

STATE OF MICHIGAN
COURT OF APPEALS

HUNTERS SQUARE OFFICE BUILDING,

Plaintiff-Appellee,

v

FREDERICK HOOPS,

Defendant-Appellant,

and

HOOPS MANAGEMENT, P.C.,

Defendant.

UNPUBLISHED

October 22, 2002

No. 233939

Oakland Circuit Court

LC No. 00-026636-CZ

Before: Talbot, P.J., and Whitbeck, C.J., and Gage, J.

PER CURIAM.

Defendant-appellant Frederick Hoops appeals as of right from the trial court's entry of an order confirming an arbitration award. We reverse and remand.

This case concerns liability under a commercial lease between plaintiff and the corporate defendant, Hoops Management, P.C. (Hoops Management). The parties disputed responsibilities for repairs under the lease, and the matter proceeded to arbitration pursuant to an arbitration clause in the lease. The arbitrator found in favor of plaintiff and awarded plaintiff \$3,688.63 against both Hoops Management and Frederick Hoops individually. The arbitrator found that although Hoops ostensibly signed the lease in his capacity as president of Hoops Management, at the time he signed the lease the corporation had been dissolved by operation of law for failure to file annual reports. The arbitrator therefore concluded that Hoops was personally liable on the lease.

Plaintiff moved the lower court to confirm the arbitration award, and Hoops objected, arguing that the arbitrator exceeded his authority in determining that Hoops had agreed to arbitrate. Hoops maintained that the lease which contained the arbitration agreement was between plaintiff and Hoops Management, and that he signed the lease in his official capacity as president and on behalf of the corporation. Hoops also argued that the corporation's subsequent reinstatement precluded his personal liability. The court disagreed and confirmed the arbitration award.

Defendant argues that the trial court erred in confirming the arbitration award because the arbitrator exceeded his authority in holding him personally liable under the lease. We agree.

We review de novo a trial court's decision to enforce, vacate, or modify a statutory arbitration award. *Gordon Sel-Way, Inc v Spence Bros, Inc*, 438 Mich 488, 496-497; 475 NW2d 704 (1991). A court will vacate or modify an arbitration decision in limited circumstances, including where a clear error of law is evident on the face of the decision or where an arbitrator has exceeded his authority. *DAIIE v Gavin*, 416 Mich 407, 443-444; 331 NW2d 418 (1982); *Rembert v Ryan's Steak Houses, Inc*, 235 Mich App 118, 163-164; 596 NW2d 208 (1999). Arbitrators derive their authority from the arbitration agreement. *Gordon Sel-Way, supra* at 496. An arbitrator exceeds his powers if he acts beyond the material terms of the contract from which he draws his authority, or if he acts in contravention of controlling principles of law. *Dohanyos v Detrex Corp (After Remand)*, 217 Mich App 171, 176; 550 NW2d 608 (1996), citing *Gavin, supra*; *Gordon-Selway, supra*.

In this case, the agreement to arbitration was between plaintiff and the corporate defendant. Hoops is not a personal guarantor on the lease, and he is not a party to the contract. He executed the lease in his official capacity as president of the corporation. Accordingly, he did not personally agree to arbitration and the arbitrator lacked authority to hold him personally liable. Further, defendant presented evidence to the court establishing that the corporation had been reinstated and was in good standing. Pursuant to MCL 450.1925 and *Bergy Bros v Zeeland Feeder Pig, Inc*, 415 Mich 286, 296-297; 327 NW2d 305 (1982), once a dissolved corporation is reinstated, personal liability against a corporate officer is precluded and all contracts entered into before reinstatement are valid and enforceable.

We note that plaintiff has not filed a brief on appeal. Plaintiff's position below was that at the time the lease was signed, the corporation had been dissolved as a matter of law and therefore Hoops is personally liable. Plaintiff provided no authority for this proposition below, nor did plaintiff attempt to refute Hoops' argument and authority that the reinstatement of a corporation precludes personal liability on the part its officers. This Court will not search for authority to support or reject a party's position. See *Davenport v Grosse Pointe Farms Bd of Zoning Appeals*, 210 Mich App 400, 405; 534 NW2d 143 (1995).

Hoops also challenges the trial court's award of costs and interest to plaintiff. In light of our disposition of the previous issue, we reverse the trial court's award of costs and interest.

Reversed and remanded for entry of an order confirming the arbitration award against the corporate defendant only. We do not retain jurisdiction.

/s/ Michael J. Talbot
/s/ William C. Whitbeck
/s/ Hilda R. Gage