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***Broadband Dynamics, LLC v. SatCom Marketing, Inc.*, CA-CV 17-0102, (2018)**

Arizona courts disfavor statute-of-limitation defenses. Where a dispute presents two possible statute-of-limitation constructions, the longer limitations period governs.

Broadband and SatCom entered an agreement for dedicated voice and telecommunications services. Under the agreement, Broadband provided services to SatCom services under an open account based on SatCom's usage. The agreement had a liquidated damages provision mandating payment of both the unpaid revenue and a portion of the future usage upon termination of the agreement.

Broadband sued SatCom for breach of the agreement. Broadband included both unpaid revenue and future usage in its damages. SatCom moved to dismiss arguing Broadband's claim was barred by the three-year statute of limitations on open accounts. *See* A.R.S. § 12-543(2). Although Broadband countered the entire agreement and its damages were governed by the six-year statute of limitations applicable to contracts, the court agreed with SatCom and dismissed Broadband's claim.

On appeal, Broadband argued the two portions of its claim could be separated. Broadband conceded the three-year limitation applied to its revenue damages from the open account, but argued the future revenue portion of its claims were governed by the six-year limitations period applicable to contracts.

Arizona courts review statute of limitations arguments *de novo*. Statutes-of-limitations defenses are not favored in Arizona, and where two constructions are possible, our courts prefer the longer limitations period. The Broadband/SatCom service agreement created an open account, but was also a contract setting forth the parties' duties and liabilities separate and apart from the open account. The agreement was a memorialized writing between two represented, sophisticated entities. Under Arizona law, the agreement gave rise to multiple claims, including both a claim for revenue on the open account, and a claim for future usage under the liquidated-damages provision.

These claims are not so "intertwined" the shorter statute of limitations should govern. When a single agreement contains mixed obligations giving rise to multiple statutes of limitations, the parties' obligations under the agreement determine the applicable statute of limitations. While Broadband's claims for revenue on the open account are barred by the shorter limitations period, SatCom's liability under the liquidated-damages provision was a separate and distinct claim governed by the longer, six-year limitations period applicable to contracts.

For these reasons, the Court of Appeals awarded Broadband its reasonable attorneys' fees and costs as the prevailing party on appeal and remanded the dispute back to the Superior Court for further proceedings.