

# **BINDING ARBITRATION AND ITS EFFECT ON CONSUMER FINANCE CASES**

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Thomas Jefferson stated that anyone who takes away the right to trial by jury is an “enemy of the state”. Apparently, there are a lot of enemies of the state these days. Almost all consumer finance companies have arbitration agreements buried in their loan documents. Most of the time these clauses are hidden in the fine print of their lengthy documents. Even though the consumers don’t see the arbitration agreements, they are bound by them if they sign the loan documents.

The Alabama Supreme Court has issued numerous rulings dealing with arbitration and consumer finance. The Court has even held that consumers who can’t understand the English language are bound by these clauses. The court has also held that consumers who don’t even sign the arbitration agreements are bound by them.

It is obvious that our Supreme Court has gone too far in their arbitration rulings. If the word “arbitration” is even breathed, consumers are required to give up their constitutional right to a trial by jury.

Unfortunately, given our current Supreme Court rulings, there are very few ways around the arbitration agreements. I will discuss the most important and the most devastating cases dealing with arbitration that relate to consumer finance.

- I. *Larketta Randolph, et al. v. Green Tree Financial Corp – Alabama*  
1999 WL 412591 (11<sup>th</sup> Cir. (Ala.))
- II. *First Family Financial Services, Inc. v. Bob Rogers, et al.*

1999 WL 148205 (Ala.)

- III. *Infiniti of Mobile, Inc., et al. v. English Office, et al.*  
1999 WL 7014 (Ala.)
- IV. *Transouth Financial Corporation, et al. v. Ronald A. Bell*  
1999 WL 424337 (Ala.)
- V. *Anniston Lincoln Mercury Dodge v. Su K. Conner*  
1998 WL 432251
- VI. *Ex parte Kenneth Bentford, et al. v. Tri-Star Development Corp., et al.*  
719 So.2d 778 (Ala. 1998)
- VII. *Ex parte Dan Tucker Auto Sales, Inc.*  
718 So.2d 33, (Ala. 1998)

It is sad that consumers in Alabama must give up their constitutional rights without even knowing it. The founders of this country realized how important this right was and they firmly implanted it in the constitution. They are probably rolling over in their graves now.