



SAME-DAY JUSTICE PROGRAM RULES AND PROCEDURES

INTRODUCTION

The Same-Day Justice Program is designed to give parties an efficient and affordable solution for resolution of their commercial disputes. Parties who use the program will waive their right to go to court and agree instead to arbitrate their dispute before a private neutral arbitrator, who has binding authority to issue an award resolving the matter. Parties may, but are not required, to use a lawyer during this process.

The arbitration hearing takes place in person, unless the parties agree otherwise. The parties bring all their evidence (documents and witnesses) to the hearing for consideration by the arbitrator.

Shortly before the hearing, the parties will exchange with each other the documents they intend to use at the hearing as well as a list of the witnesses they will call to testify. The parties may present their case in any manner they chose, whether by narrative or in question-and-answer format. However, to streamline the process, one party normally does not question another party's witnesses directly; only the arbitrator will do that, although parties can suggest questions for the arbitrator to ask the opposing side's witnesses.

By the end of the day of the hearing (half day or full day), the arbitrator issues a final decision.

RULE 1: AGREEMENT TO INITIATE SAME-DAY JUSTICE PROGRAM

To initiate an arbitration, the parties must fill out and sign the Same-Day Justice Program Agreement (the "Agreement"). In the Agreement, the parties agree to submit their dispute to arbitration pursuant to these Rules and Procedures in lieu of another form of dispute resolution, such as the court system. The parties agree to be bound by the arbitrator's decision, to comply with the award issued, and that a judgment of any court having jurisdiction may be entered on the award.

These Rules & Procedures are a part of the Agreement. In the event of a conflict between the Agreement and these Rules and Procedures, the Rules and Procedures govern.

RULE 2: APPLICATION OF RULES

These Rules and Procedures apply to all arbitrations administered under the Same-Day Justice Program, unless otherwise agreed to by the parties (subject to the arbitrator's approval) or directed by the arbitrator. Any disputes about the applicability or interpretation of these rules will be resolved by the arbitrator. Any party who proceeds to arbitrate despite knowing that a



provision of these Rules and Procedures has been violated may be deemed to have waived the right to object.

RULE 3: REPRESENTATION OF PARTIES

Parties may retain counsel for the arbitration process but are not required to do so.

RULE 4: THE ARBITRATION PROCESS

A. JURISDICTION

The arbitrator shall have the power to rule on his/her jurisdiction.

B. DISCLOSURES OF POTENTIAL CONFLICTS

The arbitrator and the parties (including their counsel, if applicable) shall disclose any fact or circumstance that may bear on the arbitrator's impartiality or independence, including any bias or personal, professional, or financial interest of the arbitrator.

Failure to disclose any such fact or circumstance may result in the party's waiver of the right to object to an arbitrator or an arbitrator's rulings on the basis that the arbitrator had a conflict of interest.

If the arbitrator believes that the fact or circumstance disclosed may prevent the arbitrator from rendering a fair and impartial award, the arbitrator may either withdraw from the arbitration or ask the parties to waive any potential conflicts.

C. CONFIDENTIALITY

The parties agree that all evidence and testimony at the arbitration shall be confidential and not disclosed to anyone outside the arbitration, unless required by law.

D. DEADLINES

The parties shall adhere to all pre-hearing deadlines and the time limits for the conduct of the arbitration hearing. The arbitrator may extend any deadlines and time limits for good cause.

E. COMMUNICATIONS WITH ARBITRATOR

No party, and no party's representative, may communicate with the arbitrator concerning the arbitration without the other party present. Parties may direct logistical and scheduling inquiries to the Same-Day Justice Program's administrative staff.



F. CHOICE OF LAW

The arbitrator will decide what substantive law to apply to the dispute. If governed by a contract, the arbitrator will apply the law the parties selected in the contract's choice-of-law provision.

RULE 5: PRE-HEARING TELEPHONIC CONFERENCE

Before the hearing, the arbitrator will conduct a short telephonic conference so the parties may introduce themselves and give a quick summary of the dispute. After caucusing with the parties, the arbitrator shall pick the date of the arbitration hearing.

RULE 6: PRE-HEARING EXCHANGE OF DOCUMENTS/WITNESS LISTS

Absent an order from the arbitrator (which is not the normal course), and unlike in many courts or arbitrations, the parties may not seek documents from each other. Instead, each party will bring to the hearing the evidence it intends to present. This is done to avoid the protracted disputes surrounding document collection and production commonly found in other court and arbitration proceedings. If a party can identify a specific document or group of documents in the other party's possession, custody, or control that is critical to the case, it may ask the arbitrator to compel the other side to produce it.

Three business days before the hearing, the parties shall exchange: (1) any documents or other evidence they intend to present at the hearing; and (2) a list of witness (including any expert witnesses) they will call to testify. Failure to disclose evidence or witnesses by the pre-hearing deadline may result in the party's preclusion from presenting such evidence or witness.

While there are no limits on the number of documents or witnesses the parties may present, the parties should expect the time limits for each side in the following section to be strictly enforced. Therefore, the parties are cautioned to focus their presentations on the most important issues in dispute and to present their most persuasive evidence. The parties should allocate time during their presentations, if necessary, for the arbitrator to review their evidence. This is necessary for the arbitrator to render a prompt decision.



RULE 7: CONDUCT OF HEARING

A. SCHEDULE

The arbitrator (or the arbitrator's administrative staff) shall set the date, time, and place for each hearing. The parties shall cooperate in establishing and adhering to the schedule. The arbitrator may postpone any hearing at the request of all parties, upon good cause shown, or at the arbitrator's own initiative (such as due to inclement weather or illness).

The Claimant begins by presenting its evidence, followed by the Respondent. If each side has claims against the other, the same time limits will apply. The time limits are as follows, unless the arbitrator rules otherwise:

HALF-DAY ARBITRATIONS (3.5 hours)

- Claimant's case: 60 minutes
- Respondent's case: 60 minutes
- Break: 15 minutes
- Claimant's rebuttal: 15 minutes
- Respondent's rebuttal: 15 minutes
- Arbitrator's questions: 15 minutes
- Arbitrator's consideration and decision: 30 minutes

FULL-DAY ARBITRATIONS (7.5 hours)

- Claimant's case: 105 minutes (1 hour and 45 minutes)
- Break: 15 minutes
- Respondent's case: 105 minutes
- Lunch break: 60 minutes
- Claimant's rebuttal: 45 minutes
- Respondent's rebuttal: 45 minutes
- Break: 15 minutes
- Arbitrator's questions: 30 minutes
- Arbitrator's consideration and decision: 30 minutes

The schedule may be varied at the arbitrator's discretion.



B. ARBITRATOR'S POWERS

The arbitrator shall conduct the hearing in a manner suitable for the fair and efficient resolution of the dispute. The arbitrator may vary or depart from these Rules & Procedures to achieve that objective.

C. ATTENDANCE

The parties and their counsel may attend the hearings, along with any disclosed non-party witnesses (including expert witnesses) that will testify. Non-party witnesses may only be present for their own testimony. The arbitrator has the power to exclude any witness, other than a party witness.

Unless a party has obtained a postponement of a hearing, the hearing shall proceed on the date and time scheduled, even if one of the parties is not present. If a party fails to attend a hearing, the party may submit such written or documentary evidence it believes the arbitrator may need to render an award within 2 business days of the hearing.

D. EVIDENCE

The parties may present all evidence relevant and material to the dispute, subject to the arbitrator's authority to exclude evidence. The hearing will not be conducted in conformity with strict legal rules of evidence (for example, hearsay evidence is permitted and will be given weight at the arbitrator's discretion).

The arbitrator may require the witnesses to swear or affirm the truth of their testimony. The presenting party is responsible for all expenses associated with presenting evidence or witnesses.

The arbitrator will take into account principles of legal privilege, which shall include respecting attorney-client and settlement communication privileges, among others.

E. TRANSCRIPTION AND INTERPRETERS

Either party, or both parties jointly, may arrange for a stenographic record of the hearing at the arranging party's expense. Any party arranging for a stenographer to be present shall notify the other party(ies) and the arbitrator at least two business days ahead of the hearing.

Either or both parties may arrange for an interpreter, if necessary for a witness, at the arranging party's expense. Any party arranging for an interpreter shall notify the other party(ies) and the arbitrator at least two business days ahead of the hearing.



RULE 8: PAYMENT OF FEES

The hearing will not commence and no award will be issued until all fees owed by all parties have been paid in full. The arbitration fees are non-refundable. No party may withdraw from the arbitration after the Agreement is signed and fees are paid except by the agreement of all parties.

RULE 9: AWARDS

A. SCOPE

The arbitrator may issue any remedy or relief that is just and proper and within the scope of the parties' agreement, including (but not limited to) specific performance of a contract. The arbitrator may add interest (at a rate and from a date deemed appropriate by the arbitrator) to any award.

B. STANDARD AWARD VERSUS EXPLAINED AWARD

After the conclusion of the hearing, the arbitrator shall render an award.

Unless the parties elect otherwise, the arbitrator will issue a Standard Award, which is a written statement signed by the arbitrator indicating the prevailing party and the remedy awarded to that party.

If either or both of the parties elect in advance of the hearing for an Explained Award, the arbitrator shall issue a written statement that provides the reasons for the award. The arbitrator shall use best efforts to issue an Explained Award within 5 business days.

C. ERRORS IN AWARDS

If either party believes there has been a typographical or computational error in the award, it shall bring such error to the attention of the arbitrator and the other parties within 5 business days, or the claim of error is waived. It is in the arbitrator's discretion to issue an amended award.

D. CUSTOMIZED AWARDS

The parties may agree in advance to put constraints on the arbitrator's award. At the election of the parties, the arbitrator's award may be restrained as follows:

1. "Baseball arbitration" – at least three business days before the hearing, each side shall submit a statement to the arbitrator and to the other party specifying the amount of money damages they would offer or accept



(depending on whether the party is a Claimant or Respondent); the arbitrator must choose between the parties' proposals in rendering an award

2. "High/Low arbitration" -- at least three business days before the hearing, all parties shall submit a writing to the arbitrator reflecting the parties' agreement to the minimum and maximum amount of damages the arbitrator may award

RULE 10: WAIVER OF LIABILITY

By participating in the Same-Day Justice Program, the parties:

- waive any claims against the Same-Day Justice Program, the arbitrator, and the law firm of Schlam Stone & Dolan LLP, for any act or omission in connection with any arbitration under these Rules & Procedures;
- agree that the Same-Day Justice Program, the arbitrator, and the law firm of Schlam Stone & Dolan LLP are not necessary or proper parties to any judicial proceedings related to the arbitration;
- agree that they will not serve a subpoena on or call as a witness the Same-Day Justice Program, the arbitrator, and the law firm of Schlam Stone & Dolan LLP in any litigation or other proceeding related to the arbitration;
- understand and consent that judgment upon any arbitral award may be entered in any federal or state court having jurisdiction over the parties and the dispute; and
- agree that the fact that the Same-Day Justice Program is administered by Schlam Stone & Dolan LLP does not create an attorney-client relationship between Schlam Stone & Dolan LLP and any of the parties, and further that any of the parties may retain Schlam Stone & Dolan LLP in a later unrelated attorney-client engagement.

The parties agree to indemnify the Same-Day Justice Program, the arbitrator, and the law firm of Schlam Stone & Dolan LLP, for any liability (including but not limited to attorneys' fees) associated with having to defend any legal action (including but not limited to a proceeding or a subpoena) resulting from the arbitration.

RULE 11: APPEALS

All awards are final (subject to the procedure for addressing typographical or computational errors in awards above) and not appealable.

RULE 12: ENFORCEMENT OF AWARDS

All awards may be enforced in courts of law, subject to the laws of the applicable jurisdiction, which may include the Federal Arbitration Act and applicable state law.