



NATIONAL
ARBITRATION
FORUM

**CODE OF
PROCEDURE**



INTERNATIONAL
ARBITRATION
FORUM

ARBITRATION-FORUM.COM

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PART I - SCOPE

RULE 1. Arbitration Agreement.

- A. Parties who contract for or agree to arbitration provided by the Forum or this Code of Procedure agree that this Code governs their arbitration proceedings, unless the Parties agree to other procedures. This Code shall be deemed incorporated by reference in every arbitration agreement which refers to the National Arbitration Forum, the International Arbitration Forum, the Arbitration Forum, arbitration-forum.com or this Code of Procedure, unless the Parties agree otherwise.
- B. Parties may agree to submit any matter to arbitration.
- C. Arbitrations are conducted in accord with the Code of Procedure, unless the law or the agreement of the Parties provide otherwise.

RULE 2. Definitions.

For purposes of this Code, the following definitions apply:

- A. Affidavit: An affidavit is a statement bearing the signature of a person who asserts the statement to be true under penalty of perjury or who makes the statement under oath before a notary public or other authorized individual.
- B. Arbitration Agreement: Any written provision in any agreement between or among the Parties to submit any dispute, controversy or Claim to arbitration under this Code or to the Forum.
- C. Arbitrator: An individual conducting arbitration hearings and issuing orders and Awards, including a sole Arbitrator and all Arbitrators of an arbitration panel. No arbitrator may be a director or officer of the Forum.
- D. Award: Any Award establishing the final rights and obligations of the Parties.
- E. Claim: Any Claim submitted by any Party including an initial Claim, Cross-claim, Counter Claim, and Third Party Claim.
- F. Claimant: Any individual or entity making any Claim under this Code.
- G. Consumer: An individual, who is not a business or other entity, whose claim or response arises from a

transaction or an event entered into for personal, family, or household purposes.

- H. Director: The Director of Arbitration administers arbitrations in accord with this Code.
- I. Document: Any writing or data compilation containing information in any form, including an agreement, record, correspondence, tape, e-mail, video, audio, disk, notice, memorandum or other writings or data compilations.
- J. E-commerce transaction: All contracts and agreements entered into, in whole or in part, by electronic or computer communication and all transactions consummated through electronic or computer communication.
- K. Entity: Any association, business, company, cooperative, corporation, country, governmental unit, group, institution, organization, partnership, sole proprietorship, union or other entity.
- L. Fee Schedule: The Fee Schedule appears in Appendix C of this Code.
- M. The Forum: The National Arbitration Forum, the International Arbitration Forum, the Arbitration Forum, and arbitration-forum.com constitute the administrative organization conducting arbitrations under this Code. The Forum administers arbitrations in accord with this Code.
- N. Hearing: Hearings include:
 - 1. Document Hearing: A proceeding in which an Arbitrator reviews documents or property to render an order or Award and the Parties do not attend.
 - 2. Participatory Hearing: Any proceeding in which an Arbitrator receives testimony or arguments and reviews documents or property to render an order or Award. The types of Participatory Hearings include:
 - a. In-person Hearing - A hearing at which the participants may appear before the arbitrator in person;
 - b. Telephone Hearing - A hearing at which the participants may appear before the arbitrator by telephone; and,
 - c. On-line Hearing - A hearing at which the participants may appear before the arbitrator on-line, by e-mail or by other electronic or computer communication.
- A. Interim Order: Any order providing temporary or preliminary relief pending a final Award.
- B. Mail: Delivery to the address of a Party, the Forum or an Arbitrator by the postal service of the United States or any country, or by a reliable private service, or by facsimile, e-mail, electronic or computer transmission.
- C. Order: Any order establishing specific rights and obligations of the Parties.
- D. Party: Any individual or entity who makes a Claim or against whom a Claim is made including Claimants, Respondents, Cross-claimants, and Third Parties.
- E. Party Witness: Any person who is an individual Party or who is an employee of an entity Party at the time of the service of the subpoena.
- F. Receive or Receipt: The delivery or other effective notice to the Forum or to a Party at the Party's address, or to an Arbitrator at the Arbitrator's address.
- G. Representative: Any individual, including an attorney, who represents a Party.
- H. Request: Any Request by a Party directed to an Arbitrator or the Director for an order or other relief, including any motion, petition or other type of Request.
- I. Respondent: Any Party against whom a Claim is made.
- J. Response: Any written Response by a Party to any Claim.
- K. Sanctions: Sanctions include dismissal of the arbitration or the Claims or Responses; preclusion of evidence; admission of facts; payment of fees, costs or attorney's fees; the rendering of an order or Award; and other sanctions deemed appropriate. Sanctions may be imposed against a Party, a representative or both.
- L. Signature or Signed: A signature is any mark, symbol or device intended as an attestation, produced by any reliable means, including an electronic transcription intended as a signature.
- M. Small Claim: A Claim for monetary relief in an amount less than \$15,000.

- N. With prejudice: The case cannot be brought again. The Claimant cannot subsequently bring the claim against the Respondent.
- O. Without prejudice: The case may be brought again. The Claimant can subsequently file the same claim against the same Respondent.
- P. Writing or Written: Any form intended to record information, including symbols on paper or other substance, recording tape, computer disk, electronic recording, and video recording and all other forms.

RULE 3. Representation.

- A. Parties may act on their own behalf or may be represented by an attorney or by a person who is authorized by the Party to act on behalf of the Party.
- B. Parties and their representatives and all participants shall act respectfully toward the Director, the Forum staff, Arbitrator, other Parties, representatives, witnesses, and participants to the arbitration.

RULE 4. Confidentiality.

Arbitration proceedings are confidential, unless all the Parties agree otherwise. A Party who improperly discloses confidential information shall be subject to sanctions. The Arbitrator, Director, and Forum staff shall not disclose confidential information.

PART II - COMMENCEMENT OF ARBITRATION

RULE 5. Summary of Procedures.

- A. A Party begins an arbitration by filing with the Forum, at an office of the Forum, a properly completed copy of the Initial Claim Documents described in Rule 12 accompanied by the appropriate filing fee. The Forum reviews the documents, administratively opens a file, assigns a file number, and notifies the Claimant. The Claimant then serves the Respondent in accord with Rule 6.
- B. A Respondent may file a Response as explained in Rule 13 or respond otherwise as explained in these rules and the Notice of Arbitration, which appears in Appendix A. If there is no Response, the arbitration proceeds in accord with Rule 36.
- C. A Party may Request a Document Hearing or a Participatory Hearing and pay the fee listed in the Fee Schedule. A party who is an individual may not need to pay a fee as explained in the Fee Schedule. An Arbitrator is selected and a hearing is scheduled. The Arbitrator conducts the hearing and promptly issues an Award.

RULE 6. Service of Claims, Responses, Requests, and Documents.

- A. After being notified of the file number in accord with Rule 5A, and within ninety (90) days of the filing date of the Initial Claim Documents, the Claimant shall serve on each Respondent, one (1) identical copy of the Initial Claim Documents, containing the Forum file number, together with a Notice of Arbitration substantially conforming to Appendix A of this Code and a copy of the applicable Code of Procedure, including the Fee Schedule.
- B. Service of Initial Claims and Third Party Claims shall be effective if done by:

1. United States Postal Service Certified mail return receipt or equivalent service by the national postal service of the country where the Respondent resides or does business;
 2. Delivery by a private service with the delivery receipt signed by a person who received the documents;
 3. Delivery by the national postal service of the country where the Respondent resides or does business, with a written acknowledgment of delivery;
 4. In accord with the Federal Rules of Civil Procedure of the United States or the rules of civil procedure of the jurisdiction where the Respondent entered into the arbitration agreement;
 5. In accord with any agreement of the Party served; or
 6. For Claims related to or arising from an e-commerce transaction, delivery to the e-mail address of the Party served, receipt confirmed.
- A. Service of Responses, including Counter Claims, shall be by mail, as defined in Rule 2P, to the address of all Parties or their representatives at their addresses of record with the Forum, or by using service methods for an initial Claim in Rule 6B.
 - B. Service of Cross-claims, Requests, demands, notices, and documents shall be by mail, as defined in Rule 2P, to the address of all Parties or their representatives at their addresses of record with the Forum, or by using service methods for an initial Claim in Rule 6B.
 - C. The Party serving or filing a Claim, Response, Request, demand, notice or document shall timely serve copies on all other Parties. This rule does not apply to Rule 45 documents or to hearing requests.
 - D. Parties and representatives shall immediately notify the Director and all other Parties of their mail, facsimile and e-mail address and any changes in their addresses. If they fail to do so, Parties and their representatives agree to receive service at any previous address provided to the Forum.

RULE 7. Filing.

- A. A Party who serves a Claim, Response, Request, demand, notice or document shall timely file copies with the Forum.
- B. A Party who serves a Claim, Response, Request, demand, notice or document shall timely file proof of service with the Forum. The filing of proof of service constitutes a certification that the service conforms to Rule 6.
- C. Parties may file by mail as defined in Rule 2P, in person, or by other methods of filing authorized by the Forum, at an office of the Forum, or:

P.O. Box 50191

Minneapolis, Minnesota USA 55405-0191

or

ARBITRATION-FORUM.COM

or

file @arb-forum.com

- D. Upon receipt of proof of service of an Initial Claim, the Forum shall mail to all Respondents the Second Notice of Arbitration, substantially conforming to Appendix B in this Code.
- E. The Forum may distribute copies of documents filed with the Forum to Parties or their representatives who have entered an appearance with the Forum.

RULE 8. Notices and Conferences with Director.

- A. The Director and Forum staff may notify and communicate with Parties by writing, facsimile, e-mail, telex, telegram, telephone, in person or by other means of communication.
- B. The Director may conduct a conference with Parties to discuss procedural matters on the initiative of the Director or at the Request of a Party or Arbitrator.

RULE 9. Time Periods.

- A. In computing any period of time under this Code, the day of the act or event from which the designated period of time begins to run shall not be included.
- B. Saturdays, Sundays, and federal holidays of the United States are included in the computation of time, except when they fall on the last day of a period.
- C. The time periods established in this Code are to be strictly enforced and a Party's untimely Claim, Response, Request, demand, notice or submission may be denied solely because it is untimely.
- D. The Director or Arbitrator may extend time periods established in this Code for sufficient reason. A request for an extension must be submitted a reasonable time before the time period ends. A request submitted after the time period has ended will usually not be considered.
- E. For arbitration hearings to be held outside of the United States, an additional ten (10) days shall be added to the time periods in Rules 21, 23, 25, 26, 28, 29, 30, and 31 of this Code.

RULE 10. Time Limitations.

- A. No Claim may be commenced after the passage of time which would preclude a Claim regarding the same or similar subject matter being commenced in court. This time limitation shall be suspended for the period of time a court of competent jurisdiction exercises authority over the claim or dispute. This rule shall not extend statutes of limitation or time limits agreed to by the Parties, nor shall this rule apply to any case that is directed to arbitration by a court of competent jurisdiction.
- B. An arbitration shall commence on the date the Respondent is served with the Initial Claim Documents.

PART III - DOCUMENTS

RULE 11. Form.

- A. Every Claim, Response, amendment and Request shall be in writing and signed by a Party or representative.
- B. Parties and representatives shall provide the Forum and all Parties with their names, an address where service will be accepted, telephone numbers, available facsimile numbers and e-mail addresses.
- C. Statements in Claims, Responses, amendments, and Requests shall be made in separate or numbered sentences, paragraphs or sections, and may refer to exhibits attached to Claims, Responses, Requests or documents.
- D. English is the language used in Forum proceedings. If the Parties agree to use another language, the Director or Arbitrator may order the Parties to provide translations at their own cost.

RULE 12. Initial Claim.

- A. Initial Claim Documents, which begin an arbitration in accord with Rule 5 of this Code, include:

1. An initial Claim stating in plain language the dispute or controversy, the facts and law supporting the Claim, the specific relief requested and the reasons supporting the relief, the specific amount and computation of any money or damages, the specific value of other relief, the specific amount and computation of any interest, the specific amount of any costs and attorney's fees, and other relevant and reliable information supporting the Claim.
 2. A legible copy of the arbitration agreement or notice of the location of a copy of the arbitration agreement, including any additional agreement the parties have regarding the arbitration.
 3. A legible and authentic copy of all documents that support the Claim.
 4. An affidavit from a person who knows the arbitration agreement and documents are authentic.
- A. After service of the initial Claim on the Respondent, the Claimant shall promptly file with the Forum proof of service of the initial Claim on the Respondent.
- B. An Arbitrator may reject, in whole or in part, initial Claim Documents that do not substantially conform to this rule.

RULE 13. Response.

- A. Upon service of an initial Claim, Counter Claim, Cross-claim, or Third Party Claim on a Respondent, the Respondent shall serve on the Claimant, within thirty (30) days from receipt of service, Response documents which include:
 1. A Response stating in plain language a reply affirming or denying each statement in the Claim or stating the Respondent has insufficient information to affirm or deny a statement. A Response shall also include any defenses to each Claim made, and the facts and law supporting the defenses, including affirmative defenses and set offs.
 2. A legible and authentic copy of all documents that support the Response.
 3. Any Counter Claim the Respondent has against the Claimant in accord with Rule 14 of this Code.
- A. After service of the Response on the Claimant, the Respondent shall promptly file with the Forum all Rule 13A Response documents, the proof of service of the Response on all Parties, the fee for filing a Counter Claim, if included, and any fee for a hearing, if demanded, as provided in the Fee Schedule.
- B. A Respondent who responds but does not state available replies, defenses, or Claims may be barred by the Arbitrator from presenting such replies, defenses, or Claims at the hearing.
- C. An Arbitrator may reject, in whole or in part, Response documents that do not substantially conform to this rule.

RULE 14. Counter Claim.

- A. A Respondent may assert a Counter Claim against a Claimant by serving on the Claimant, as part of the Response in accord with Rule 13, Counter Claim documents which include:
 1. A Counter Claim stating in plain language the dispute or controversy, the facts and law supporting the Counter Claim, the specific relief requested and the reasons supporting the relief, the specific amount and computation of any money or damages, the specific value of other relief, the specific amount and computation of any interest, the specific amount of any costs and attorney's fees, and other relevant and reliable information supporting the Counter Claim.
 2. A legible and authentic copy of all Documents that support the Counter Claim.

- A. The Respondent shall also pay the filing fee for a Counter Claim as provided in the Fee Schedule.
- B. An Arbitrator may reject, in whole or in part, Counter Claim Documents that do not substantially conform to this rule.

RULE 15. Cross-claim.

- A. A Party may assert a Claim against a co-Party arising out of the same or related transaction or occurrence of the dispute or controversy by serving on the co-Party Cross-claim documents which include:
 - 1. A Cross-claim setting forth in plain language the dispute or controversy, the facts and law supporting the Cross-claim, the specific relief requested and the reasons supporting the relief, the specific amount and computation of any money or damages, the specific value of other relief, the specific amount and computation of any interest, the specific amount of any costs and attorney's fees, and other relevant and reliable information supporting the Cross-claim.
 - 2. A legible and authentic copy of all Documents that support the Cross-claim.
- A. A Party shall serve a Cross-claim within fifteen (15) days of the date of service of a Response.
- B. The Cross-claimant shall file with the Forum promptly after service of the Cross-claim all Rule 15A Cross-claim Documents, the proof of service of the Cross-claim on all Parties, the fee for filing a Cross-claim, if any, and the fee for a hearing, if demanded, as provided in the Fee Schedule.
- C. An Arbitrator may reject, in whole or in part, Cross-claim documents that do not substantially conform with this Rule.

RULE 16. Third Party Claim.

- A. If a Respondent asserts that a non-party, who has entered into an arbitration agreement between Claimant and Respondent but was not served by the Claimant, is responsible for the Award demanded, the Respondent may serve a Third Party Claim on this Party, which shall include:
 - 1. All information required in an Initial Claim in Rule 12 of this Code, including a copy of the Claim documents that gave rise to the Third Party Claim, and
 - 2. A legible copy of the arbitration agreement or notice of the location of a copy of the arbitration agreement, including any additional agreement the parties have regarding the arbitration.
- A. The Third Party Claim shall be served within thirty (30) days of the date of service upon the Respondent by the Claimant of the Claim.
- B. The Third Party Claimant shall file with the Forum promptly after service of the Third Party Claim all Rule 16A Third Party documents, the proof of service of the Third Party Claim on all Parties, the fee for a Third Party Claim, and the fee for a hearing, if demanded, as provided in the Fee Schedule.
- C. An Arbitrator may reject, in whole or in part, Third Party Claim documents that do not substantially conform to this rule.

RULE 17. Amendment.

- A. A Claim or Response may be amended at any time:

1. By agreement of the Parties; or
 2. If the amendment does not delay the arbitration and promotes fairness, efficiency, or economy.
- A. An amended Claim or Response or a Request for an amendment shall be promptly served on all Parties and filed with the Forum. An amended Claim shall also be accompanied by the filing fee, if any, as provided in the Fee Schedule.
 - B. An Arbitrator shall promptly decide whether to allow an amendment.
 - C. An amendment shall be served on all Parties in accord with Rule 6C, unless the Parties agree or the Arbitrator orders otherwise.
 - D. A Respondent shall respond to an amended Claim within the time remaining for a Response to the original Claim or within fifteen (15) days after service of the amended Claim, whichever time is longer, unless the Parties agree or the Arbitrator orders otherwise.

RULE 18. Request to Arbitrator or Director.

- A. A Party may Request relief or an order from an Arbitrator or the Director by filing with the Forum:
 1. A document stating in plain language:
 - a. The Request (or motion);
 - b. The specific rule, if any, relied on under this Code for relief or an order;
 - c. The specific relief or order sought;
 - d. The facts and law supporting the Request; and
 - e. Any other relevant and reliable information.
 1. All documents that support the Request, relief or order.
 2. A proof of service proving service of the Request documents on all Parties.
 3. The fee, if any, as provided in the Fee Schedule.
- A. The Party shall serve the Rule 18A (1) and (2) documents on all Parties at the time of filing.
- B. Requests directed to the Director are decided by the Director as permitted by the Code. Requests directed to the Arbitrator are decided by the Arbitrator.
- C. All Requests or motions made by a Party are Rule 18 Requests. A request or motion to reconsider is usually not granted.

RULE 19. Joinder, Intervention, Consolidation, and Separation.

- A. Any individual or entity may, only with the consent of all other Parties, join any dispute, controversy, Claim or Response in an arbitration by filing a Claim document stating the grounds, accompanied by the fee as provided in the Fee Schedule. An arbitrator has no authority to issue an order or award binding any individual or entity not a named party, unless that individual or entity agrees.
- B. Any individual or entity that entered into the arbitration agreement between Claimant and Respondent may intervene in an arbitration if a common question of fact or law arising from the same or related transaction or occurrence exists and such a proceeding promotes fairness, efficiency, or economy. The Director may require a Party to pay a fee for intervention.
- C. Separate arbitrations involving the same Parties and a common question of fact or law arising from the same or related transaction or occurrence may be consolidated in a joint hearing if such a proceeding promotes fairness, efficiency, or economy.
- D. An arbitration involving multiple Claims or Responses or Parties may be severed into separate hearings if such proceedings promote fairness, efficiency, or economy. The Director may require the Party or Parties to pay hearing fees for separate hearings.

- E. A Request by an individual or entity to join or intervene or a Request by a Party for consolidation or separation must be brought no later than receipt by the Parties of the notice of the hearing.
- F. An Arbitrator shall promptly decide Requests for joinder, intervention, consolidation or separation.

PART IV - ARBITRATORS

RULE 20. Authority of Arbitrators.

- A. Arbitrators have the powers provided by this Code, the agreement of the Parties, and the applicable substantive law.
- B. Arbitrators shall take an oath prescribed by the Director and shall be neutral and independent.
- C. Arbitrators shall decide all arbitrable issues submitted by the Parties and do not have the power to decide matters not properly submitted under this Code.
- D. Arbitrators may grant any remedy or relief allowed by applicable substantive law and based on a Claim, Response, or Request properly submitted by a Party under this Code.

RULE 21. Selection of Arbitrators.

- A. The Director shall select fair and impartial Arbitrators to conduct Hearings as provided in this Code, and shall establish their qualifications and compensation.
- B. The Director shall provide to all Parties who have appeared or responded written notice of the names and qualifications of an Arbitrator or Arbitrator candidates not less than (15) days before the date specified for a Hearing.
- C. A Party may request that an Arbitrator be selected at any time after a Response is submitted. Upon a request for a decision by an Arbitrator before the process of selecting an Arbitrator for a Hearing is complete, the Director may select an Arbitrator to make that decision.
- D. For a Participatory Hearing in which any Party is an individual and not a business or other entity, the Director shall provide to each Party a list of Arbitrator candidates equal in number to the number of Parties plus the number of Arbitrators required under Rule 22. Each Party may write the Director, within ten (10) days of the date of receipt of the notice, striking one of the candidates. A Party may challenge another Arbitrator in accord with Rule 23.
- E. For all other Participatory Hearings and all Document Hearings, the Director shall select an Arbitrator. A Party may remove one Arbitrator by filing a notice of removal with the Director within ten (10) days of the date of receipt of the notice of selection. A Party may challenge another Arbitrator in accord with Rule 23.
- F. Upon Request for an Expedited Hearing, the Director shall select an Arbitrator, unless an Arbitrator has already been selected. Notice of selection shall accompany the notice of the hearing.
- G. Absent contrary agreement of the Parties, in cases involving citizens of different countries, the Director may select an Arbitrator or Arbitrator candidate based, in part, on the nationality and residence of the Arbitrator or Arbitrator candidate, but may not exclude an Arbitrator solely because the person is a citizen of the same country of a party.

RULE 22. Number of Arbitrators.

For all In-person Participatory Hearings where the amount of any Claim is less than one million United States dollars (US \$1,000,000) and for all Telephone Participatory Hearings, On-Line Participatory Hearings, and

Document Hearings, one (1) Arbitrator shall conduct the hearing and issue an Award, unless the Parties agree to more Arbitrators. For all other In-person Participatory Hearings, an arbitration panel consisting of three (3) Arbitrators shall conduct the hearing and issue an Award, unless the Parties agree otherwise. The Director shall select the chair of the panel.

RULE 23. Disqualification of Arbitrator.

- A. An Arbitrator shall be disqualified if circumstances exist that create a conflict of interest or cause the Arbitrator to be unfair or biased, including but not limited to the following:
 - 1. The Arbitrator has a personal bias or prejudice concerning a Party, or personal knowledge of disputed evidentiary facts;
 - 2. The Arbitrator has served as an attorney to any Party, the Arbitrator has been associated with an attorney who has represented a Party during that association, or the Arbitrator or an associated attorney is a material witness concerning the matter before the Arbitrator;
 - 3. The Arbitrator, individually or as a fiduciary, or the Arbitrator’s spouse or minor child residing in the Arbitrator’s household, has a direct financial interest in a matter before the Arbitrator;
 - 4. The Arbitrator or the Arbitrator’s spouse, or a person within the third degree of relationship to either of them, or the spouse of such a person:
 - a. Is a Party to the proceeding, or an officer, Director, or trustee of a Party; or,
 - b. Is acting as a lawyer or representative in the proceeding.
- A. An Arbitrator shall disclose to the Director circumstances that create a conflict of interest or cause an Arbitrator to be unfair or biased. The Director shall disqualify an Arbitrator or shall inform the Parties of information disclosed by the Arbitrator if the Arbitrator is not disqualified.
- B. A Party may challenge the selection of an Arbitrator by filing with the Director a written Request stating the circumstances and specific reasons for the disqualification.
- C. The Request to challenge must be filed with the Director within ten (10) days of the date of receipt of the notice of the selection.
- D. The Director shall promptly review the challenge and determine whether circumstances exist requiring disqualification in accord with Rule 23A.
- E. If an Arbitrator becomes unable to arbitrate before the issuance of an Award, the Director shall select a new Arbitrator or panel and re-schedule the hearing, unless the Parties agree otherwise.

RULE 24. Communications with Arbitrator.

No Party or Party representative shall directly communicate with an Arbitrator except at a Participatory Hearing, by providing documents in accord with this Code, or during a conference with the Arbitrator scheduled by the Forum.

PART V - HEARING

RULE 25. Request and Notice for Document Hearing.

- A. A Party may Request a Document Hearing by filing a written Request in a Claim, Response or separate document with the Forum, served on all other Parties by mail as defined in Rule 2P, and accompanied

- by the fee for the Document Hearing listed in the Fee Schedule.
- B. A demand for a Document Hearing must be received by the Forum no later than ten (10) days after the date specified on the notice. The Forum will notify the Parties of their opportunity for a hearing if no Party Requests a hearing. In Small Claim cases, a Document Hearing shall be scheduled upon a response being filed.
 - C. The Forum shall provide written notice to all Parties of a Document Hearing, which is to be held not earlier than fifteen (15) days nor later than thirty (30) days after the date specified on the notice of the Document Hearing at a location where the Arbitrator conducts the hearing.
 - D. For sufficient reason, the Director or Arbitrator may postpone a Document Hearing at the Request of a Party or on the initiative of the Arbitrator or Director.

RULE 26. Demand and Notice for a Participatory Hearing.

- A. A Party may demand a Participatory Hearing of any type by:
 - 1. Filing a written demand for a Participatory Hearing in a Claim, Response, or separate document; and
 - 2. Designating the type of Participatory Hearing requested: either In-Person, by Telephone, or On-line; and
 - 3. Estimating the length, in minutes or hours, of the hearing; and
 - 4. Serving by mail, as defined by Rule 2P, the demand on all other Parties; and
 - 5. Accompanying the demand with the fee for the Participatory Hearing type provided in the Fee Schedule.
- A. For all Participatory Hearings where the amount of the claim is less than one million United States dollars (US\$1,000,000) involving e-commerce transactions, the Hearing shall be an On-line Participatory Hearing, unless the Parties agree otherwise.
- B. A demand for a Participatory Hearing must be received by the Forum no later than ten (10) days after the date specified on the notice. If no Party Requests a hearing with a Claim or Response, the Forum will notify the Parties of their opportunity for a hearing.
- C. The Forum shall set the date, time, place, and length of the Participatory Hearing and notify all Parties of the hearing at least fifteen (15) days before the beginning of the Participatory Hearing.
- D. For sufficient reason, the Director or Arbitrator may postpone a Participatory Hearing at the Request of a Party or on the initiative of the Arbitrator or Director.

RULE 27. Request for an Expedited Hearing.

- A. A Party may submit a Request for an Expedited Document Hearing or an Expedited Participatory Hearing to obtain an interim order or emergency relief. A Request for an Expedited Hearing may be brought when the Respondent is served with Claim documents or at any time before an Award becomes final and shall be accompanied by the fee as provided in the Fee Schedule.
- B. An Arbitrator shall promptly decide the Request.
- C. The requesting Party shall serve notice of the Expedited Hearing on all Parties not less than forty-eight (48) hours before the time set for the Expedited Hearing. A proof of service of this notice shall be filed with the Forum before the Expedited Document Hearing or shall be presented at the Expedited Participatory Hearing.

RULE 28. Document Hearing.

- A. A Party may submit any document or property for consideration by the Arbitrator in a Document Hearing by filing with the Forum two (2) copies of the documents or property and serving all other

- Parties with copies of the documents and a description of the property.
- B. The Forum and all Parties must receive documents and property not previously filed or served at least ten (10) days before the date specified in the notice of the Document Hearing.
 - C. The Arbitrator shall determine the admissibility and weight of evidence and shall not be bound by rules of evidence.
 - D. The Arbitrator may request the Parties to submit additional information or documents, including legal memoranda, which the Forum, the Arbitrator, and the Parties shall receive no later than twenty (20) days after the date of the Request.
 - E. The Arbitrator may visit a site to examine a matter relating to the arbitration.
 - F. The close of a Document Hearing occurs when either the Arbitrator completes reviewing the documents or property or more than twenty (20) days elapse from the last day scheduled for the Document Hearing.

RULE 29. Discovery.

- A. Parties shall cooperate in the exchange of documents and information. A Party requesting discovery shall contact other Parties and discuss discovery Requests and any objections or arrange for the exchange of documents and information.
- B. A Party may request an Order for the disclosure of documents, sworn answers to twenty-five (25) written questions, or depositions before a hearing where:
 - 1. The information sought would be relevant, reliable, and informative to the Arbitrator;
 - 2. The cost is commensurate with the amount of the Claim; and,
 - 3. The Request is reasonable and not unduly burdensome and expensive.

The requesting Party shall serve all other Parties with a copy of the Request identifying the documents to be produced, written questions to be answered, or the notice of deposition identifying the deponent, the proposed length of time for the deposition, and the scope of the deposition, no later than forty-five (45) days after the receipt of a Response.

- A. A Party may request an order for other discovery, including requests for admissions and requests for physical or mental examinations, before a hearing where:
 - 1. The information sought would be relevant, reliable, and essential to a fair hearing of the matter;
 - 2. The cost is commensurate with the amount of the Claim, and;
 - 3. The Request is reasonable and not unduly burdensome or expensive.

The requesting Party shall serve on all other Parties a copy of the Request identifying the discovery sought no later than forty-five (45) days after receipt of a Response.

- A. A Party receiving a Rule 29 Request shall serve on the requesting Party:
 - 1. Within five (5) days after receipt of the notice of a deposition, a reply agreeing to the deposition or objecting in writing to the deposition, including an explanation of the objections.
 - 2. Within twenty (20) days of the receipt of the Request for other discovery, a copy of the documents requested or a statement permitting an examination of the original documents or property at a convenient time and place, sworn answers to the written questions, or a written agreement to provide other requested discovery or a written objection explaining why all or some of the documents, property or other discovery has not been provided.

- A. If a party objects in accord with this Rule, the requesting party may file with the Forum and serve on all Parties, no later than ten (10) days after receiving the objection:
 - 1. The Rule 29 Request,
 - 2. A copy of the written objections; and,
 - 3. A statement of reasons why the Requesting Party needs the discovery.
- A. An Arbitrator shall promptly determine whether sufficient reason exists for the discovery and issue an Order.
- B. An Arbitrator may draw an unfavorable, adverse inference or presumption from the failure of a Party to provide discovery, in addition to imposing any other sanction. Costs, expenses, and fees, including reasonable attorney fees, related to seeking or resisting discovery under Rule 29 may be assessed against the non-prevailing Party.

RULE 30. Subpoena for In-person Participatory Hearing.

- A. A Party may obtain a subpoena ordering a non-Party witness to produce documents or property at an In-person Participatory Hearing or ordering a witness to testify at an In-person Participatory Hearing by filing with the Forum and serving on all other Parties a Request identifying the witness, describing the documents or property, and stating reasons for the relevancy and reliability of the documents, property or testimony.
- B. A Request for a Rule 30 subpoena must be received by the Forum no later than fifteen (15) days before the In-person Participatory Hearing, unless the notice provides otherwise.
- C. An Arbitrator shall promptly review the Request and may issue a subpoena to the requesting Party if reasons exist for the relevancy and reliability of the documents, property or testimony.
- D. The subpoena shall be served by personal service on a non-Party witness by a person who is not a Party and is not less than eighteen (18) years of age, or by mail or personal service on a Party witness and the Party. The subpoena must be received by the person subpoenaed no later than five (5) days before the hearing, unless the Arbitrator orders otherwise.
- E. A subpoena may be served on a non-Party witness at any place allowed by applicable law.
- F. A subpoena served on a non-Party witness shall be accompanied by twenty-five United States dollars (US \$25), a witness fee and reasonable travel reimbursement from the hearing location to the residence or place of business of the non-Party. A subpoena for the production of documents or property served on a non-Party witness shall also be accompanied by payment of the reasonable costs of producing the documents and property.
- G. Within five (5) days after being served with the subpoena or before the time specified in the subpoena to appear at the hearing, if less than five (5) days, the witness or Party may Request the subpoena be dismissed or modified by filing with the Forum a written objection stating why the subpoena should be dismissed or modified.
- H. If a witness or Party objects in accord with Rule 30G, an Arbitrator shall promptly determine whether sufficient reason exists for the objection or shall enforce the subpoena.
 - I. The Party having the subpoena served shall provide the Arbitrator with the proof of service of the subpoena if the witness fails to appear at the hearing.
 - J. Subpoenas issued under this Code may be enforced in accord with the applicable law.
- K. An Arbitrator may draw an unfavorable, adverse inference or presumption from the failure of a Party to produce a Party witness, in addition to imposing any other sanction.

RULE 31. Exchange of Information Before a Participatory Hearing.

- A. Before all Participatory Hearings, each Party shall serve on all other Parties and file with the Forum two

(2) copies of:

1. A list of all witnesses expected to testify and a summary of their testimony;
 2. A list and description of all exhibits to be introduced;
 3. A copy of all documents and a detailed description of any property to be introduced at the hearing;
 4. An Affidavit establishing the authenticity of any Document proposed to be introduced at the Hearing; and,
 5. Any Request for additional Participatory Hearing sessions, accompanied by the fee as provided in the Fee Schedule.
- A. The Parties and the Forum shall receive the lists, Documents, and Affidavits provided for in Rule 31A no later than ten (10) days before the Participatory Hearing, unless the notice provides otherwise.
- B. The Arbitrator may exclude witnesses, testimony or documents sought to be introduced by a Party who failed to comply with Rules 31A and 31B.

RULE 32. Location of an In-person Participatory Hearing.

- A. An In-person Participatory Hearing shall be held where the arbitration agreement designates or where the Parties agree, or in the absence of an agreement, in the United States federal judicial or other national judicial district where the Respondent to the initial Claim resides or does business.
- B. Absent contrary agreement of the Parties, if there is more than one Respondent to an initial Claim, an In-person Participatory Hearing shall be held in the federal judicial or other national judicial district where the majority of the Respondents to the initial Claim resides or does business. If there is no federal judicial or other national judicial district where a majority of Respondents resides or does business, the Forum shall select the location of the In-person Participatory Hearing.

RULE 33. Participatory Hearing.

- A. A Participatory Hearing may include:
1. An introduction by the Arbitrator.
 2. Opening statements by each of the Parties. The Respondent and other Parties have the option of reserving the opening statement until the presentation of their evidence.
 3. Claimant's case. The Claimant may introduce evidence, examine witnesses and submit exhibits. The Respondent and other Parties may also examine the witnesses and submit exhibits.
 4. Respondent's case. The Respondent may introduce evidence, examine witnesses and submit exhibits. The Claimant and other Parties may also examine the witnesses and submit exhibits.
 5. Additional cases. Other Parties may present their case.
 6. Rebuttal. A Party may introduce additional evidence, examine witnesses and submit exhibits to rebut an opposing Party's case if the submissions are not repetitive, cumulative or otherwise inadmissible.
 7. Summation. Each Party may present a closing statement.
 8. Concluding remarks by the Arbitrator.
- A. The close of a Participatory Hearing occurs when either the Arbitrator announces the hearing closed or more than twenty (20) days elapse from the final session.

RULE 34. Participatory Hearing Proceedings.

A. Participatory Hearing may consist of one or more sessions. A Hearing may be conducted on any business day, unless the Parties and Arbitrator agree otherwise.

B. Hearing sessions: A hearing session where the amount of fifteen thousand United States dollars (US\$15,000) or more is in controversy is scheduled for three (3) hours. A hearing session for a Small Claim case below five thousand United States dollars (US\$5,000) is scheduled for one (1) hour, and other Small Claim cases are scheduled for two (2) hours.

- B. The Arbitrator shall conduct an arbitration in an orderly, efficient, and economic manner, and shall determine the order and presentation of evidence and oral arguments.
- C. All Parties to the arbitration and their attorneys or representatives shall be entitled to attend or be involved in the Participatory Hearing. Other persons may not attend. The Arbitrator may sequester witnesses.
- D. The Arbitrator may request documents and information from the Parties and may question any witness or Party to clarify evidence or arguments.
- E. An Arbitrator may request or allow Parties to submit additional information or documents including legal memoranda, which the Forum, the Arbitrator, and the Parties shall receive no later than twenty (20) days after the final Participatory Hearing session.
- F. The presence or involvement of a Party at a hearing results in the waiver of any objections to the notice of the hearing.

RULE 35. Evidence in a Participatory Hearing.

- A. Presentation. Parties shall have a full and equal opportunity to present relevant and reliable evidence and oral and written arguments in support of their positions. Parties may present evidence and arguments in any reasonable form and by any means of communication.
- B. Oath. The Arbitrator shall administer an oath or affirmation before a witness testifies.
- C. Admissibility. The Arbitrator shall determine the admissibility and weight of evidence and shall not be bound by rules of evidence.
- D. Objections. A Party may object to the introduction of evidence by another Party or a request or question by an Arbitrator, and the Arbitrator shall rule on the objection.
- E. Site Examination. An Arbitrator may visit a site to examine a matter relating to the arbitration accompanied by the Parties or their representatives if they so choose.
- F. Record. No record of any hearing shall be kept unless agreed by all Parties or ordered by the Arbitrator. The Party or Parties requesting a verbatim record shall arrange and pay for the record, and provide a copy of the transcript or recording to the Arbitrator and the Forum at no cost to the Arbitrator or the Forum.
- G. Interpreter. A Party who requires an interpreter shall arrange and pay for the interpreter. An Arbitrator may have an interpreter present, with a fee assessed to a Party or Parties, as determined by the Director.

RULE 36. Arbitration Proceedings in Absence of a Party.

- A. An Arbitrator may issue an Award when any Party has failed to respond, or appear or proceed at a Hearing, or otherwise defend as provided in this Code.
- B. If a Party does not respond to a Claim, an Arbitrator will timely review the Claim documents for purposes of issuing an Award. The Claimant need not submit an additional Request for an Award nor pay any additional fee.
- C. An Arbitrator may request an Affidavit, information or Documents from the Claimant or other Parties who have responded or appeared, or conduct a hearing to receive evidence necessary to issue an Award.
- D. Notices regarding a Hearing need not be provided to a Party who has failed to respond to a Claim or otherwise defend as provided in this Code.

- E. No Award shall be issued against a Party solely because that Party failed to respond or appear.

PART VI - AWARDS AND ORDERS

RULE 37. Awards.

- A. An Award establishes the rights and obligations of the Parties and is final and binding, unless the Parties agree otherwise.
- B. An Award shall not exceed the money or relief requested in a Claim or amended Claim and any amount awarded under Rule 37C.
- C. An Award may include fees and costs awarded by an Arbitrator in favor of any Party as permitted by law or in favor of the Forum for fees due.
- D. An Arbitrator shall endeavor to render an Award within twenty (20) days after the date of the close of the hearing.
- E. All Awards and orders shall be in writing, dated, and signed by the Arbitrator or by a majority of the panel, and filed with the Forum.
- F. An Award of an arbitration panel shall be by a majority of the Arbitrators. The chair of an arbitration panel may issue orders, make rulings, and conduct proceedings.
- G. An Award shall not include any reasons, findings of fact or conclusions of law unless required by prior written agreement of the Parties or requested in writing by a Party prior to any hearing.
- H. Awards shall be based upon a preponderance of the evidence presented, unless an agreement of the Parties or the applicable law provides otherwise.
- I. An Arbitrator or the Director may issue an Award or a Satisfaction of an Award based upon a settlement by the Parties.

RULE 38. Orders.

- A. An Arbitrator or the Director, where permitted by the Code, may issue an order at the Request of a Party or on the initiative of the Arbitrator or Director.
- B. At any time following the filing of a Claim, upon a Request by a Party and after a hearing, the Arbitrator may issue an interim order and may require security as a condition of the interim order.

RULE 39. Entry and Service of Award.

- A. An Award shall be entered at the location which shall appear on the Award. An Award may not be entered if fees required by the Fee Schedule remain unpaid.
- B. An Award becomes final when entered.
- C. The Forum shall serve a copy of the Award upon all Parties or their representatives or as directed by any Party.
- D. Parties consent to service of the Award and of all documents, notices, and orders necessary to confirm an Award or to enter a judgment based on an Award by mail as defined by Rule 2P, at any address of the Party or representative of record with the Forum.
- E. An Award may be confirmed, entered or enforced as a judgment in any court of competent jurisdiction. The Forum may disclose necessary information in connection with the confirmation, entering, enforcement, or challenge of an award or order or otherwise as required by law.

RULE 40. Voluntary Dismissal.

- A. A Claimant may dismiss a Claim at any time before the Claimant is served with a Response by serving on all Parties and filing with the Forum a notice of dismissal.
- B. After a Claimant is served with a Response, a Claim may be dismissed at the Request of the Claimant. Before the selection of an Arbitrator, the Director may dismiss the Claim. After the selection of an Arbitrator, the Arbitrator may dismiss the Claim.
- C. An arbitration may be dismissed at any time by agreement of the Parties filed with the Forum.
- D. Unless stated otherwise, the first voluntary dismissal of a Claim is without prejudice, and the Claim may be brought again.
- E. A Claim voluntarily dismissed more than once is dismissed with prejudice, and cannot be brought again.

RULE 41. Involuntary Dismissal.

- A. An arbitration, Claim, Response, Request, notice, demand or objection, or any part, may be dismissed by an Arbitrator at the Request of the Director or a party or on the initiative of the Arbitrator for one or more of the following reasons:
 - 1. It is not supported by evidence.
 - 2. It is not supported by existing law.
 - 3. It is frivolous.
 - 4. It has been presented or maintained for an improper purpose, such as to harass, cause unnecessary delay or needless increase in the cost of arbitration.
 - 5. A Party has violated any provision of the Code, or any order or notice from an Arbitrator or the Director.
- A. An arbitration, Claim, Response, Request, notice, demand or objection, or any part, may be dismissed by an Arbitrator or by the Director at the Request of a Party in accord with Rule 18 or on the initiative of the Arbitrator or Director for one or more of the following reasons:
 - 1. A Party has failed to proceed with an arbitration, Claim, Response or Request.
 - 2. A Party has failed to pay fees as provided in the Fee Schedule.
 - 3. More than ninety (90) days have elapsed between the filing date of the Claim and the date of its service.
 - 4. More than sixty (60) days have elapsed since a hearing has been postponed or an arbitration case has been placed on inactive status.
- A. The Forum shall serve notice of an involuntary dismissal on all Parties.
- B. Unless stated otherwise, an involuntary dismissal by an Arbitrator is with prejudice and the Claim or Response may not be brought again.
- C. An involuntary dismissal by the Director is without prejudice and the Claim or Response may be brought again.
- D. If a Party brings a Claim that was dismissed without prejudice, the Director or Arbitrator may require the payment of costs of the previous dismissal to a Respondent and may stay the proceedings of the arbitration until the Claimant has complied with the order.

RULE 42. Correction.

The Director or Arbitrator may correct clerical mistakes or errors arising from oversight or omission in the issuance of an order or Award.

RULE 43. Reopening and Reconsideration.

- A. An Arbitrator may re-open a Hearing or reconsider an Award if:

1. The Award is not final; or
2. The Award is ambiguous or contains evident material mistakes; or
3. A Party was not served with an Initial Claim in accord with this Code; or
4. The Arbitrator did not decide a submitted issue; or
5. All the parties agree.

B. Otherwise, neither the Arbitrator nor the Director has the power to vacate an award after the Award becomes final, unless all parties agree.

PART VII - FEES

RULE 44. Fees.

- A. A Party may not file a Claim or proceed with an arbitration unless the fees provided in the Fee Schedule are timely paid to the Forum. Fees are not refundable except as otherwise provided by the Code.
- B. The Forum may not file an arbitration, Claim, Response, Request, demand or notice if the fee required by the Fee Schedule does not accompany the submission.
- C. The Forum may not schedule a Document Hearing or a Participatory Hearing if the fee required by the Fee Schedule does not accompany the Request for the hearing.
- D. During the course of any Participatory Hearing, the Director may require any Party or Parties, who are not Consumers in Small Claim cases, to pay in advance a fee for Participatory Hearing sessions in addition to those requested under Rules 26 and 27. Unexpended fees may be returned to the Party or Parties making payment.
- E. The prevailing Party may recover fees paid in the arbitration in accord with Rule 37C.
- F. Issues regarding the amount of filing fees, including the value of relief sought, may be raised by any Party and shall be resolved by the Director or by an Arbitrator.

RULE 45. Waiver of Fees.

- A. An indigent Party, who is an individual and not a business or other entity, may request a waiver of the Small Claim filing or administrative fees, Request fees, hearing fees, or other fees or security for any arbitration by filing with the Director a written Request for a waiver at the time the fee payment is due. The Request for a waiver shall be accompanied by an affidavit of indigency stating the Party's family size and all income and sources, property and assets, expenses and costs, liabilities and debts, and other relevant information. Neither the Request nor affidavit need be sent to other parties.
- B. The Director shall promptly decide whether an individual Party is eligible under this Rule and under United States federal poverty standards.
- C. If the statements in the affidavit of indigency are untrue, or if the Director later deems the individual able to pay the fees or security, the Director shall order the individual to pay.
- D. If an individual proceeding under this rule recovers money by either a settlement or an Award, the opposing Party shall deduct the unpaid fee from the amount of the settlement or Award and pay the fee to the Forum. If the opposing Party fails to pay the unpaid fee to the Forum, the individual proceeding under this rule shall remain liable to pay the fee.

PART VIII - CODE PROVISIONS

RULE 46. Compliance with Rules.

An Arbitrator may sanction a Party for violating any rule, notice, ruling or order. A Party may be sanctioned on the initiative of the Arbitrator or at the request of the Director or a Party.

RULE 47. Legal Proceedings.

- A. The Arbitrator, the Director, the Forum, and any individual or entity associated with the Forum shall not be liable to any Party for any act or omission in connection with any arbitration conducted under this Code.
- B. No Party or prospective Party, before or during the arbitration of any matter eligible for submission under this Code, shall commence or pursue any lawsuit, administrative proceeding, or other action against any other Party, prospective Party, the Forum, or individual or entity associated with the Forum relating to any of the matters subject to arbitration under this Code or the agreement of the Parties. Any Party commencing or pursuing such a proceeding agrees to pay and indemnify all such Parties, the Forum, individuals, and entities for all expenses and costs incurred, including attorney's fees.
- C. No Arbitrator, Director or any individual associated with the Forum shall be a witness in any legal proceeding arising out of the arbitration.
- D. Any Party commencing or pursuing any lawsuit, administrative proceeding, arbitration or other action against the Forum, or individual or entity associated with The Forum, after an Award is final, agrees to pay and indemnify the Forum, individuals and entities for all expenses and costs incurred, including attorneys' fees.
- E. The Parties to an arbitration administered by the Forum and the Forum agree that any Claim or dispute of any nature against the Forum or any agent, officer, employee, or affiliate of the Forum shall be resolved by final, binding arbitration conducted by a panel of three Arbitrators. The Party or Parties shall select one Arbitrator; the Forum shall select a second Arbitrator; and these two Arbitrators shall select a third Arbitrator who is neutral and independent and who shall be the Chair of the panel. The Arbitrators shall conduct the arbitration pursuant to the Code of Procedure in effect at the time the arbitration is brought. The Chair shall have the powers of the Forum Director and perform the responsibilities of the Director. All fees payable under the Fee Schedule shall be assessed by the Chair and paid to the panel of Arbitrators. Neither the Forum, nor its Director, nor any employee or agent of the Forum shall administer the arbitration.

RULE 48. Interpretation and Application of Code.

- A. This Code shall be interpreted in conformity with 9 U.S.C. § 1-15 and 9 U.S.C. § 201 - 208 in the United States or the applicable law of other countries in order to provide all participants in the arbitration with a fair and impartial proceeding and an enforceable Award or Order.
- B. In the event a court of competent jurisdiction shall find any portion of this Code to be in violation of the law or otherwise unenforceable, that portion shall not be effective and the remainder of the Code shall remain effective.
- C. The Director or Arbitrator may decline the use of arbitration for any dispute, controversy, Claim, Response or Request that is not a proper or legal subject matter for arbitration. If Parties are denied the opportunity to arbitrate a dispute, controversy or Claim before the Forum, the Parties may seek legal and other remedies in accord with applicable law.
- D. In the event of a cancellation of this Code, any Party may seek legal and other remedies regarding any matter upon which an Award has not been entered.
- E. The Forum Code Committee, appointed by the Board of Directors, shall have the power and authority to effectuate the purposes of this Code, including establishing appropriate rules and procedures governing arbitrations and altering, amending or modifying this Code in accord with the law.

APPENDIX A

NOTICE OF ARBITRATION

Dear Respondent:

AN ARBITRATION CLAIM HAS BEEN FILED AGAINST YOU.

Enclosed and served upon you are the Initial Claim and the Forum Code of Procedure and Fee Schedule.

IF YOU DO NOT SERVE THE CLAIMANT AND FILE WITH THE FORUM A WRITTEN RESPONSE, AN AWARD MAY BE ENTERED AGAINST YOU. AN ARBITRATION AWARD MAY BE ENFORCED IN COURT AS A CIVIL JUDGMENT.

YOU HAVE THIRTY (30) DAYS TO RESPOND FROM RECEIPT OF SERVICE.

You have a number of options at this time. You may:

1. *Submit a written Response to the Claim, stating your reply and defenses to the Claim, together with documents supporting your position.* Your Response must be served on the Claimant and filed with the Forum. Read Forum Code of Procedure Rule 13. A Counter Claim, Cross-claim or Third Party Claim may also be served and filed, and accompanied by the fee as provided in the Fee Schedule. Forms for such Response and Claims may be obtained from the Forum.

If you fail to respond in writing to the Claim, an Award may be entered against you and in favor of the Claimant and you will lose your case.

2. *Demand a Document Hearing or a Participatory Hearing.* You may demand a hearing in your Response or in a separate writing. Unless you have agreed otherwise, an In-person Participatory Hearing will be held in the Judicial District where you reside or do business. You may also request a hearing on-line or by telephone. Your written demand for a hearing must be filed with the Forum. You must also serve a copy of your demand on the Claimant and any other Parties. Read Forum Code of Procedure Rules 25 and 26.
3. *Have other options.* You may seek the advice of an attorney or any person who may assist you regarding this arbitration. You should seek this advice promptly so that your Response can be served and filed within the time required by the Code of Procedure. If you have any questions or need help in responding, you may contact the Forum.

The Forum is an independent and impartial arbitration organization, which does not give legal advice or represent parties. THIS SUMMARY IS NOT A SUBSTITUTE FOR READING AND UNDERSTANDING THE FORUM CODE OF PROCEDURE WHICH GOVERNS THIS ARBITRATION.

P.O. Box 50191

Minneapolis, MN 55405-0191 USA

(651) 631-1105 (800) 474-2371

info@arb-forum.com

ARBITRATION-FORUM.COM

APPENDIX B

SECOND NOTICE OF ARBITRATION

Name of Case:

File Number:

Dear Respondent,

We have received notice that you have been served with an Arbitration Claim in the above case. If you want to respond to the Claim, the Forum Code of Procedure requires you to respond in writing.

If you have not yet responded, YOU MAY STILL SEND A WRITTEN RESPONSE to the Claimant and The Forum. YOU HAVE THIRTY (30) DAYS FROM THE DATE OF SERVICE OR SEVEN (7) DAYS FROM THE DATE OF THIS NOTICE, whichever is later, to respond.

If you do not serve on the Claimant and file with the Forum a written response, an Award may be entered against you and in favor of the Claimant. An arbitration award may be enforced in court as a civil judgment.

The First Notice of Arbitration you received with the Initial Claim documents stated that you could:

- 1. Submit a written Response to the Claim, stating your reply and defenses to the Claim, together with documents supporting your position.*
- 2. Demand a Document Hearing, an In-person Participatory Hearing where you reside or do business, or an On-line or Telephone Hearing as provided in the Forum Code of Procedure.*
- 3. Seek the advice of an attorney or any person who may assist you regarding this arbitration. You should seek this advice immediately.*

You still have these options. If you have any questions or need a copy of the Initial Claim Documents or the Forum Code of Procedure, or need help in responding, you may contact the Forum:

The Forum

P.O. Box 50191

Minneapolis, MN 55405-0191 USA

(651) 631-1105 (800) 474-2371

info@arb-forum.com

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The Forum is an independent and impartial arbitration organization, which does not give legal advice or represent parties. THIS SUMMARY IS NOT A SUBSTITUTE FOR READING AND UNDERSTANDING THE FORUM CODE OF PROCEDURE WHICH GOVERNS THIS ARBITRATION.

APPENDIX C

FEE SCHEDULE

Effective July 1, 2000

These filing fees govern arbitrations conducted under the **Forum Code of Procedure**. Rules regulating fees appear throughout the *Code of Procedure*. All fees are in U.S. dollars.

FEES

SMALL CLAIMS BROUGHT BY CONSUMERS

These fees apply to claims for an amount less than US\$15,000.00 made by a Consumer against any business or other entity that is not a Consumer.

<u>Amount of Claim</u>	<u>Filing Fee</u>	<u>Administrative Fee</u>
Less than US\$5,000	US\$49	US\$225
Less than US\$15,000	US\$100	US\$425
Non-monetary relief value of less than US\$15,000	US\$100	US\$425

Consumer Small Claim Filing Fee. The Consumer Claimant shall pay the Filing Fee at the time the Claim is filed.

Consumer Small Claim Administrative Fee. The non-consumer Respondent shall pay the Administrative Fee at the time the response is filed.

Consumer Small Claim Document Hearing. The Administrative Fee covers the cost of a Document Hearing. There is no additional fee to the Consumer Claimant for a Small Claim Document Hearing.

Consumer Small Claim Telephone or On-line Participatory Hearing. A Consumer Claimant requesting a Telephone or On-line Participatory Hearing of a Consumer Small Claim shall pay a hearing fee of US\$50. Each other non-consumer party shall pay US\$50 at the time of the request for the hearing.

A non-consumer party requesting a Telephone or On-line Participatory Hearing of any Small Claim shall pay a fee of US\$100. Each other non-consumer party shall pay US\$50 at the time of the request for a hearing. The Consumer Claimant will pay no hearing fee if the request is made by a non-consumer party.

Consumer Small Claim In-Person Participatory Hearing. A Consumer Claimant requesting an In-Person Participatory Hearing of a Consumer Small Claim shall pay a Hearing Fee of US\$75. Each other non-consumer party shall pay US\$100 at the time of the request for each Hearing session of a Consumer Small Claim. Rule 34 of the *Code of Procedure* sets the length of a Small Claim Participatory Hearing session at one hour, if the claim is less than US\$5000, and at two hours, if it is US\$5000 or more.

A non-consumer party requesting an In-person Participatory Hearing of a Consumer Small Claim shall pay a hearing fee of US\$200 per session. The Consumer Claimant will pay no hearing fee if the request is made by a non-consumer party.

No Small Claim Fees. In Small Claim cases, Consumers do not pay fees for requests of subpoenas, discovery orders, or continuances.

Findings and Conclusions. A Consumer who requests findings, conclusions, or an explanation in a Small Claim case does not pay any fee for the request. Where findings of fact, conclusions of law, or reasons are required under Rule 37G, the non-consumer claimant or the non-consumer respondent shall pay a fee of US\$150.

Recovery of Fees. The arbitrator may order the fees paid by a Party to be reimbursed by another Party.

No Fee. An individual who is indigent and cannot afford to pay a fee may not have to pay a Consumer Small Claim fee. This individual may request, in writing, that the Director waive the fee. Read Rule 45 of the *Code of Procedure*.

Questions? Need Help? Any party who has questions or needs help in filing or responding to a claim may

contact the Director:

The Forum

P.O. Box 50191

Minneapolis, MN 55405-0191 USA

(651) 631-1105 (800) 474-2371

info@arb-forum.com

ARBITRATION-FORUM.COM

FEES

OTHER SMALL CLAIMS

These fees apply to claims made for an amount less than US\$15,000.00, which are not Consumer Small Claims.

<u>Amount of Claim</u>	<u>Filing Fee</u>	<u>Administrative Fee</u>
Less than \$1,000	US\$49	US\$125
Less than \$5,000	US\$75	US\$225
Less than \$10,000	US\$100	US\$325
Less than \$15,000	US\$150	US\$425
Non-monetary relief value at less than US\$15,000	US\$150	US\$425

Small Claim Filing Fee. The Claimant shall pay the filing fee when the Claim is filed.

Small Claim Administrative Fee. The Claimant pays the Administrative Fee when a response is filed or a hearing requested. The Respondent does not pay a fee to file a response.

Small Claim Document Hearing. The Administrative Fee covers the cost of a Document Hearing. There is no separate fee for a Document Hearing.

Small Claim In-Person Participatory Hearing. A Consumer Respondent requesting an In-Person Participatory Hearing in a case involving a Small Claim for less than US\$5,000 shall pay no fee. At the time of the request, a Party requesting a Participatory Hearing in a matter involving a Small Claim for less than US\$5000 shall pay a fee of US\$150; in a matter involving a Small Claim for US\$5000 or more, the Party shall pay a fee of US\$250.

No Small Claim Fees. In Small Claim cases, Consumers do not pay fees for requests of subpoenas, discovery orders, or continuances.

Findings and Conclusions. A Consumer who requests findings, conclusions or an explanation in a Small Claim case does not pay any fee for the request. Where findings of fact, conclusions of law or reasons are required by the Arbitration Agreement, the Claimant shall pay a fee of US\$150. In other cases, the Party requesting the findings of fact, conclusions of law or explanations, shall pay a fee of US\$150.

Recovery of Fees. The arbitrator may order the fees paid by a Party to be reimbursed by another Party.

No Fee. An Individual who is indigent and cannot afford to pay a fee may not have to pay the Small Claim fee. This Individual may request, in writing, that the Director waive the fee. Read Rule 45 of the *Code of Procedure*.

Questions? Need Help? Any party who has any questions or who needs help in filing or responding to a claim may contact the Director:

The Forum

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ARBITRATION-FORUM.COM

FILING FEES FOR CLAIMS ABOVE \$15,000 OR FOR NON-MONETARY RELIEF

<u>Claim Amount</u>	<u>Filing Fee</u>
US\$15,000 to US\$99,999	US\$275 + 1% of the excess over US\$15,000
Less than US\$500,000	\$1,125 + 0.75% of the excess over US\$100,000
Less than US\$1,000,000	US\$4,125 + 0.50% of the excess over US\$500,000
Less than US\$5,000,000	US\$6,625 + 0.25% of the excess over US\$1,000,000
Above US\$5,000,000	No additional filing fee
Claims for non-monetary relief of a value in excess of US\$15,000	US\$275, plus filing fee for value of relief sought

Filing fees for claims which are not Small Claims include administrative fees, but do not include Document Hearing fees or Participatory Hearing fees, which shall be paid by the party requesting the Hearing.

Claim Amount. Claim Amount is calculated by including the amount of the Claim, interest, and attorney's fees (if they are sought). If there is no specific amount stated for attorney's fees (if they are sought), 15% of the Claim amount should be used, subject to later amendment. Issues regarding Claim Amount shall be resolved as provided by the Code.

Amendments. An amended Claim that increases the original claim amount or original value of relief sought must be accompanied by a filing fee reflecting this difference in claim amount or value.

Responses and Counter Claims. There is no fee for filing a Response, including affirmative defenses and set-offs. There is a fee for any Counter Claim included in a response, which is calculated in the same manner as fees for initial Claims.

Cross-claims, Third Party Claims, Joinder, Intervention. A Cross-claim, Third Party Claim, Joinder or Intervention which makes a claim independent or separate of relief sought in the claim or Counter Claim must be accompanied by a filing fee reflecting the value of that independent or separate claim.

Request Fees. A party who makes any Request or Motion shall do so under Rule 18 and pay a fee. A party may contact the Forum for fee information. A Request may not be allowed by an Arbitrator or Director unless the fee is paid.

Subpoena Fee. A party who requests a subpoena shall pay a fee of US\$50.

Discovery Fee. A party who seeks an order shall pay a minimum fee of US\$100.

Continuance Fee. A party or parties who seek a continuance, postponement, or cancellation of a hearing, order, or event shall pay a minimum fee of US\$100.

Multiple Submissions. The Forum may assess a fee in cases where a party submits multiple submissions.

Expedited Hearing. There is an additional, minimum fee of US\$750 for an Expedited Document Hearing and US\$1,000 for an Expedited Participatory Hearing. The Director may assess a higher fee.

Findings and Conclusions. Where the Arbitration Agreement requires that an Award include written findings of fact, conclusions of law, or reasons to explain an award, the Claimant shall pay a fee for these written explanations equal to the fee for one additional hearing session. Where a Party requests findings of fact, conclusions of law or a written explanation, that Party shall pay a fee equal to the fee for one additional hearing session.

Refund of Filing Fees. In a case which is not a "Small Claim," a party may submit a written request to the Director for a partial Filing Fee refund in the following situations.

- A. If a Claimant is unable to obtain service on Respondent and dismisses the Claim no later than ninety (90) days after the filing date, the partial refund will be fifty percent (50%) of the Filing Fee.
- B. A partial refund may be allowed in other cases at the discretion of the Director.

Determination of Other Fees. The Director establishes fees for all other rules. Parties may obtain the amount of a fee by contacting The Forum.

Adjustment of Fees. In cases where fees are paid by a Party other than a Claimant, the Director has the authority to modify the amount of the fees.

HEARING FEES

The following provisions apply to both Document Hearings and Participatory Hearings. All fees are in U.S. dollars.

Amount in Controversy. The amount in controversy is the total of all claims and the value of non-monetary relief sought.

Prepayment of Fees. The appropriate Hearing or Request Fee must accompany any Request for an Order or a Hearing. The Party or Parties requesting the Order or Hearing shall prepay the fee. By agreement, Parties may jointly pay the fee.

Multi-party Hearing. These fees include two-party hearings involving one claimant and one respondent. Additional fees determined by the Director may be added for each additional party in cases other than Small Claim cases.

Arbitration Panel. In Document Hearings or Participatory Hearings where the amount in controversy is less than one million dollars (US\$1,000,000), where the parties agree to multiple arbitrators, a fee determined by the Director will be added for each additional arbitrator.

Refund of Hearing Fees. The Director may order a partial Hearing Fee refund if the party withdraws the demand for the Hearing at least fifteen (15) days before the hearing. The Director may order a partial Hearing Fee refund if the Hearing does not require as many sessions as scheduled by the Parties.

Waiver of Hearing Fees. An individual who is indigent and cannot afford to pay hearing fees may request, in writing, that the Director waive the fees. See Rule 45 of the *Code of Procedure*.

International Arbitrations. The Director may assess additional fees for arbitrations conducted outside the United States or involving Parties from more than one country.

DOCUMENT HEARINGS

These fees include all costs for a Document Hearing, including arbitrator fees.

<u>Claim Amount</u>	<u>Hearing Fee</u>
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For Small Claims, Document Hearing fees are included in Administrative fees.

US\$15,000 - US\$ 24,999	US\$500
US\$25,000 - US\$49,999	US\$750
US\$50,000 - US\$74,999	US\$1,000
US\$75,000 - US\$99,999	US\$1,250
US\$100,000 - US\$249,999	US\$1,750
US\$250,000 - US\$499,999	US\$3,000
US\$500,000 - US\$4,999,999	US\$5,000
US\$5,000,000 - and above	US\$10,000

TELEPHONE PARTICIPATORY HEARINGS

These fees include all costs for a Telephone Participatory Hearing, including arbitrator fees.

<u>Amount in Controversy</u>	<u>Hearing Fee</u>
US\$ 0 - 14,999	See Small Claims Fees
US\$15,000 - 24,999	US\$500 initial session; US\$450 each additional session
US\$25,000 - 49,999	US\$ 750 initial session; US\$ 650 for each additional session
US\$50,000 - 99,999	US\$1,000 initial session; US\$750 for each additional session
US\$100,000 - 249,999	US\$1,500 initial session; US\$1,250 for each additional session
US\$250,000 - 499,999	US\$2,000 initial session; US\$1,500 for each additional session
US\$500,000 - 999,999	US\$2,500 initial session; US\$1,750 for each additional session
US\$1,000,000 - 4,999,999	US\$3,000 initial session; US\$2,500 for each additional session
US\$5,000,000 and above	Contact Director for fees

Telephone Service - Each party is responsible for providing and paying for telephone service at each location

where that Party or a representative will participate in a Telephone Participatory Hearing and for telephone charges for communication with the Arbitrator.

ON-LINE PARTICIPATORY HEARINGS

These fees include all costs for an On-line Participatory Hearing, including arbitrator fees.

<u>Amount in Controversy</u>	<u>Hearing Fee</u>
US\$ 0 - 14,999	See Small Claims Fees
US\$15,000 - 24,999	US\$500 initial session; US\$450 each additional session
US\$25,000 - 49,999	US\$ 750 initial session; US\$ 650 for each additional session
US\$50,000 - 99,999	US\$1,000 initial session; US\$750 for each additional session
US\$100,000 - 249,999	US\$1,500 initial session; US\$1,250 for each additional session
US\$250,000 - 499,999	US\$2,000 initial session; US\$1,500 for each additional session
US\$500,000 - 999,999	US\$2,500 initial session; US\$1,750 for each additional session
US\$1,000,000 - 4,999,999	US\$3,000 initial session; US\$2,500 for each additional session
US\$5,000,000 and above	Contact Director for fees

On-line Service - Each Party is responsible for providing and paying for On-line service and application software compatible with that of the Arbitrator at each location where that Party or a representative will participate in an On-line Participatory Hearing and for any charges necessary for communication with the Arbitrator.

IN-PERSON PARTICIPATORY HEARINGS

These fees include all costs for an In-Person Participatory Hearing, including arbitrator fees.

<u>Amount in Controversy</u>	<u>Hearing Fee</u>
US\$ 0 - 14,999	See Small Claims Fees
US\$15,000 - 24,999	US\$650 initial session; US\$450 each additional session
US\$25,000 - 49,999	US\$ 950 initial session; US\$ 750 for each additional session
US\$50,000 - 99,999	US\$1,250 initial session; US\$1000 for each additional session
US\$100,000 - 249,999	US\$1,750 initial session; US\$1,500 for each additional session
US\$250,000 - 499,999	US\$2,250 initial session; US\$2,000 for each additional session
US\$500,000 - 999,999	US\$2,750 initial session; US\$2,000 for each additional session
US\$1,000,000 - 4,999,999	US\$4,750 initial session; US\$4,500 for each additional session
US\$5,000,000 and above	Contact Director for fees

In-Person Participatory Hearing Sessions. Hearing sessions are typically scheduled for 9:00 a.m. and 1:30 p.m. local time on business days and may be scheduled at other times by agreement of the parties and the Director or Arbitrator.

Other Participatory Hearings. Hearing sessions will be scheduled by the Director, taking into account the local time at the location of the Arbitrator and the Parties.

Requests for a Participatory Hearing. Requests for a Participatory Hearing shall contain the requesting Party's estimate of the number of sessions required, taking into account the rights of all Parties under Rule 35A and any request or requirement for a written Award. The request shall be accompanied by payment of the fee described in the Participatory Hearing Fee Schedule, payable by the Party requesting the Participatory Hearing. No request for a Participatory Hearing session is effective without payment of the appropriate fee, unless the Director has granted a waiver under Rule 45 or unless a Consumer does not have to pay a fee.

Location of Hearing. Rule 32 provides that an In-Person Participatory Hearing will be held in the area where the Respondent resides or has a principal place of business, unless the arbitration agreement designates or the parties agree to a different location. Business entities commonly are doing business where a Consumer Party resides, and an In-Person Participatory Hearing will be held in the area where the Consumer resides. Parties may participate in an On-line Participatory Hearing or a Telephone Participatory Hearing at the location of the Party's choice. Parties are responsible for on-line or telephone service to participate in the Hearing.

Additional Hearing Fees. Before or after the beginning of a Participatory Hearing, if any party asserts that the Participatory Hearing requires additional sessions, the Director or Arbitrator shall require that Party or the requesting Party pay in advance for additional sessions in accord with Rule 44. If at any time during a Participatory Hearing, the Arbitrator or Director determines that the Hearing cannot be completed within the

sessions properly requested, the Arbitrator or Director may suspend the hearing until the responsible Party has requested sufficient sessions to allow the hearing to be properly completed.



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