

Man Bites Dog: Employer Awarded Attorney Fees From Employee For Resisting Arbitration

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An employee filed suit against his employer for fraud, breach of contract, etc., even though the employee had signed an arbitration agreement. The trial court ruled, and the court of appeals agreed, that the employee had to pay attorney fees and costs of \$17,000 to the employer for having to compel arbitration. The court reasoned that an arbitration agreement is a contract and when one party breaches a contract, they are liable for the other party's attorney fees and costs. (*Rasmussen v. LBC Petrounited*)

It is highly unusual for an employee to have to pay the employer's attorney fees. This case should give any plaintiff attorney pause as to whether they want to contest an arbitration clause. Make sure your employee arbitration agreement is drafted to take advantage of this case.

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