

Summary Statement

T3 Enterprises v. Safeguard Business Systems

Docket No. 45093

This action arose out of Ada County and involved a distributorship agreement between Appellant Safeguard Business Systems (SBS) and Respondent T3 Enterprises (T3). In 2006, T3 entered into a Distributor Agreement with SBS. In 2014, T3 filed suit alleging SBS had breached the Distributor Agreement by failing to prevent other SBS distributors from selling to T3's customers and for paying commissions to the interfering distributors rather than to T3. The Distributor Agreement between SBS and T3 contained an arbitration clause indicating disputes were to be resolved in a Dallas, Texas based arbitration procedure. The Distributor Agreement also contained a forum selection clause indicating that Texas law would apply to any disputes between the parties. Pursuant to this agreement, SBS moved the district court to compel arbitration in Dallas. The district court determined the parties were to submit to arbitration, but that the Dallas forum selection clause was unenforceable, and arbitration was to take place in Idaho. The Arbitration Panel found for T3 and the district court confirmed the award in the amount of \$4,362,041.95. The district court denied SBS's motion to vacate or modify the award. SBS timely appealed.

The Idaho Supreme Court affirmed the district court, determining that the district court had jurisdiction to consider T3's challenge to forum. The Court also held that the district court did not err when it determined the forum selection clause was unenforceable, nor did the district court err in denying SBS's motion to vacate or modify the arbitration award. The Court also held that SBS waived the issue of privilege when it stipulated to the admission of the challenged documents at a hearing. Lastly, the Court did not award attorney fees on appeal.