory remedial rights is void on public policy grounds and may invalidate an arbitration agreement altogether. The Eleventh Circuit subsequently limited that decision to its facts, but how narrow the Eleventh Circuit will interpret its prior decision remains to be seen.

On the Internet: <http://www.2dca.org/opinion/January%2007,%202005/2D03-4792.pdf>

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