

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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GREEN TREE FINANCIAL CORP.-ALABAMA ET AL. *v.*
RANDOLPHCERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE ELEVENTH CIRCUIT

No. 99–1235. Argued October 3, 2000— Decided December 11, 2000

Respondent Randolph’s mobile home financing agreement with petitioners, financial institutions, required that Randolph buy insurance protecting petitioners from the costs of her default and also provided that all disputes under the contract would be resolved by binding arbitration. Randolph later sued petitioners, alleging that they violated the Truth in Lending Act (TILA) by failing to disclose the insurance requirement as a finance charge and that they violated the Equal Credit Opportunity Act by requiring her to arbitrate her statutory causes of action. Among its rulings, the District Court granted petitioners’ motion to compel arbitration, dismissed Randolph’s claims with prejudice, and denied her request for reconsideration, which asserted that she lacked the resources to arbitrate, and as a result, would have to forgo her claims against petitioners. The Eleventh Circuit held that it had jurisdiction to review the District Court’s order under §16(a)(3) of the Federal Arbitration Act (FAA), which allows appeals from “a final decision with respect to an arbitration that is subject to this title.” The court determined that a final, appealable order within this provision is one that disposes of all the issues framed by the litigation, leaving nothing to be done but execute the order, and found the District Court’s order within that definition. Determining also that the arbitration agreement failed to provide the minimum guarantees that Randolph could vindicate her statutory rights under the TILA, the court observed that the agreement was silent with respect to payment of arbitration expenses, and therefore held the agreement unenforceable because it posed a risk that Randolph’s ability to vindicate her statutory rights would be undone by “steep” arbitration costs.

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Held:

1. Where, as here, the District Court has ordered the parties to proceed to arbitration, and dismissed all the claims before it, the decision is “final” under §16(a)(3), and therefore appealable. The term “final decision” has a well-developed and longstanding meaning: It is a decision that ends the litigation on the merits and leaves nothing more for the court to do but execute the judgment. *E.g.*, *Digital Equipment Corp. v. Desktop Direct, Inc.*, 511 U. S. 863, 867. Because the FAA does not define “a final decision with respect to an arbitration” or otherwise suggest that the ordinary meaning of “final decision” should not apply, this Court accords the term its well-established meaning. See *Evans v. United States*, 504 U. S. 255, 259–260. The District Court’s order plainly falls within that meaning because it disposed of the entire case on the merits and left no part of it pending before the court. The fact that the FAA permits parties to arbitration agreements to bring a separate proceeding to enter judgment on an arbitration award once it is made (or to vacate or modify it) does not vitiate the finality of the District Court’s resolution of the claims below. Moreover, this Court disagrees with petitioners’ contention that the phrase “final decision” does not include an order compelling arbitration and dismissing the other claims in the action when that order occurs in an “embedded” proceeding, such as this one, involving both an arbitration request and other claims for relief, as distinguished from an “independent” proceeding in which a request to order arbitration is the sole issue before the court. It does not appear that, at the time of §16(a)(3)’s enactment, Court of Appeals decisions attaching significance to this independent/embedded distinction, and its consequences for finality, were so firmly established that this Court should assume Congress meant to incorporate them into §16(a)(3). Certainly the statute’s plain language does not suggest such an intent. Pp. 4–8.

2. Randolph’s agreement to arbitrate is not rendered unenforceable simply because it says nothing about arbitration costs, and thus fails to provide her protection from potentially substantial costs of pursuing her federal statutory claims in the arbitral forum. In light of the FAA’s purpose to reverse longstanding judicial hostility to arbitration agreements and to place them on the same footing as other contracts, *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U. S. 20, 24, this Court has recognized that federal statutory claims can be appropriately resolved through arbitration and has enforced agreements involving such claims, see, *e.g.*, *Rodriguez de Quijas v. Shearson/American Express, Inc.*, 490 U. S. 477. In determining whether such claims may be arbitrated, the Court asks whether the parties agreed to submit the claims to arbitration and whether Congress has evinced an intention

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to preclude a waiver of judicial remedies for the statutory rights at issue. See, e.g., *Gilmer*, *supra*, at 26. Here, it is undisputed that the parties agreed to arbitrate all claims relating to their contract, including claims involving statutory rights, and Randolph does not contend that the TILA evinces an intention to preclude a waiver of judicial remedies. She contends instead that the arbitration agreement's silence with respect to costs creates a "risk" that she will be required to bear prohibitive arbitration costs, and thereby be unable to vindicate her statutory rights in arbitration. Although the existence of large arbitration costs may well preclude a litigant like Randolph from effectively vindicating such rights, the record does not show that Randolph will bear such costs if she goes to arbitration. Indeed, it contains hardly any information on the matter, revealing only the agreement's silence on the subject. That fact alone is plainly insufficient to render it unenforceable. To invalidate the agreement would undermine the liberal federal policy favoring arbitration agreements, *Moses H. Cone Memorial Hospital v. Mercury Constr. Corp.*, 460 U. S. 1, 24, and would conflict with this Court's holdings that the party resisting arbitration bears the burden of proving that Congress intended to preclude arbitration of the statutory claims at issue, see, e.g., *Gilmer*, *supra*, at 26. Thus, a party seeking to invalidate an arbitration agreement on the ground that arbitration would be prohibitively expensive bears the burden of showing the likelihood of incurring such costs. Randolph did not meet that burden. The Court need not discuss how detailed such a showing would have to be, for in this case, there was no timely showing at all on the point. Pp. 8–12.

178 F. 3d 1149, affirmed in part and reversed in part.

REHNQUIST, C. J., delivered the opinion of the Court, Part II of which was unanimous and Parts I and III of which were joined by O'CONNOR, SCALIA, KENNEDY, and THOMAS, JJ. GINSBURG, J., filed an opinion concurring in part and dissenting in part, in which STEVENS and SOUTER, JJ., joined, and in which BREYER, J., joined as to Parts I and III.