

Court Compels Arbitration Based on Clause Incorporated Into Guaranty Agreement

The U.S. District Court for the District of the Virgin Islands recently compelled arbitration after concluding that a personal guaranty incorporated an arbitration agreement from an underlying contract and rejecting various arguments to the contrary, reports Carlton Fields' **Reinsurance Focus**.

The case involved a leasing agreement that contained an arbitration provision, but the personal guaranty did not. The personal guaranty did, however, provide that the "performance of any and all financial obligations of the Lessee to the Lessor ... subject to the terms and conditions contained in the ... Leasing Agreement."

The court found that the plain language of the personal guaranty incorporated the arbitration provision from the leasing agreement.

Read the article.