

**BLOGS**
Arbitration

Missouri Federal Court Grants Franchisor's Motion to Compel Individual Arbitration in Antipoaching Class Action

A federal court in Missouri granted the motion of H&R Block Tax Services ("Block") to compel individual arbitration of a putative antitrust class action challenging an antipoaching provision contained in Block's franchise agreements. *Davidow v. H&R Block, Inc.*, 2019 WL 2090690 (W.D. Mo. May 13, 2019). Plaintiff Janice Davidow's complaint alleged that the antipoaching provision unreasonably restricted the mobility and suppressed the compensation of employees of Block and its franchisees. That provision prohibited a Block franchisee from soliciting any employee of Block or its franchisees without Block's consent. Davidow was employed by H&R Block Eastern Enterprises, an affiliate of Block, subject to employment agreements requiring that disputes involving H&R Block Eastern Enterprises or its "parents, subsidiaries, and affiliates" be resolved through binding arbitration. Although Block was not a party to Davidow's employment agreements, it moved to compel arbitration on the basis of the arbitration provision contained in those agreements.

In granting Block's motion, the court rejected Davidow's argument that the employment agreements lacked consideration because they required arbitration of claims likely to be brought by an employee but excluded those typically brought by employers. Although the arbitration provision included some claims and excluded others, the court found there to be a mutuality of promises in the agreements because neither were the arbitrable claims limited to those Davidow could bring, nor were the claims excluded from arbitration limited to those Block could bring. Next, the court rejected Davidow's argument that Block was precluded from enforcing an arbitration provision contained in employment agreements to which it was not a party. The court pointed out that the arbitration provision specifically applied to disputes between Davidow and "parents, subsidiaries, and affiliates" of her employer H&R Block Eastern Enterprises. Finally, the court concluded that the arbitration provision applied to Davidow's antitrust claims and waived her right to pursue her claims on a classwide basis. As a result, the court stayed the matter and compelled arbitration in accordance with the terms of Davidow's employment agreements.

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