AWARDS
Introduction

• Before issuing awards and other substantive decisions, arbitrators should become familiar with controlling legal principles regarding the finality of arbitral awards and decisions, their potential ripeness for immediate judicial review.
Partial Final Awards

- Arbitrators may issue partial final awards that finally determine some, but not all, of the submitted issues, with the caveat that issuance of such an award will normally prohibit the arbitrators from reconsidering the merits of the issues decided in the partial award.
Nonfinal Interim Awards and Nonfinal Substantive Interlocutory Arbitral Decisions

• In appropriate circumstances, arbitrators may issue interim awards of substantive interlocutory decisions that are temporary and nonfinal adjudications of some issue in that case.
Making a Definite and Final Award upon the Matter Submitted

• Arbitrators must ensure that the final award issued in the arbitration proceeding:

  o (1) clearly demonstrates every issue submitted to the arbitrators (and only such issues),

  o (2) is issued in a timely manner, and

  o (3) grants full and complete relief as authorized by the parties’ agreement and applicable rules and law.
Form of Award

• Arbitrators should examine the parties’ agreement and any applicable rules and consult with the parties regarding whether the award or other substantive decision is to contain reasons or findings of fact and conclusions of law.

• Arbitrators should issue an award or decision that conforms to those requirements and the parties’ expectations or in the absence of clear guidance, exercise their discretion in determining the nature of the award.
Framework of Award

• Arbitral awards should be structured in a logical sequence that sets out the chronological history of the proceeding, commencing with the initiation of the arbitration and culminating in the granting or denial of relief.
AHLA RULES SECTION 7
FINAL AWARDS
7.1 Deadline

• An arbitrator must issue an award within 30 days after the hearing is closed unless the arbitrator and all parties agree to extend this deadline.
7.2 Basis

- Except as provided in Rules 7.3 and 7.4, the award must be based on evidence presented at a hearing. If a party fails to attend the hearing, its evidence need not be considered.
7.3 Consent Award

• If the parties settle a case before a final award is issued, they may request the arbitrator to issue the terms of the agreement in the form of a consent award. The consent award must set forth how costs and fees associated with the arbitration will be paid, including but not limited to attorneys' fees and the arbitrator's fees and expenses.
7.4 Failure to Prosecute

- It prior to the dose of the hearing, a party fails to pursue a claim or counterclaim, the arbitrator may issue a final award dismissing all or part of a case either with or without prejudice.
7.5 Scope of Relief

• An arbitrator may award any relief authorized by contract or applicable law that appears to be fair under the circumstances, including specific performance of a contract.
7.6 Fees and Expenses

• (a) BY AGREEMENT: If the parties have agreed on the allocation of the arbitrator's fees and expenses, and/or the parties' attorney fees, an arbitrator must implement their agreement unless it is contrary to applicable law.

• (b) STANDARD ALLOCATION: Except as is set forth in subsection (c) below, if the parties have not specified how fees and expenses should be allocated, an arbitrator will:

  – (1) require the parties to pay their own attorney's fees and the expenses of the witnesses they produce; and

  – (2) split the costs of the arbitration process, including the arbitrator's fees and expenses, evenly between the parties.
7.6 Fees and Expenses Cont’d

• (c) MISBEHAVIOR An arbitrator may require a party to pay the fees and expenses incurred by the arbitrator and/or the attorney fees of other parties, or any portion thereof, as a result of the party's lack of cooperation or abuse of the process.
7.7 Form

- An award must be in writing and signed by the arbitrator, in compliance with applicable state and federal law.
7.8 Reasoning

- An arbitrator should provide a concise statement of the reasons supporting his or her award unless the parties agree prior to the completion of the arbitration hearing that a reasoned award is not required.
7.9 Corrections

• Within 15 days after receiving an award, a party may request the arbitrator to correct clerical, typographical, or computational errors in the award.

• The other parties will have 15 days to respond to this request.

• The arbitrator must respond within 30 days after receiving the request.

• An arbitrator may not reconsider the merits of an award after it has been issued. He or she may alter the award only to correct inadvertent mistakes.
7.10 Effect and Use

• A final award or a consent award fully and finally resolves all claims and counterclaims presented in arbitration.

• An award may be entered and enforced in any state or federal court with jurisdiction over a case.

• The Administrator and the Arbitrator shall maintain the confidential nature of the arbitration proceeding and any award, except as necessary in connection with a judicial challenge to or enforcement of an award, or unless as otherwise required by law.