

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

Moro Aircraft Leasing, Inc.,

Case No. 10cv2708

Plaintiff

v.

MEMORANDUM OPINION
AND ORDER

Jon L. Keith, et al.,

Defendants

BRIEF BACKGROUND AND INTRODUCTION

In December 2010, Moro Aircraft Leasing, Inc. (“Moro”) initiated suit against multiple parties arising from a funding agreement which would allow Moro to expand its business. Pursuant to the funding agreement and an amendment thereto, Moro was to provide \$510,000 in collateral in return for funding of approximately \$6,000,000. It was further agreed that the \$510,000 was to be refunded upon the first disbursement of the loan proceeds. Ultimately, no collateral was returned nor were funds ever disbursed to Moro. Named as defendants were Jon L. Keith, Corporate Lending & Corporate Leasing Services, Inc., Lorena Maria Harvey, Clarendon Development Holding, Inc., Phil Walton, William B. Watson, III, Watson & Watson, PC, Stephan M. Hirter, and John or Jane Does 1-10.

Following some initial motion practice, the Court dismissed the claims against Phil Walton, without prejudice, for lack of personal jurisdiction and granted Keith’s motion to compel arbitration

and stayed the claims against him pending completion of the arbitration. (Doc. No. 25). The Court then granted a stipulated motion to stay proceedings pending the completion of the arbitration.

On June 28, 2012, Plaintiff reported the arbitration was completed and that an award had been issued by the arbitrator. (Doc. No. 33). Pursuant to my order of July 5, 2012, Plaintiff filed the instant motion to confirm the arbitration award.

This matter is now before me on Plaintiff's unopposed motion to confirm the arbitration award and its reply thereto. This Court has jurisdiction pursuant to 28 U.S.C. § 1332. For the reasons that follow, I grant Plaintiff's motion to confirm the arbitration award.

MOTION TO CONFIRM ARBITRATION

The Federal Arbitration Act makes “any written provision in . . . a contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract . . . valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract,” 9 U.S.C. § 2, thereby declaring a liberal policy in favor of arbitration agreements. *See Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 24-25 (1983).

“The Federal Arbitration Act presumes that arbitration awards will be confirmed.” *Dawahare v. Spencer*, 210 F.3d 666, 669 (6th Cir.), *cert. denied*, 531 U.S. 878 (2000) (citation omitted). Therefore, a motion to confirm an arbitration award must be granted “unless the award is vacated, modified or corrected.” 9 U.S.C. § 9.

In its motion for confirmation, Plaintiff Moro states it properly filed its claims with the American Arbitration Association (“AAA”) and that all respondents were provided notice pursuant to the AAA Rules. The documentation provided by Moro also indicates the respondents were provided input as to the choice of the arbitrator. According to the documentation submitted, the

arbitration took place in May 2012, in Sylvania, Ohio. Respondent Keith chose to attend the arbitration in person and respondents Harvey, Corporate Lending & Corporate Leasing, Inc., and William B. Watson, III, provided answers or objections, in writing, to the arbitrator.

On June 20, 2012, the arbitrator issued his award in favor of Moro and against respondents Stephan M. Hirtner, Clarendon Development Holdings, Inc., Corporate Lending & Corporate Leasing, Inc., Lorena M. Harvey, Phil Walton, William B. Watson, III, and Watson & Watson, PA, for the principal sum of \$510,000.00, pre-award interest in the amount of \$111,344.83, and punitive damages of \$2,485,379.30. These respondents were also deemed jointly and severally liable to Moro for administrative fees and expenses totaling \$20,710.00. The claims against respondent Jon L. Keith were denied. A copy of the second status report summarizing the arbitration award was served via email to each of the defendants. (Doc. No. 33, p. 5). No opposition or motion challenging the award has been filed to date.

CONCLUSION

As there is no objection to the motion and in accordance with 9 U.S.C. § 9, I grant Moro's motion to confirm the arbitration award of June 20, 2012. (Doc. No. 35). The arbitration award is confirmed as follows:

1. Respondents Stephan M. Hirter, Clarendon Development Holdings, Inc., Corporate Lending & Corporate Leasing, Inc., Lorena M. Harvey, Phil Walton, William B. Watson, III, and Watson & Watson, PA, shall pay to Claimant Moro Aircraft Leasing, Inc., the principal sum of \$510,000.00, an additional \$111,344.83 in pre-award interest, and punitive damages of \$2,485,379.30, for a total damages amount of \$3,106,724.10.
2. All claims against Respondent Jon L. Keith are denied.

3. The administrative fees and expenses of the International Centre for Dispute Resolution (ICDR) totaling \$8,700.00 and the compensation and expenses of the arbitrator totaling \$12,010.12 shall be borne by Respondents Stephan M. Hirter, Clarendon Development Holdings, Inc., Corporate Lending & Corporate Leasing, Inc., Lorena M. Harvey, Phil Walton, William B. Watson, III, and Watson & Watson, PA, jointly and severally. Therefore, Respondents Stephan M. Hirter, Clarendon Development Holdings, Inc., Corporate Lending & Corporate Leasing, Inc., Lorena M. Harvey, Phil Walton, William B. Watson, III, and Watson & Watson, PA shall reimburse Moro Aircraft Leasing, Inc., the sum of \$20,710.12 representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by Moro Aircraft Leasing, Inc.

So Ordered.

s/ Jeffrey J. Helmick
United States District Judge