#### STATE OF RHODE ISLAND

WASHINGTON, SC.

**SUPERIOR COURT** 

(FILED: May 29, 2025)

BEACH STREET REALTY, LLC AND :

NARRAGANSETT CASINO, LLC,

Plaintiffs,

:

v. : C.A. No. WC-2021-0476

:

**BEACHCOMBER PROPERTIES, LLC, :** 

Defendant.

## **DECISION**

**TAFT-CARTER, J.** Before this Court is Plaintiffs' Petition to Confirm Arbitration Award. (Pls.' Pet. Confirm Arbitration Award (Pls.' Mot.) 1.) The Defendant objects to the petition to confirm the award on the basis that the award is not a final award. (Def.'s Obj. to Confirmation of Arbitration Award (Def.'s Obj.) 2.) Jurisdiction is pursuant to G.L. 1956 §§ 10-3-10 and 10-3-11.

Ι

### **Facts and Travel**

The underlying dispute relates to the assignment of a commercial lease. On October 26, 2021, Plaintiffs, Beach Street Realty, LLC and Narragansett Casino, LLC, filed a Complaint against Defendant, Beachcomber Properties, LLC, alleging four counts: (1) breach of contract; (2) tortious interference with contract; (3) declaratory judgment that lease is valid and binding and in full force and effect and that Beachcomber must provide written consent to the assignment of the lease by Beach Street to Narragansett Casino; and (4) specific performance that Beachcomber must provide written consent to the assignment of the lease to Beach Street. *See* Compl. On January 13, 2022, Defendant moved to stay the litigation proceedings while the

parties pursued the matter in arbitration. (Def.'s Emergency Mot. to Stay Pending Arbitration 1.) On February 15, 2022, the Court granted Defendant's Emergency Motion, staying the litigation pending arbitration. *See* Docket. On July 5, 2022, the Court entered an Order to compel arbitration. *See* Docket.

The arbitration proceedings commenced on June 5, 2024, and continued over four days, June 5, 6, 7, and 20, 2024. (Pls.' Mot. Ex. C (Award of Arbitrator) at 1.) Following the proceedings, the parties submitted memoranda of law on September 17, 2024. *Id.* The sole issue before the arbitrator was "the commercial reasonableness of Beachcomber Properties, LLC's ('Beachcomber') withholding of consent to assign the Ground Lease to Narragansett Casino, LLC[.]" *Id.* 

On November 12, 2024, the arbitrator issued its Award of Arbitration, "in full settlement of **the single issue set forth in this arbitration**," finding that Beachcomber Properties unreasonably withheld consent to assign the ground lease to Narragansett Casino. *Id.* at 23 (emphasis in original). Neither party has moved to modify or vacate the award.

On April 30, 2025, Plaintiffs filed their petition to enforce the arbitral award. (Pls.' Mot. 1.) Defendant objected on May 14, 2025, (Def.'s Obj. 1), and Plaintiffs filed a Reply on May 15, 2025. (Pls.' Reply Supp. Mot. to Confirm Arbitration Award 1.) The Court conducted a hearing on the matter on May 16, 2025 and renders its decision now.

II

#### **Standard of Review**

The Rhode Island Arbitration Act governs judicial review of arbitral awards. G.L. 1956 chapter 3 of title 10; *see also*, *ABC Building Corp. v. Ropolo Family*, *LLC*, 179 A.3d 701, 705 (R.I. 2018).

Section 10-3-11 of the Arbitration Act describes the procedure for confirming an award: "[a]t any time within one year after the award is made, any party to the arbitration may apply to the court for an order confirming the award, and thereupon the court *must* grant the order confirming the award unless the award is vacated, modified or corrected, as prescribed in §§ 10-3-12–10-3-14." Section 10-3-11 (emphasis added). "Thus, if none of the 'narrow conditions' delineated in § 10-3-12—as [the Rhode Island Supreme Court] has interpreted them—are present, and if there has been no manifest disregard of the law, '[t]he statutory directive is clear: a reviewing justice must confirm the award[.]" *ABC Building Corp.*, 179 A.3d at 706 (quoting *Wheeler v. Encompass Insurance Co.*, 66 A.3d 477, 480, 481 (R.I. 2013)).

#### Ш

### **Analysis**

"Rhode Island has a strong public policy in favor of the finality of arbitration awards." *Berkshire Wilton Partners, LLC v. Bilray Demolition Co.*, 91 A.3d 830, 834 (R.I. 2014). "The 'policy of finality is reflected in the limited grounds that the Legislature has delineated for vacating an arbitration award." *Id.* at 835 (quoting *Prudential Property and Casualty Insurance Co. v. Flynn*, 687 A.2d 440, 441 (R.I. 1996)). In light of this policy, "[t]he statutory directive is clear: a reviewing justice must confirm the award unless statutory grounds exist to warrant some other action." *Wheeler*, 66 A.3d at 481.

Here, Plaintiffs petition to confirm the award pursuant to § 10-3-11. (Pls.' Mot. 1.) Defendant objects to confirming the award because "it does not grant relief on or fully decide any claim, does not award any damages whatsoever, and merely makes a finding on a sole issue, to wit, whether Beachcomber Properties, LLC acted in a commercially reasonable manner in withholding its consent to the proposed assignment of [the] lease[.]" (Def.'s Obj. 2.) Notably,

Defendant does not argue that the award is deficient because of an error of law or fact and has not moved to vacate or modify the award on its merits—rather, it merely objects to Plaintiffs' petition to confirm it.

In Rhode Island, an objection to confirm an arbitral award has been treated as an application to modify the award pursuant to § 10-3-14(a). *See Wheeler*, 66 A.3d at 482. As such, this Court will consider Defendant's objection as an application to modify or correct the award.

The Arbitration Act prescribes narrow circumstances in which the Court is permitted to modify or correct an award:

- "(1) Where there was an evident material miscalculation of figures, or an evident material mistake in the description of any person, thing, or property referred to in the award.
- "(2) Where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matters submitted.
- "[Or] (3) Where the award is imperfect in matter of form not affecting the merits of the controversy." Section 10-3-14(a).

Our law is clear that in the absence of one of the above-stated circumstances, "a trial justice has no power to modify an award[.]" *Wheeler*, 66 A.3d at 483 (internal citations omitted); *see also*, *Paola v. Commercial Union Assurance Companies*, 461 A.2d 935, 937 (R.I. 1983).

Here, Defendant does not point to any of the three permissible grounds for award modification. Rather, Defendant argues that the award does not fully resolve all of the claims stated in Plaintiffs' Complaint and is therefore "[not] ripe" for confirmation. (Def.'s Obj. 2.) Defendant's stated ground for objecting to the confirmation of the award is not recognized under the statute as a ground for modification or correction. *See* § 10-3-14(a).

Although the Court could properly end its analysis here, it will briefly address the substance of Defendant's position regarding the finality of the award below.

When a party properly moves to modify an award under § 10-3-14, "a trial justice reviewing an arbitration award is constrained to the four corners of the award itself and the record of the arbitration proceeding." *Lemerise v. Commerce Insurance Co.*, 137 A.3d 696, 703 (R.I. 2016). Given that a trial justice is constrained to reviewing the award itself and the arbitration proceeding record, it would be improper for the Court here to compare the issues resolved in the Arbitrator's Award to the claims made in Plaintiffs' 2021 Complaint to determine whether the award must be corrected. *See Lemerise*, 137 A.3d at 703.

Nevertheless, a review of the four corners of the Arbitration Award makes it abundantly clear that the Arbitrator did not overlook or ignore additional claims between the parties. Rather, the Arbitrator begins the award by stating that "the Arbitrator will limit this Award to the single issue presented below, which was agreed upon by the parties." (Award of Arbitrator 1 (emphasis added).)¹ The scope of the award is referenced repeatedly thereafter, including on pages 2, 6, 10, and 23 of the written Award of Arbitration. See id. at 2, 6, 10, 23. In addition, following the arbitral proceedings, the parties had the opportunity to submit memoranda of law on the single issue to be decided. Id. at 1. In its own "Final Arbitration Brief," Defendant clearly stated that "the sole issue in this case is whether Beachcomber's withholding of consent to assign the lease to casino was commercially reasonable." (Pls.' Mot. Ex. B, at 2.)

Defendant was certainly aware that the Award of Arbitration would resolve the sole issue of whether Defendant acted in a commercially reasonable manner when it refused to consent to a lease assignment from Beach Street Realty, LLC to Narragansett Casino, LLC. Defendant has pointed to no authority under the Arbitration Act, or otherwise, that would permit this Court to modify the award on this basis. Given that the Award of Arbitrator is in writing and signed by

<sup>&</sup>lt;sup>1</sup> The single issue identified is: "Did Beachcomber Properties, LLC unreasonably withhold its consent to assign the Ground Lease to Narragansett Casino, LLC?" (Award of Arbitration 2.)

the sole arbitrator—as required by § 10-3-10—and the Court finds no statutory grounds to modify the award, Plaintiffs' Petition to Confirm Arbitration Award is granted.

# IV

# Conclusion

Plaintiffs' Petition to Confirm Arbitration Award is granted. Counsel shall submit the appropriate order for entry.



# RHODE ISLAND SUPERIOR COURT

## **Decision Addendum Sheet**

TITLE OF CASE: Beach Street Realty, LLC and Narragansett Casino,

LLC v. Beachcomber Properties, LLC

CASE NO: WC-2021-0476

COURT: Washington County Superior Court

DATE DECISION FILED: May 29, 2025

JUSTICE/MAGISTRATE: Taft-Carter, J.

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