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FedArb Updates Arbitration Rules

New guidelines synthesize experiences from hundreds of successful arbitrations plus best of content from law conferences, professional groups and other arbitration organizations.

Palo Alto, Calif. – FedArb, one of the country’s leading ADR providers, announced today that it has revised and updated its arbitration rules to reflect best practices and critical success factors from hundreds of its own managed arbitrations and “best of” content from law conferences, professional associations and other arbitration groups.

“FedArb continues to listen closely to our clients while constantly reviewing best practices and success factors from a variety of sources, and these updated rules reflect these changes and observations,” said Abe Sofaer, chairman of FedArb. “The new rules are in keeping with our focus of making arbitrations more efficient, effective and a strong alternative to trials.”

Although practitioners will immediately be familiar with the framework and requirements due to their similarities to the arbitration rules of leading companies such as AAA and JAMS, FedArb’s new rules differ in three important ways.

The first is that the default procedures are the same used in the Federal Courts, which have been established and broadly accepted over time.

The second is that FedArb has implemented practices to prevent delays and unnecessary extensions to arbitrations.

“We know deadlines matter, and these updated rules prohibit arbitrators from seeking extensions directly from the parties,” said Kennen D. Hagen, president of FedArb. “Tribunals may only seek an extension from FedArb, who will then contact the parties and communicate their decision back to the tribunal on a blind basis. This new process insulates the parties from possibly denying a tribunal’s request, which could be perceived to have adverse consequences.”

Third is a new process to protect the confidentiality of information in an arbitration. While arbitral proceedings are confidential, a lot of information that litigants want to protect often ends up in the award.

“In our effort to protect that confidentiality, FedArb has created a process that requires the panel to issue an award that includes enough information to enable enforcement and also a separate memorandum that contains the confidential details,” said Hagen. “We think our clients will appreciate this novel approach and it will help keep certain information confidential.”

The new rules also add important features and provisions, including:

- **Streamlined Arbitration Option** – provides parties the option of empowering the chair to rule on all discovery and at pre-hearing disputes, potentially reducing expenses and accelerating the timetable
- **Option for Double Blind Process** – allows that the wing arbitrators do not know which party selected them
- **Detailed Interim Relief**
- **Force Ranked System** of selecting one- or three-judge panels
- **Provisions for an Appeal**
- **Expedited Disposition** accelerates cases involving less than \$2 million in controversy
- **Fixed-Price Arbitration** – streamlines the process so that the cost and duration of an arbitration is fixed at time of contracting or commencement of proceedings
- **Guidelines for independent online research by arbitrators**
- **Improved Confidentiality** – creation of a process that allows for the issuance of an Order (specifying just enough to enable international enforcement) and a separate memorandum (in which the confidential details are contained) .

FedArb derived the rule changes from its own observations and experiences, as well as a thorough examination of other sets of rules from providers like UNCITRAL, CPR, SIAC, JAMS, AAA, LCIA, and ICDR. FedArb's new rules can be found at <https://www.fedarb.com/rules/fedarb-rules/>.

About FedArb

For more than a decade, FedArb's panel of more than 50 former Article III federal judges and more than 30 distinguished neutrals have successfully mediated and arbitrated hundreds of complex civil cases, typically achieving results more efficiently and cost effectively than through litigation. FedArb's high profile federal judges also work with law firms on internal investigations and oversee mock trials. FedArb provides around-the-clock administrative services and honor the parties' deadlines, saving clients time and money.