

UDCA 206: District Court's Power To Confirm an Arbitrator's Award Is Determined by Amount of the Award and Not by the Amount of the Original Claim

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UNIFORM DISTRICT COURT ACT

UDCA 206: District Court's power to confirm an arbitrator's award is determined by amount of the award and not by the amount of the original claim.

In *Rico Tile Co. v. Persichilli Homes, Inc.*,¹⁹⁵ defendant (Persichilli) agreed to build a home for one Romani. When the latter failed to make final payment, Persichilli procured a mechanic's lien in the amount of \$9,234.50 and commenced arbitral proceedings to settle the dispute. Subsequently, Rico Tile Co. (Rico) brought an action against Persichilli to recover \$807.60 for work performed under its subcontract. Persichilli impleaded Romani, but the parties ultimately agreed to settle the subcontractor's claim at arbitration. Awards of \$1,028.24 in favor of Rico against Persichilli and \$5,629.36 in favor of Persichilli against Romani were rendered and the district court entered judgment upon both awards with judgment over in favor of Persichilli against Romani on Rico's claim. Subsequently, Romani moved to vacate judgment, asserting that the district court lacked subject matter jurisdiction inasmuch as the original claim exceeded its \$6,000 limitation. In denying the motion, the district court conceded that the original claim surpassed its jurisdictional limitation but concluded that it had not exceeded its power in entering judgment on the arbitrator's award¹⁹⁶ because "there was never an action pending . . . which was over the \$6,000 limit."¹⁹⁷

Rico Tile serves to illustrate that the courts do not take cognizance of an arbitrable controversy until the first application arising out of the arbitration is made.¹⁹⁸ Often, a preliminary application to compel or stay arbitration will transmute the arbitration into a special proceeding,¹⁹⁹ provided that the particular court has jurisdiction over the original monetary claim.²⁰⁰ Where, as in *Rico Tile*, however, the first application is not made until after an award has been rendered, the court's power to entertain the special proceeding to confirm the award is measured by the amount of the award, and not by the amount of the original claim.²⁰¹

¹⁹⁵ 312 N.Y.S.2d 515 (Dist. Ct. Suffolk County 1970).

¹⁹⁶ UDCA 206(b) provides:

Proceedings on award under CPLR article 75. Where a controversy has been duly arbitrated and an award made therein is for relief which is within the court's jurisdiction, the court shall have jurisdiction of proceedings under CPLR §§ 7510 through 7514, relating to judicial recognition of such awards, which provisions shall be applicable thereto.

¹⁹⁷ 312 N.Y.S.2d at 517.

¹⁹⁸ CPLR 7502(b).

¹⁹⁹ See, e.g., *Chariot Textiles Corp. v. Wannalancit Textiles Co.*, 18 N.Y.2d 793, 221 N.E.2d 913, 275 N.Y.S.2d 382 (1966).

²⁰⁰ See *Edwards v. Bergner*, 22 App. Div. 2d 808, 254 N.Y.S.2d 798 (2d Dep't 1964).

²⁰¹ See note 196 *supra*.