

## ALTERNATIVE RESOLUTION CENTERS (ARC)

### ARBITRATION RULES

1. **Agreement of the Parties.** These rules shall apply whenever the parties have agreed to arbitrate in accordance with ARC Arbitration Rules and/or whenever the parties agree that ARC shall serve as the administrator of an arbitration.
2. **Initiation of Arbitration Proceeding.** The arbitration may be initiated in one of the following ways:
  - a. **By ARC Stipulation.** The parties may initiate an arbitration by executing an ARC Stipulation to Binding Arbitration.
  - b. **By Submission Agreement.** The parties, having agreed to submit a pending dispute to arbitration, may request, either orally or in writing, that ARC administer the arbitration. The parties should inform ARC as to the names, addresses, and telephone numbers of all the parties and their attorneys or other representative, if any; the issues to be determined by the arbitrator; the amount of money involved, if any; and the remedies requested.
  - c. **By Pre-Dispute Agreement.** Where the dispute arises under the terms of a contract in which the parties have agreed to binding arbitration to be administered by ARC or in accordance with ARC Rules, arbitration may be initiated by one party's serving all other parties with notice of the nature of the claim and a demand for arbitration. The claimant shall file two (2) copies of the notice and demand, together with two (2) copies of the contract, with ARC. The party may file a response, which may include a counterclaim. Failure to respond to the demand will not delay the arbitration, and lack of response will be considered a denial of the claim. Any response must be served on the claimant and two (2) copies filed with ARC within thirty (30) days of service of the notice and demand.
3. **Selection of the Arbitrator.** ARC shall maintain a special panel of neutrals qualified to serve as arbitrators. The case shall be submitted to a single arbitrator chosen by the parties from the ARC panel. If the parties' stipulation, submission agreement, or pre-dispute agreement names an arbitrator on the panel or specifies a method for selecting an arbitrator from the ARC panel, the arbitrator named shall be appointed or the method specified utilized. Otherwise, the parties may select any mutually agreeable ARC panel member to hear the case. If the parties have not notified ARC of their selection within thirty (30) days from the date of initiating arbitration, ARC shall furnish each party with a list of panel members numbering one more than the number of parties; each party shall strike one name from the list and return the list to ARC within seven (7) days; and ARC shall appoint a name from those names remaining on the list as arbitrator. If a party does not return the list to ARC within the specified time period, all names on the list shall be deemed acceptable to that party.

4. **Disclosure and Disqualification.** The proposed arbitrator shall make disclosures as required by law, including California Code of Civil Procedure (CCP) sec. 1281.9 or its successor statute and the Ethics Standards, in writing within 10 days after notice of the proposed appointment. The disclosures shall be served upon the parties and ARC. Party responses, if any, shall be in accordance with the CCP with a copy served on ARC. After the time for any response has passed, and no timely objection has been received, ARC will deem that the proposed arbitrator has been appointed.

Disqualification of the proposed arbitrator shall be as required by law, including CCP sec. 1281.91 or its successor statute and the Ethics Standards.

5. **Vacancy.** If the proposed arbitrator is disqualified or otherwise cannot serve or if a vacancy occurs after appointment because the arbitrator withdraws, becomes disqualified, or is otherwise determined by ARC to be unable to serve, a substitute arbitrator shall be selected in the manner set forth herein for selection of the original arbitrator.

6. **Communications with Arbitrator.** After the arbitrator is appointed, there shall be no direct communication between the parties and the arbitrator other than at oral hearings. Any other communications from the parties shall be directed to ARC.

7. **Time and Place of Hearing.** After consultation with the parties and the arbitrator, ARC shall fix the date and time of the first hearing. The arbitrator shall fix the date and time of any adjourned hearing at the time of adjournment after conferring with the ARC Administrator.

The parties shall select a mutually agreeable place where the arbitration is to be held, provided the site is acceptable to the arbitrator, and shall notify ARC of the place selected. If a place is not designated at least three (3) days before the date set for hearing, ARC may determine the site, which determination shall be final and binding.

8. **Service of Notice.** Any papers or process necessary or proper for the initiation or continuation of an arbitration under these Rules, for any court action in connection therewith, or for the entry of judgment on an award made thereunder, may be served upon a party by facsimile or mail addressed to such party or its attorney at the last known address for service, or by personal service, or in any other manner permitted by law. ARC may be served by facsimile or mail addressed to its main office (1875 Century Park East, Suite 450, Los Angeles, California, 90067; FAX (310-284-8229), or in any other manner permitted by law.

9. **Pre-hearing Conference/Case Management Meeting.** Once an arbitrator is selected, the parties may request, or the arbitrator may require, that a pre-hearing conference or case management meeting be scheduled to arrange for the exchange of information, stipulations as to uncontested facts, or other matters which will expedite the arbitration proceeding. The arbitrator may recommend non-binding mediation or a settlement conference at this time.



10. **Mediation or Settlement Conference.** A mediation or settlement conference may be scheduled at any time with the agreement of the parties and the concurrence of the arbitrator. The mediation or settlement conference may be presided over by the designated arbitrator with the consent of the parties or by such other ARC panel member as the parties may select.
11. **Stenographic Record.** Any party wishing a stenographic record shall make arrangements directly with a stenographer and shall notify the other parties of such arrangement in advance of the hearing. After the hearing at which a stenographic record is made, a copy of the transcript shall be made available to the arbitrator and to any other party for inspection. In the absence of a stenographer, the arbitrator may, on his or her own motion, cause the hearing to be tape recorded, and the recording will remain an informal record of the proceeding to serve as an aid to the arbitrator. In no event is ARC obligated to preserve any of the records so made.
12. **Arbitration in Absence of Party.** The arbitration may proceed in the absence of any party or representative who, after due notice, fails to appear or fails to obtain an adjournment or continuance. Even if a party defaults, the arbitrator shall require the appearing party to submit such evidence as is necessary for the making of an award.
13. **Conduct of the Proceedings.** Except as otherwise provided in these Rules or by agreement of the parties not inconsistent with these Rules, the conduct of the arbitration proceedings shall be governed by the provisions of CCP secs. 1282 - 1284.2.
14. **Time of Award.** The award shall be rendered promptly by the arbitrator and, unless otherwise agreed upon by the parties, not more than forty-five (45) days from the date of the closing of the hearing.
15. **Award Upon Settlement.** If the parties settle their dispute during the course of the arbitration, the arbitrator, upon their request, may set forth the terms of the agreed settlement in an award or in a mediation consent agreement.
16. **Delivery of Award to the Parties.** The parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail by ARC, addressed to a party or to its attorney at the last known address for service, or by personal service of the award, or by the filing of the award in any manner that may be permitted by law.
17. **Retention, Return and Release of Documents.** The arbitrator will maintain custody of the exhibits and documents filed during the course of the hearing. After the expiration of 30 days from service of the arbitrator's award, the arbitrator will return to each party those documents and exhibits which the party introduced. ARC has no obligation to preserve copies of any such exhibits or documents.

ARC shall, upon the written request of a party, furnish to such party, at the party's expense, certified facsimiles of any papers in the possession of ARC that may be required in judicial proceedings relating to the arbitration.

18. **Waiver of Rules.** Any party who proceeds with the arbitration after knowing that any provision or requirement of these Rules has not been complied with, and fails to state objections thereto in writing, shall be deemed to have waived the right to object.

19. **Extension of Time.** ARC may extend any period of time established by these Rules, except the time of making the award. ARC shall notify the parties of any such extension and the reason for it.

20. **Exclusion of Liability.** Neither ARC nor any arbitrator shall be liable to any party for any act or omission in connection with any arbitration conducted under these Rules.

21. **Interpretation and Application of Rules.** The arbitrator shall interpret and apply these Rules insofar as they relate to the arbitrator's powers and duties. All other Rules shall be interpreted and applied by ARC.

22. **Fees and Expenses.** A non-refundable administration/filing fee per party is charged when a hearing is placed on calendar.

The compensation of the arbitrator shall be at the usual hourly rate established by ARC for his/her services and shall include all the time spent on the case, including, but not limited to, pre-hearing conferences or case management meetings, the reading of briefs, review of records, research, and deliberation time. Unless modified by prior agreement of the parties, counsel and/or claims representatives, each party shall bear his/her pro rata share of the arbitration fees. The hourly fee for the scheduled time shall be paid in advance as a retainer fee and shall be applied toward any final billing. All statements rendered by ARC shall be due and payable upon receipt. ARC's agreement to render services is not only with the party, but also with the attorney or other representative in attendance at the hearing.

Each party shall pay its own attorney fees, witness fees, and other expenses incurred for its own benefit, unless otherwise provided by contract, or by statute other than CCP sec. 1032 et seq. Except where the parties specifically agree to the contrary, allowable costs under CCP sec. 1032 et seq. shall not be awarded to the prevailing party, but shall be borne by the party incurring them.

Unless the parties agree otherwise, the cost of the stenographic record, if any is made, and all transcripts thereof, shall be paid by the requesting party. Payment shall be made directly to the reporting agency.



23. **Continuance, Cancellation and Refund Policy.** The parties may stipulate to a continuance of a hearing date. CONTINUANCES ARE STRONGLY DISFAVORED. If a hearing date is continued or canceled more than 14 days before the scheduled hearing, the retainer fee will be refunded, less any time expended in preparation for the hearing. However, if the matter continued or cancelled is scheduled for 8 hours or longer, a minimum of thirty days (30) advance notice is required to receive a refund. If the retainer fee has not yet been paid, it becomes due and payable upon notice of the continuance or cancellation.

#### ELECTRONIC DISCOVERY RULES\*

24. **Preliminary Conference on Electronic Discovery.** Prior to the pre-hearing conference the parties shall confer regarding steps they can take to facilitate discovery of electronically stored information, preserve and make available potentially relevant data and metadata, limit discovery costs and delay, and avoid discovery disputes. In the event that a party will seek to establish a compelling need to discover media sources other than those used in the ordinary course of business or metadata other than the header section of an email, that party shall put other parties on notice of such need prior to the preliminary conference on electronic discovery.

25. **The Description of Custodians of Electronically Stored Information.** Descriptions of custodians shall specify only custodians who may be reasonably be expected to possess or control electronically stored information that is material to the dispute.

26. **Limiting the Cost and Burden of Discovery.** If the cost or burden of a discovery request is disproportionate to the nature of the dispute, the amount in controversy, or the relevance of the materials requested, the arbitrator shall either deny such request or order production on condition that the requesting party advance the reasonable cost of production to the other side, subject to the allocation of costs in the final award.