



ALTERNATIVE RESOLUTION CENTERS, LLC

ARBITRATION RULES

(Effective July 15, 2024)

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ARC ARBITRATION RULES

RULE 1. APPLICATION OF THESE RULES

These arbitration rules (“Rules”) shall apply and shall be deemed to be part of any arbitration agreement when the parties have agreed or a court has ordered the parties to arbitrate under Alternative Resolution Centers (“ARC”) arbitration rules (without specifying any particular set of ARC arbitration rules) and/or that ARC shall administer arbitration.

ARC may amend these Rules from time to time with or without notice. The most current version of these Rules in effect at the time arbitration is initiated shall apply.

The parties may stipulate in writing to procedural modifications to these Rules, provided they are consistent with applicable law and ARC policies. The parties must give prompt notice to ARC and the Arbitrator of any stipulated modifications to these Rules.

If any Rule or modification is determined to conflict with applicable law, then the applicable law shall govern over the conflicting Rule and no other Rules shall be affected.

RULE 2. INITIATING ARBITRATION

Arbitration may be initiated by stipulation, demand or court order. ARC reserves the right to refuse any initiated matter. ARC shall issue a Notice of Initiation of Arbitration following its acceptance of any initiated matter.

Stipulation

The parties may file a written stipulation for arbitration with ARC. The stipulation shall be accompanied by full payment of all filing fees specified in ARC’s most current fee schedule. Arbitration shall be deemed initiated upon ARC’s receipt of the stipulation and filing fee.

Demand

A party making a claim (“Claimant”) may file a demand for arbitration (“Demand”) with ARC. The Demand shall be accompanied by full payment of all filing fees specified in ARC’s most current fee schedule. The Demand shall set forth Claimant’s full name and the name of Claimant’s counsel, if any. If Claimant is represented by counsel, the demand shall include counsel’s name and full contact information. If Claimant is not represented by counsel, the demand shall include Claimant’s full contact information. The Demand shall identify and attach the contract in which the parties have agreed to arbitrate and shall state exactly where in the contract that agreement to arbitrate is contained. The Demand shall identify all parties against whom relief is sought as “Respondents” and shall provide contact information for each Respondent as well as the identity and contact information, if known, of its counsel. The Demand shall include a brief summary of the dispute, a statement of the claims, and description of the relief sought and the legal and factual bases for that relief. Arbitration shall be deemed initiated upon ARC’s receipt of the Demand, arbitration agreement and filing fee. Claimant shall serve a copy of the Demand and ARC’s Notice of Initiation of Arbitration on each Respondent.

Court order

Any party may file a court order compelling arbitration with ARC. The order shall be accompanied by full payment of all filing fees specified in ARC's most current fee schedule and a copy of the complaint or relevant pleadings that set forth the claims to be arbitrated. Arbitration shall be deemed initiated upon ARC's receipt of the court order and filing fee. The party initiating arbitration shall serve a copy of the court order and ARC's Notice of Initiation of Arbitration on each other party.

RULE 3. FILING AND SERVICE OF DOCUMENTS

Service of all documents necessary for the initiation of arbitration under these Rules shall be made by personal service, any means by which the parties agree, or any other means allowable under the law of the jurisdiction in which the party is served. A party who has appeared in arbitration shall be deemed to have consented to service by email or other electronic means of all communications, filings and documents. Unless otherwise directed by the Arbitrator, all documents shall be filed electronically by email to the Arbitrator (or if no Arbitrator has been appointed, by email to ARC) and copied to the case manager and all other parties. Documents shall be deemed filed or served on the date electronically transmitted. When a filing or service deadline falls on a weekend or court holiday, the deadline shall be extended to the next business day.

RULE 4. NOTICE OF CLAIMS, ANSWERS AND COUNTERCLAIMS

Each party shall provide all other parties reasonable and timely notice of its claims, counterclaims and affirmative defenses. No claim, counterclaim, affirmative defense, remedy or relief shall be considered by the Arbitrator unless such prior notice has been provided.

Notice of any claim or counterclaim shall be in writing, shall identify all Respondents and shall include a brief summary of the dispute, a statement of the claims or counterclaims, and description of the relief sought and the legal and factual bases for relief. Notice of any affirmative defenses shall be in writing and shall include description of the legal and factual bases for each affirmative defense.

Each Claimant shall file and serve all other parties with notice of its claims within ten (10) calendar days following initiation of arbitration. Within twenty-one (21) calendar days after service, a Respondent may file and serve on all parties an answering statement ("Answer") that sets forth its denials, affirmative defenses and any counterclaims. Within fourteen (14) calendar days after service, any party identified as a Respondent in a counterclaim may file and serve on all other parties its Answer that sets forth its denials, affirmative defenses and any counterclaims. An Answer to a claim or counterclaim is not required. If a Respondent does not file an Answer to any claim or counterclaim, then all material allegations of that claim or counterclaim shall be deemed denied and all affirmative defenses thereto (including challenges to jurisdiction and arbitrability) shall be deemed waived.

Any party may add or change a claim, counterclaim or affirmative defense before the Arbitrator is appointed by providing written notice to all other parties. The Arbitrator may at any time, upon a showing of good cause and lack of prejudice to the other parties, and upon terms as may be just and equitable, allow any party to add or change a claim, counterclaim or affirmative defense.

RULE 5. SELECTION OF THE ARBITRATOR

The arbitration shall, unless otherwise agreed by the parties, be presided over by a single neutral Arbitrator. (If for any reason more than one arbitrator is appointed to preside over the arbitration, then as used in these Rules, the term “Arbitrator” shall mean and apply to the panel of arbitrators.) The Arbitrator shall be selected as follows:

Stipulation

The Arbitrator may be selected by stipulation of the parties.

Rank and Strike

If the parties cannot stipulate to an Arbitrator, ARC shall provide them with a list of qualified candidates. Each party shall then have ten (10) calendar days to strike up to three candidates to which it objects, rank the remaining candidates in order of preference and return the list to ARC. If a party fails to return its rank and strike list within such time, all candidates shall be deemed acceptable to that party. The candidate acceptable to all parties ranked highest in mutual preference shall be selected as Arbitrator. If the most preferred Arbitrator is unable or declines to serve, the next highest-ranking candidate acceptable to all parties shall be selected. Parties whose interests are not adverse shall be treated as a single party for purposes of the rank and strike selection process.

Selection by ARC

In the event the parties do not agree on an Arbitrator, the strike procedure fails to produce an Arbitrator, or the candidate selected is unable or declines to serve as Arbitrator, then ARC may, in its sole discretion, either repeat the selection procedure with a new list of candidates or appoint an Arbitrator to serve from its panel.

RULE 6. VACANCY OF ARBITRATOR

If for any reason an Arbitrator is disqualified, unable or declines to serve, a new Arbitrator shall be selected in accordance with procedures set forth in these Rules for selection of the Arbitrator. The new Arbitrator may determine if it is necessary to repeat any or all prior proceedings.

RULE 7. DISCLOSURES AND DISQUALIFICATION

Within ten (10) calendar days after notice of a proposed arbitrator’s appointment, the proposed arbitrator shall disclose all matters that are likely to give rise to justifiable doubt as to the Arbitrator’s impartiality or independence, including as required by California Code of Civil Procedure section 1281.9 or other applicable law. Any party may object to or seek disqualification of the proposed arbitrator based on the disclosures by filing with ARC and serving a written objection detailing the basis for disqualification. If there are no objections to the proposed arbitrator within fifteen (15) calendar days after disclosures are made, the proposed arbitrator shall be deemed appointed as Arbitrator.

The Arbitrator's obligation to make required disclosures continues throughout the Arbitration proceedings. A party may object to the continued service of the Arbitrator for cause based on new disclosures or information. If a party fails to promptly object in writing to the Arbitrator's continued service, the objection shall be deemed waived.

ARC shall have the sole authority to rule upon objections and determine whether the Arbitrator is disqualified.

RULE 8. COMMUNICATION WITH ARBITRATOR

The parties shall not have ex parte communications with the Arbitrator.

RULE 9. REPRESENTATION

Any party may be represented by counsel. All parties shall promptly provide written notice to ARC, the Arbitrator and all other parties of the names and full contact information of their counsel and representatives.

RULE 10. JURISDICTION AND ARBITRABILITY

The Arbitrator shall have the authority to determine disputes over jurisdiction and arbitrability, including disputes over the arbitration agreement and the proper parties to the proceedings. If a party fails to promptly object in writing to jurisdiction or arbitrability, the objection(s) shall be deemed waived.

RULE 11. INTERPRETATION OF RULES

The Arbitrator shall have the authority to interpret and apply these Rules as they relate to the Arbitrator's powers and duties. All other Rules shall be interpreted and applied by ARC.

RULE 12. ARBITRATION MANAGEMENT CONFERENCE

The Arbitrator may set and preside over an arbitration management conference with the parties and/or counsel following the Arbitrator's selection. At the arbitration management conference, the parties and Arbitrator may address matters such as status of the claims and parties, applicable law, procedural matters, exchange of information and discovery, dispositive motions, scheduling and conduct of the Evidentiary Hearing, stipulations and other matters as the parties or Arbitrator may raise. The Arbitrator may issue and/or amend scheduling orders, case management orders, discovery orders or require additional arbitration management conferences.

RULE 13. EXCHANGE OF INFORMATION AND DISCOVERY

The Arbitrator shall have the authority to manage the exchange of information and order such discovery as the parties may agree or the Arbitrator deems necessary to ensure the efficient and fair resolution of the case, such as requiring the exchange of witness lists and documents intended for use at the Evidentiary Hearing, the use of written interrogatories, inspection demands, requests for admission and depositions, and the issuance of third-party subpoenas for testimony and/or production of documents and things. The Arbitrator shall have the authority to issue any orders

necessary to enforce this provision and otherwise ensure efficient and fair resolution of the case, including, without limitation, imposing monetary, issue, evidentiary or terminating sanctions.

RULE 14. SUMMARY DISPOSITION

The Arbitrator may allow a party to file a motion for summary disposition of any claim or issue upon determination that the proposed motion is likely to succeed and dispose of or narrow the claims or issues in the case. The Arbitrator shall set a briefing schedule for any dispositive motion that provides the non-moving party with reasonable notice and opportunity to respond. The Arbitrator may award fees, costs and expenses associated with any dispositive motion as the parties have agreed and/or as required or allowed by applicable law.

RULE 15. MEDIATION

The parties may participate in mediation at any time. The Arbitrator may serve as mediator only if all parties agree in writing.

RULE 16. EVIDENTIARY HEARING

The Arbitrator shall set and preside over an evidentiary hearing (“Evidentiary Hearing”) on the parties’ claims. The Arbitrator shall exercise all powers relating to the scheduling and conduct of the Evidentiary Hearing, including setting the order of proof. The Arbitrator may require the parties to attend, testify and/or produce evidence, documents and things at the Evidentiary Hearing. The Arbitrator may issue subpoenas and may compel witnesses to attend, testify and/or produce documents and things at the Evidentiary Hearing. The Arbitrator may conduct the Evidentiary Hearing and may receive evidence in-person and/or by other means, including by affidavit, telephone or videoconference. The parties may be heard, may present evidence and may cross-examine witnesses appearing at the Evidentiary Hearing. The Arbitrator may administer oaths and may require any witness to give testimony under oath. The Arbitrator shall rule on the admission and exclusion of evidence and on questions of hearing procedure, but rules of evidence and rules of judicial procedure need not be observed. The Arbitrator shall consider only relevant evidence and may exclude evidence that is cumulative, unduly time consuming, unduly prejudicial and/or which is protected by a legal privilege or protection. The Arbitrator may exclude non-parties from the Evidentiary Hearing. The Arbitrator shall have the authority to deem the Evidentiary Hearing closed. Before issuance of the award, the Arbitrator shall have the authority to adjourn and reopen the Evidentiary Hearing.

RULE 17. RECORD OF PROCEEDINGS

Any party who desires a transcribed record of any proceeding shall arrange for a stenographer and notify the Arbitrator and all other parties of the arrangement in advance of the proceeding. That party shall bear all costs of transcription. There shall be no other means of recording the proceedings unless all parties and the Arbitrator agree. The Arbitrator may determine whether and under what terms a transcript of proceedings may be used in further proceedings.

RULE 18. INTERPRETER

A party requiring an interpreter at any proceeding shall arrange for the interpreter and notify the Arbitrator and all other parties of the arrangement in advance of the proceeding. That party shall bear all costs of the interpreter.

RULE 19. AWARD

The Arbitrator shall issue an award within forty-five (45) calendar days after close of the Evidentiary Hearing. The award shall be in writing, signed by the Arbitrator, filed and served on all parties. The award shall include a determination of all claims, relief and remedies sought by the parties. The Arbitrator may grant any legal or equitable remedy or relief that is within the scope of the parties' agreement. The Arbitrator may allocate arbitration fees, unless prohibited by the parties' agreement and/or by law. The Arbitrator may award attorney fees and costs as the parties have agreed and/or as required or allowed by applicable law. The Arbitrator may issue interim and partial awards. The Arbitrator may, at any time, enter an award upon a settlement of the parties.

Within fifteen (15) calendar days after issuance of an award, any party may request that the Arbitrator correct or the Arbitrator may propose to correct any errors in the award. The request and/or proposal shall be in writing, filed and served on all parties. Any party opposing any such correction shall have fifteen (15) calendar days thereafter to file and serve objection. The Arbitrator shall rule on all objections and make any corrections within thirty (30) calendar days after filing and service of the request, proposal or objection, whichever is later. If the Arbitrator does not rule on a request or objection within that time, the request or objection shall be deemed denied. Any corrected award shall be in writing, signed by the Arbitrator, filed and served on all parties.

The award, unless it specifies otherwise, shall be deemed final and conclusive twenty (20) calendar days following the latter of: (a) service of the award, if no proposal or request for correction has been made, (b) denial of a request for correction, or (c) service of a corrected award.

RULE 20. ARBITRATION IN ABSENCE OF PARTY

Except as otherwise prohibited by law, the arbitration may proceed in the absence of a party who, after having been given due notice and opportunity to appear, fails to participate in the proceedings, including by (i) failing to participate in selection of an arbitrator, (ii) failing to pay required fees and costs, and/or (iii) failing to appear at the Evidentiary Hearing or other proceedings. In such case, the Arbitrator shall require the party seeking relief to submit evidence and/or testimony as may be necessary and shall render an award based on the evidence and testimony presented.

RULE 21. FEES

Each party will be charged a non-refundable administration and filing fee. Unless otherwise agreed upon by the parties or as required by applicable law, each party shall be responsible for its pro rata share of arbitration fees and costs in accordance with the fee schedule in effect at the time arbitration is initiated. ARC or the Arbitrator may decide to treat parties whose interests are not adverse as a single party for purposes of apportioning arbitration fees. ARC will invoice the parties in advance for the estimated arbitration fees. ARC may periodically issue additional invoices during the

arbitration proceedings, including for fees and costs associated with hearings, motions or other matters. All invoices shall be due and payable upon receipt.

ARC's agreement to render services is with both the parties and their counsel. In the event any party fails to pay arbitration fees and costs when due, ARC or the Arbitrator may hold such party in default and preclude the party from filing or opposing any motions, asserting any claims or defenses, or offering any evidence or testimony. Any non-defaulting party may advance the unpaid portion of the arbitration fees and costs. The amount of any such advance may be awarded to the advancing party in the award. In the event the non-defaulting parties decline to advance the delinquent arbitration fees, the Arbitrator may suspend or terminate the proceedings or proceed with the Evidentiary Hearing in the absence of the defaulting Party. The Arbitrator and ARC reserve the right to withhold issuance of the award until all fees and costs due and owing have been paid.

In an employment or consumer arbitration, the provisions of California Code of Civil Procedure sections 1281.97 and 1281.98 shall apply.

RULE 22. CONFIDENTIALITY

The Arbitrator may issue orders to protect confidential information and/or documents, including personal, private, proprietary, and sensitive information and/or trade secrets. The Arbitrator may exclude non-parties from any proceeding, including the Evidentiary Hearing.

RULE 23. WAIVER BY FAILURE TO OBJECT

Any party who fails to object in writing to any failure to comply with these Rules promptly upon becoming aware of the failure shall be deemed to have waived the objection.

RULE 24. DOCUMENT RETENTION

ARC will maintain a record of all documents filed in the proceedings for thirty (30) calendar days following issuance of the award. Any documents remaining in the possession of ARC or the Arbitrator after such time may be destroyed without further notice.

RULE 25. EXCLUSION OF LIABILITY

Neither ARC nor the Arbitrator shall be liable to any party for any act or omission in connection with any arbitration administered by ARC or conducted under these Rules.