

# Baker vs osborne development corp

[Business](#)



Baker and the others are not bound by the arbitration agreement because they did not directly agree to it, as well as the fact that they were never specifically informed of it by HBW. Even though in NCR Corporation vs. Korala Associates Ltd. the court affirmed that arbitration is a legally binding method to solving disputes, Baker did not agree to the clause. Osborne Corp did, but only after the original contract had been signed, causing HBW to re-issue booklets to the homeowners that informed them of the agreement. Yet, in doing so, HBW did not call attention to the agreement, which means that the homeowners would have had no notice of it.

The ethics of this practice can be called into question because while HBW issued booklets to Baker et al with the clause of arbitration included, it did not call any attention to such an agreement nor inform any of the homeowners outright that they would be bound to the agreement. It is not the fault of the homeowners that Osborne entered into the agreement, and therefore they do not have to abide by it. The homeowners did not sign the forms with HBW, Osborne did, and without informing the homeowners directly that they had done so, the homeowners cannot be held accountable. It can be inferred that the provision of arbitration was ‘hidden in the fine print’, and therefore it would be unethical to subject the homeowners to arbitration when they clearly had no way of knowing that they would have to abide by this.

It can also be said that both HBW and Osborne failed in their ethical duty to the homeowners, Osborne because they did not inform the homeowners that they (Osborne Corp.) had entered into the arbitration agreement with HBW, and HBW because it did not clearly inform the homeowners that they were required to solve disputes by arbitration rather than by filing suit.

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Baker and the other homeowners, even though there is an agreement for arbitration under the warranty, are not bound by it because they did not sign the agreement directly and did not enter into the agreement of their own free will.