

SUMMARY STATEMENT

Wadsworth v. Siddoway, Docket No. 46126

The Supreme Court affirmed the district court’s judgment. This appeal arose from the division of a three-member accounting firm, Siddoway, Wadsworth & Reese, PLLC. The three members of the firm were the personal professional corporations solely owned by each accountant. In early 2015, Reese PC signed a purchase agreement to buy a one-half interest in the client base of Siddoway PC for \$200,000. This purchase agreement included an arbitration clause. After Siddoway left the accounting firm—taking several employees and the clients’ information with him—the firm, along with its remaining members, filed a complaint in the district court against Siddoway and his personal professional corporation. Siddoway counterclaimed.

The parties brought a range of claims, and Siddoway ultimately compelled arbitration for claims related to the purchase agreement. However, the arbitrator determined the purchase agreement was void for failure of a condition subsequent. The remaining claims between the parties were tried by the district court, which decided to “leave the parties where it found them.” The Supreme Court affirmed the district court’s findings, holding that Siddoway and Siddoway PC were not entitled to attorney fees for compelling arbitration, nor did they show unjust enrichment or breach of membership duties.