

RECENT DEVELOPMENTS

preparation fee. AutoNation opposed Leroy's certification and moved to compel arbitration according to the terms of the Purchase Agreement. The trial court denied AutoNation's motion to compel arbitration and granted Leroy's motion for class certification.

HOLDING: Reversed and remanded.

REASONING: The Texas Supreme Court has held that "federal and state laws strongly favor arbitration" and that under the Federal Arbitration Act ("FAA"), "any doubts as to whether a plaintiff's claims fall within the scope of the agreement must be resolved in favor of arbitration." Contract law in Texas is well-settled: "when several instruments, executed contemporaneously or at different times, pertain to the same transaction, they will be read together although they do not expressly refer to each other."

The court held that Leroy's claim was subject to

arbitration on the grounds that the contract's arbitration provision was not so inconspicuous that it was unconscionable. The court found that there was no entitlement to proceed as a class because the FAA is part of a substantive law of Texas, and "procedural devices", such as Rule 42's provision for class actions, "may not be construed to enlarge or diminish any substantive rights or obligations of any parties to any civil action." The court found sufficient notice because the front pages of both the Purchase Agreement and the RIC contained notices in capital letters that stated that a documentary fee is not an official fee, and that a documentary fee may not exceed fifty dollars. The arbitration provision did not violate public policy because the Supreme Court made clear in *Moses H. Cone Mem'l Hosp. V. Mercury Const. Co.*, that the FAA "requires piecemeal resolution when necessary to give effect to an arbitration agreement." 460 U.S. 1, 20 (1983).

LANDLORD TENANT

TENANT NOTICE REGARDING OWNERSHIP DISCLOSURE DOES NOT HAVE TO STATE SPECIFIC PROVISION UNDER WHICH LEGAL ACTION WILL BE TAKEN

McBeath v. Estrada Oaks Apartments, ____ S.W.3d ____ (Tex. App.—Dallas 2003).

FACTS: McBeath, a tenant at Estrada Oaks Apartments, requested disclosure of ownership and management from Estrada Oaks Apartments. McBeath's first letter to Estrada Oaks requested the name and address of the apartment owner. She sent that request on December 17, 2001. She then sent Estrada Oaks letters on January 19, 2002, and January 25, 2002, again requesting the name and address of the owner of her rental unit. McBeath wrote that if she did not receive the information within seven days, she "may take legal action." Estrada Oaks responded to McBeath on January 23, 2002 but provided only an address for its corporate office. Because she did not receive the requested information, specifically the name and address of her apartment's owner and the name of the management property's headquarters, within seven days of her letters, McBeath sued and requested remedies as listed in the Texas Property Code.

Estrada Oaks argued that McBeath had not performed all of the conditions precedent to a right of recovery under the property code and moved for summary judgment. McBeath responded and also moved for summary judgment, arguing she was entitled to judgment as a matter of law by virtue of copies of her three letters as summary judgment evidence. Estrada Oaks responded to McBeath's motion, contending that the sole dispute was whether the three notices sent by McBeath to Estrada Oaks satisfied the statutory requirements of the property code. The court entered summary judgment in favor of Estrada Oaks. McBeath appealed.

HOLDING: Reversed and remanded.

REASONING: When a tenant requests a disclosure of ownership and management under the property code, a landlord is liable for failing to disclose the information within seven days if the tenant makes a request and gives written notice that the tenant "may exercise his remedies under the subchapter." TEX. PROP. CODE ANN. § 92.202(a)(2).

A landlord is liable for failing to disclose the information within seven days if the tenant makes a request and gives written notice that the tenant "may exercise his remedies under the subchapter."

Estrada Oaks argued that McBeath was required to direct the landlord to the specific statutory provisions under which she could bring a cause of action and the specific provision requiring it to provide the information. Estrada Oaks also argued that the specific language was necessary to put it on notice of the specific penalties under the property

code. However, there is no case law stating or supporting its position.

McBeath sent Estrada Oaks letters on January 19, 2002 and January 25, 2002, and in both letters she requested the name and address of the owner of her rental unit. Also in these letters, McBeath stated that if she did not receive the information within seven days, she "may take legal action." Because her letter notified Estrada Oaks that the consequences of its failure to respond would be "legal action," the Court concluded that McBeath substantially complied with section 92.202(a)(2). Accordingly, McBeath was entitled to summary judgment as a matter of law.