

AAA Healthcare Payor Provider Arbitration Rules

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To access the AAA Commercial Arbitration Rules and Mediation Procedures with the previous versions of Fee Schedules, visit the Archived Rules area of the site -- [click here](#).

Table of Contents

- IMPORTANT NOTICE.....3
- INTRODUCTION.....4
 - Standard Arbitration Clause.....5
 - Administrative Fees.....5
- HEALTHCARE PAYOR PROVIDER RULES -- REGULAR TRACK.....6
 - R-1. Agreement of Parties and Applicability.....6
 - R-2. AAA and Delegation of Duties.....6
 - R-3. National Healthcare Roster.....6
 - R-4. Initiation of Arbitration.....7
 - R-5. Substitution of Claim or Counterclaim.....7
 - R-6. Change of Claim or Counterclaim.....8
 - R-7. Jurisdiction.....8
 - R-8. Administrative Conference.....8
 - R-9. Fixing of Locale.....8
 - R-10. Number of Arbitrators.....8
 - R-11. Appointment from National Healthcare Roster.....8
 - R-12. Direct Appointment by a Party.....9
 - R-13. Appointment of Chairperson by Party-Appointed Arbitrators or Parties.....9
 - R-14. Disclosure.....10
 - R-15. Disqualification of Arbitrator.....10
 - R-16. Communication with Arbitrator.....10
 - R-17. Vacancies.....11
 - R-18. Preliminary Hearing and Scheduling Order.....11

R-19. Discovery.....	13
R-20. Exchange of Information.....	13
R-21. Date, Time, and Place of Hearing.....	13
R-22. Attendance at Hearings.....	13
R-23. Representation.....	13
R-24. Oaths.....	14
R-25. Stenographic Record.....	14
R-26. Interpreters.....	14
R-27. Postponements.....	14
R-28. Arbitration in the Absence of a Party or Representative.....	14
R-29. Conduct of Proceedings.....	14
R-30. Evidence.....	15
R-31. Evidence by Affidavit and Post-hearing Filing of Documents or Other Evidence.....	15
R-32. Inspection or Investigation.....	15
R-33. Interim Measures**	15
R-34. Closing of Hearing.....	16
R-35. Reopening of Hearing.....	16
R-36. Waiver of Rules.....	16
R-37. Extensions of Time.....	16
R-38. Serving of Notice.....	16
R-39. Majority Decision.....	17
R-40. Time of Award.....	17
R-41. Form of Award.....	17
R-42. Scope of Award.....	17
R-43. Award upon Settlement.....	17
R-44. Delivery of Award to Parties.....	18
R-45. Modification of Award.....	18
R-46. Restrictions on Dissemination of the Award.....	18

R-47. Release of Documents for Judicial Proceedings.....	18
R-48. Applications to Court and Exclusion of Liability.....	18
R-49. Administrative Fees.....	18
R-50. Expenses.....	19
R-51. Neutral Arbitrator's Compensation.....	19
R-52. Deposits.....	19
R-53. Interpretation and Application of Rules.....	19
R-54. Suspension for Nonpayment.....	19
DESK/TELEPHONIC TRACK.....	19
COMPLEX TRACK.....	20
OPTIONAL RULES FOR EMERGENCY MEASURES OF PROTECTION.....	21
O-1. Applicability.....	21
O-2. Appointment of Emergency Arbitrator.....	21
O-3. Schedule.....	22
O-4. Interim Award.....	22
O-5. Constitution of the Panel.....	22
O-6. Security.....	22
O-7. Special Master.....	22
O-8. Costs.....	22
Administrative Fee Schedules (Standard and Flexible Fee).....	22
Standard Fee Schedule.....	23
Refund Schedule for Standard Fee Schedule.....	24
Flexible Fee Schedule.....	25
Hearing Room Rental.....	27

IMPORTANT NOTICE

These rules and any amendment of them shall apply in the form in effect at the time the administrative filing requirements are met for a demand for arbitration or submission agreement received by the AAA. To ensure that you have the most current information, see our web site at www.adr.org.

INTRODUCTION

Each year, thousands of business transactions take place in the healthcare industry. One unique type of transaction is the processing of claims by healthcare Payors for healthcare services rendered by healthcare Providers. Often there are contractual agreements between Providers (including but not limited to, hospitals and hospital systems, physicians and physician groups, laboratory services providers, ambulatory care centers, dentists, chiropractors, optometrists, therapists and nurses) and Payors (often health insurance companies) that govern the payment of healthcare claims. There may also be situations where, absent a contract, Payors may have an obligation to pay all or part of a claim submitted by a healthcare Provider. Disagreements between healthcare Payors and Providers regarding the payment of claims can arise in both contractual and non-contractual settings. The suitability of arbitration as a prompt and effective means of resolving Healthcare Payor Provider disputes has been well recognized over the years.

The American Arbitration Association (AAA) offers ***Healthcare Payor Provider Arbitration Rules*** to assist Payors and Providers to resolve claims by obtaining the benefits of arbitration while containing transactional costs, reducing time spent on resolution of each claim and potentially preserving ongoing business relationships.

The Healthcare Payor Provider Rules differ from the AAA's Commercial Arbitration Rules in a number of key ways:

- Regardless of the amount in controversy, parties may agree to use one of three administrative procedures (tracks): Desk/Telephonic , Regular, or Complex.
- In lieu of in-person hearings, parties may agree to desk and/or telephonic hearings and thereby reduce costs.
- The case will be heard by a single arbitrator regardless of the amount in controversy unless the parties agree otherwise.
- Discovery shall be more streamlined unless the parties agree otherwise or the arbitrator decides otherwise based on the existence of extraordinary circumstances.
- Parties may group claims involving different patients and the same Provider and Payor in a single arbitration.
- Parties may substitute patient claims prior to appointment of the arbitrator.
- Parties will have access to the National Healthcare Panel whose members are knowledgeable and experienced in handling Healthcare Payor Provider disputes.
- A preliminary telephone conference with the arbitrator shall be convened immediately after arbitrator appointment to facilitate document exchange and discovery.

The American Arbitration Association (AAA), a not-for-profit, public service organization, offers a broad range of dispute resolution services to business executives, attorneys, individuals, trade associations, unions, management, consumers, families, communities, and all levels of government. Services are available through AAA headquarters in New York and through offices located in major cities throughout the United States. Hearings may be held at locations convenient for the parties and are not limited to cities with AAA offices. In addition, the AAA

serves as a center for education and training, issues specialized publications, and conducts research on all forms of out-of-court dispute settlement.

Standard Arbitration Clause

The parties can provide for binding arbitration of future healthcare disputes involving Payors and Providers by inserting the following clause into their contracts:

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration, administered by the American Arbitration Association pursuant to its Healthcare Payor Provider Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Arbitration of existing disputes may be accomplished by use of the following clause:

We, the undersigned parties, hereby agree to submit to binding arbitration administered by the American Arbitration Association, under its Healthcare Payor Provider Arbitration Rules, the following domestic healthcare controversy involving a Payor and a Provider: (describe briefly). We further agree that the above controversy shall be administered according to one of the following three designated tracks: (Insert one of the following: Desk/Telephonic Track, Regular Track, or Complex Track). We further agree that we will faithfully observe this agreement and the rules, that we will abide by and perform any award rendered by the arbitrator(s), and that a judgment of any court having jurisdiction may be entered on the award.

In transactions likely to require emergency interim relief, the parties may wish to add to their clause the following language:

The parties also agree that the AAA Optional Rules for Emergency Measures of Protection shall apply to the proceedings.

These Optional Rules may be found below.

The services of the AAA are generally concluded with the transmittal of the award. Although there is voluntary compliance with the majority of awards, judgment on the award can be entered in a court having appropriate jurisdiction if necessary.

Administrative Fees

The AAA charges a filing fee based on the amount of the claim or counterclaim. This fee information, which is included with these rules, allows the parties to exercise control over their administrative fees.

The fees cover AAA administrative services; they do not cover arbitrator compensation or expenses, if any, reporting services, or any post-award charges incurred by the parties in enforcing the award.

HEALTHCARE PAYOR PROVIDER RULES -- REGULAR TRACK

R-1. Agreement of Parties and Applicability

a. The parties shall be deemed to have made these rules a part of their arbitration agreement whenever they have provided for arbitration by the American Arbitration Association (hereinafter AAA) under its Healthcare Payor Provider Arbitration Rules or where a payor and a provider as

defined below and the parties agree to use of the Healthcare Payor Provider Arbitration Rules:

(i) Payor -- The insurance company or other party responsible for (1) paying all or part of a claim relating to the rendering of healthcare services; or (2) administering the payment of such a claim for another entity. The term " Payor" does not include employers who sponsor benefit plans, but includes third parties who administer self-funded plans on the plans sponsor's behalf.

(ii) Provider -- The hospital or hospital system, physician or physician group, laboratory services provider, ambulatory care center, dentist, chiropractor, optometrist, therapist, nurse, or other party that provided healthcare services and seeks payment for one or more claims from a Payor.

b. These rules and any amendments of them shall apply in the form in effect at the time the administrative requirements are met for a demand for arbitration or upon receipt of a submission agreement received by the AAA.

c. Subject to additional fees charged by the AAA or by the arbitrator, the parties' written agreement may vary from the procedures set forth in these rules. After appointment of the arbitrator, such modifications may be made only with the consent of the arbitrator, subject to additional fees charged by the AAA and the arbitrator.

d. The parties may in their arbitration or submission agreement designate the set of procedures ("the track") that shall govern administration of the arbitration: (1) Desk/Telephonic Track, (2) Regular Track, or (3) Complex Track. If the parties fail to designate or to reach agreement as to the administrative track that shall govern, the AAA shall administer the arbitration in accordance with the Regular Track.

R-2. AAA and Delegation of Duties

When parties agree to arbitrate under these rules, or when they provide for arbitration by the AAA and arbitration is initiated under these rules, they thereby authorize the AAA to administer the arbitration. The authority and duties of the AAA are prescribed in the agreement of the parties and in these rules, and may be carried out through such of the AAA's representatives as it may direct. The AAA may, in its discretion, assign the administration of an arbitration to any of its offices.

R-3. National Healthcare Roster

The AAA shall maintain a panel of qualified healthcare arbitrators with expertise in the area of Payor Provider disputes. Arbitrators shall have a minimum of ten (10) years of healthcare or legal experience and shall be willing to meet the requirements of these rules and the Code of Ethics for Arbitrators in Commercial Disputes. Arbitrators shall be appointed or selected as provided in these rules or as agreed to by the parties from the AAA National Healthcare Roster established and maintained by the AAA. The term "arbitrator" in these rules refers to the arbitration panel, constituted for a particular case, whether composed of one or more arbitrators, or to an individual arbitrator, as the context requires.

R-4. Initiation of Arbitration

(a) Where there is a contract between a Payor and a Provider, the parties may file all claims arising under that contract -- regardless of how many patients or dates of services may be involved -- in a single case.

(b) Where there is more than one contract between a specific Payor and a specific Provider that may apply to the claims at issue, the parties may file all claims arising out of those contracts -- regardless of how many patients or dates of service may be involved in the same case.

(c) Where there is no contract between a Payor and a Provider, the parties may agree to submit for arbitration under these rules all claims arising out of the same alleged non-contractual bases for payment in the same case.

(d) Arbitration shall be initiated in the following manner:

(i) The initiating party (the "claimant") shall, within the time period, if any, specified in the contract(s), give to the other party (the "respondent") written notice of its intention to arbitrate (the "demand"), which demand shall contain a statement setting forth the nature of the dispute, the names and addresses of all other parties, the amount involved, if any, the remedy sought, and the hearing locale requested.

(ii) The claimant shall file at any office of the AAA one copy of the demand and one copy of the arbitration provision of the contract, together with the appropriate filing fee as provided in the schedule included with these rules.

(iii) The AAA shall confirm notice of such filing to the parties.

(e) A respondent may file an answering statement in duplicate with the AAA within 15 days after confirmation of notice of filing of the demand is sent by the AAA. The respondent shall, at the time of any such filing, send a copy of the answering statement to the claimant. If a counterclaim is asserted, it shall contain a statement setting forth the nature of the counterclaim, the amount involved, if any, and the remedy sought. If a counterclaim is made, the party making the counterclaim shall forward to the AAA with the answering statement the appropriate fee provided in the schedule included with these rules.

(f) If no answering statement is filed within the stated time, respondent will be deemed to deny the claim. Failure to file an answering statement shall not operate to delay the arbitration.

(g) When filing any statement pursuant to this section, the parties are encouraged to provide descriptions of their claims in sufficient detail to make the circumstances of the dispute clear to the arbitrator.

R-5. Substitution of Claim or Counterclaim

Parties may substitute a same or similar healthcare claim involving the same or a different patient and the same Provider and the same Payor prior to the appointment of the arbitrator provided the substituted claim is equal to or less than the amount of the withdrawn claim. See Fee Schedules for applicable substitution fee.

R-6. Change of Claim or Counterclaim

After the filing of a claim, if either party desires to make any new or different claim or counterclaim, it shall be made in writing and filed with the AAA. The party asserting such a claim or counterclaim shall provide a copy to the other party, who shall have 15 days from the date of such transmission within which to file an answering statement with the AAA. After the arbitrator is appointed, however, no new or different claim may be submitted except with the arbitrator's consent unless all parties consent to the change. The arbitrator shall consent to the addition of

claims involving new patients and/or dates of service so long as (a) the alleged grounds for payment of those claims are the same as for claims already pending in the arbitration; and (b) it will not unduly disrupt the efficient administration of the arbitration to add the claims.

R-7. Jurisdiction

(a) The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement.

(b) The arbitrator shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.

(c) A party must object to the jurisdiction of the arbitrator or to the arbitrability of a claim or counterclaim no later than the filing of the answering statement to the claim or counterclaim that gives rise to the objection. The arbitrator may rule on such objections as a preliminary matter or as part of the final award.

R-8. Administrative Conference

At the request of any party or upon the AAA's own initiative, the AAA may conduct an administrative conference, in person or by telephone, with the parties and/or their representatives. The conference may address such issues as arbitrator selection, potential mediation of the dispute, potential exchange of information, a timetable for hearings and any other administrative matters.

R-9. Fixing of Locale

The parties may mutually agree on the locale where the arbitration is to be held. If any party requests that the hearing be held in a specific locale and the other party files no objection thereto within 15 days after notice of the request has been sent to it by the AAA, the locale shall be the one requested. If a party objects to the locale requested by the other party, the AAA shall have the power to determine the locale, and its decision shall be final and binding.

R-10. Number of Arbitrators

Unless the parties agree otherwise, this dispute shall be heard and determined by one arbitrator regardless of the amount in controversy.

R-11. Appointment from National Healthcare Roster

(a) If the parties have not appointed an arbitrator and have not provided any other method of appointment, the arbitrator shall be appointed in the following manner: The AAA shall send simultaneously to each party to the dispute an identical list of 10 (unless the AAA decides that a different number is appropriate) names of persons chosen from the National Healthcare Roster. The parties are encouraged to agree to an arbitrator from the submitted list and to advise the AAA of their agreement.

(b) If the parties are unable to agree upon an arbitrator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list

within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the AAA shall have the power to make the appointment from among other members of the National Roster without the submission of additional lists.

(c) When there are two or more claimants or two or more respondents, and the parties are unable to agree upon an arbitrator, the AAA may appoint the arbitrator.

R-12. Direct Appointment by a Party

(a) If the agreement of the parties names an arbitrator or specifies a method of appointing an arbitrator, that designation or method shall be followed. The notice of appointment, with the name and address of the arbitrator, shall be filed with the AAA by the appointing party. Upon the request of any appointing party, the AAA shall submit a list of members of the National Healthcare Roster from which the party may, if it so desires, make the appointment.

(b) Where the parties have agreed that each party is to name one arbitrator, the arbitrators so named must meet the standards of Section R-15 with respect to impartiality and independence unless the parties have specifically agreed pursuant to Section R-15(a) that the party-appointed arbitrators are to be non-neutral and need not meet those standards.

(c) If the agreement specifies a period of time within which an arbitrator shall be appointed and any party fails to make the appointment within that period, the AAA shall make the appointment.

(d) If no period of time is specified in the agreement, the AAA shall notify the party to make the appointment. If within 15 days after such notice has been sent, an arbitrator has not been appointed by a party, the AAA shall make the appointment.

R-13. Appointment of Chairperson by Party-Appointed Arbitrators or Parties

(a) If, pursuant to Section R-11, either the parties have directly appointed more than one arbitrator, or more than one arbitrator has been appointed by the AAA by agreement of the parties, and the parties have authorized the party-appointed arbitrators to appoint a chairperson within a specified time and no appointment is made within that time or any agreed extension, the AAA may appoint the chairperson.

(b) If no period of time is specified for appointment of the chairperson and the party-appointed arbitrators or the parties do not make the appointment within 15 days from the date of the appointment of the last party-appointed arbitrator, the AAA may appoint the chairperson.

(c) If the parties have agreed that their party-appointed arbitrators shall appoint the chairperson from the National Healthcare Roster, the AAA shall furnish to the party-appointed arbitrators, in the manner provided in Section R-10, a list selected from the National Healthcare Roster, and the appointment of the chairperson shall be made as provided in that Section.

R-14. Disclosure

(a) Any person appointed or to be appointed as an arbitrator shall disclose to the AAA any circumstance likely to give rise to justifiable doubt as to the arbitrator's impartiality or

independence, including any bias or any financial or personal interest in the result of the arbitration or any past or present relationship with the parties or their representatives. Such obligation shall remain in effect throughout the arbitration.

(b) Upon receipt of such information from the arbitrator or another source, the AAA shall communicate the information to the parties and, if it deems it appropriate to do so, to the arbitrator and others.

(c) In order to encourage disclosure by arbitrators, disclosure of information pursuant to this Section R-14 is not to be construed as an indication that the arbitrator considers that the disclosed circumstance is likely to affect impartiality or independence.

R-15. Disqualification of Arbitrator

(a) Any arbitrator shall be impartial and independent and shall perform his or her duties with diligence and in good faith, and shall be subject to disqualification for

(i) partiality or lack of independence,

(ii) inability or refusal to perform his or her duties with diligence and in good faith, and

(iii) any grounds for disqualification provided by applicable law. The parties may agree in writing, however, that arbitrators directly appointed by a party pursuant to Section R-12 shall be nonneutral, in which case such arbitrators need not be impartial or independent and shall not be subject to disqualification for partiality or lack of independence.

(b) Upon objection of a party to the continued service of an arbitrator, or on its own initiative, the AAA shall determine whether the arbitrator should be disqualified under the grounds set out above, and shall inform the parties of its decision, which decision shall be conclusive.

R-16. Communication with Arbitrator

(a) No party and no one acting on behalf of any party shall communicate *ex parte* with an arbitrator or a candidate for arbitrator concerning the arbitration, except that a party, or someone acting on behalf of a party, may communicate *ex parte* with a candidate for direct appointment pursuant to Section R-12 in order to advise the candidate of the general nature of the controversy and of the anticipated proceedings and to discuss the candidate's qualifications, availability, or independence in relation to the parties or to discuss the suitability of candidates for selection as a third arbitrator where the parties or party-designated arbitrators are to participate in that selection.

(b) Section R-16(a) does not apply to arbitrators directly appointed by the parties who, pursuant to Section R-15(a), the parties have agreed in writing are non-neutral. Where the parties have so agreed under Section R-15(a), the AAA shall as an administrative practice suggest to the parties that they agree further that Section R-16(a) should nonetheless apply prospectively.

R-17. Vacancies

(a) If for any reason an arbitrator is unable to perform the duties of the office, the AAA may, on proof satisfactory to it, declare the office vacant. Vacancies shall be filled in accordance with the applicable provisions of these rules.

(b) In the event of a vacancy in a panel of neutral arbitrators after the hearings have

commenced, the remaining arbitrator or arbitrators may continue with the hearing and determination of the controversy, unless the parties agree otherwise.

(c) In the event of the appointment of a substitute arbitrator, the panel of arbitrators shall determine in its sole discretion whether it is necessary to repeat all or part of any prior hearings.

R-18. Preliminary Hearing and Scheduling Order

As promptly as is practicable after the selection of the arbitrator, a preliminary hearing shall be held among the parties and/or their representatives and the arbitrator. Unless the parties agree otherwise, the preliminary hearing will be conducted by telephone or video conference rather than in person. The arbitrator will issue a scheduling order setting forth the matters addressed during this hearing. The arbitrator shall have the authority to resolve any differences between the parties and/or their representatives over the issues addressed during this hearing. At the preliminary hearing the matters to be considered may include, without limitation:

(a) Whether the parties wish to enter into a confidentiality agreement which could cover, among other things, information exchanged by the parties in the course of the arbitration or any award entered by the arbitrator.

(b) Whether the parties wish to agree that rulings made by the arbitrator with respect to contract interpretation issues shall be binding upon the parties for the remainder of the duration of the contract(s) at issue subject to the outcome of any appeal.

(c) Whether the parties wish to agree to include in the arbitration additional similar claims under contracts with one or more affiliated parties subject to the consent of those affiliated parties;

(d) Prompt scheduling of the documents only, telephonic, or in-person hearing.

(e) The content of initial disclosures of information, and timeframe for the completion of service of the disclosures. The initial disclosures may include the following, without limitation:

(i). Provider information

- Provider TIN

(ii). Enrollee information

- Patient name
- Insured or enrollee name
- Employer group
- Insured or enrollee ID number

(iii). Billing information

- If applicable CPT, HCPCS, ICD-9 or ICD-10, Rev codes with relevant modifiers and units if applicable
- Date of service

- Final or interim bill
- Billed charge
- Expected allowed amount as calculated by Provider
- Expected allowed amount as calculated by Payor
- Patient responsibility as calculated by Provider
- Patient responsibility as calculated by Payor
- Amount collected from patient by Provider
- Amount paid by Payor
- Any additional amounts paid by Payor
- Other credits
- Other insurance/COB information
- Description of issue (e.g., contract interpretation, alleged underpayment, alleged late payment, alleged failure to pay statutory penalty, etc.)
- Denial reason code (and legend)
- Any other documents containing explanatory comments regarding Payor's rationale for denial of claim (if claim is denied)
- Any other data as ordered by the Arbitrator or as agreed to by the parties.

(iv). Administrative Information

- Operative contract(s) including payment appendices and amendments
- Appeal file
- In the event a claim sampling approach is used, exemplar claim forms, EOBs, SPC/COC (if relevant) and any other backup documentation for sampled claims.
- Assignments from members if Provider does not have contract with Payor

R-19. Discovery

The parties shall each be limited to one deposition unless otherwise agreed to by the parties or ordered by the Arbitrator for good cause shown.

R-20. Exchange of Information

(a) At the request of any party or at the discretion of the arbitrator, consistent with the expedited nature of the arbitration and Rule 19 above, the arbitrator may direct

- i) the production of documents and other information, and

ii) the identification of any witnesses to be called.

(b) At least five business days prior to the hearing, the parties shall exchange copies of all exhibits they intend to submit at the hearing.

(c) The arbitrator is authorized to resolve any disputes concerning the exchange of information.

R-21. Date, Time, and Place of Hearing

The arbitrator shall set the date, time, and place for each hearing. The parties shall respond to requests for hearing dates in a timely manner, be cooperative in scheduling the earliest practicable date, and adhere to the established hearing schedule. The AAA shall send a notice of hearing to the parties at least 10 days in advance of the hearing date, unless otherwise agreed by the parties.

R-22. Attendance at Hearings

(a) The AAA and the arbitrator shall maintain the confidentiality and privacy of the parties and the hearing in accordance with the applicable code of ethics and state laws.

(b) The AAA and the arbitrator shall maintain the privacy of the hearings unless the law provides to the contrary. Any person having a direct interest in the arbitration is entitled to attend hearings. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person other than a party and its representatives.

R-23. Representation

Any party may be represented by counsel or other authorized representative. A party intending to be so represented shall notify the other party and the AAA of the name and address of the representative at least three days prior to the date set for the hearing at which that person is first to appear. When such a representative initiates an arbitration or responds for a party, notice is deemed to have been given.

R-24. Oaths

Before proceeding with the first hearing, each arbitrator may take an oath of office and, if required by law, shall do so. The arbitrator may require witnesses to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

R-25. Stenographic Record

Any party desiring a stenographic record shall make arrangements directly with a stenographer and shall notify the other parties of these arrangements at least three days in advance of the hearing. The requesting party or parties shall pay the cost of the record. If the transcript is agreed by the parties, or determined by the arbitrator to be the official record of the proceeding, it must be provided to the arbitrator and made available to the other parties for inspection, at a date, time, and place determined by the arbitrator.

R-26. Interpreters

Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume the costs of the service.

R-27. Postponements

The arbitrator may postpone any hearing upon agreement of the parties, upon request of a party for good cause shown, or upon the arbitrator's own initiative.

R-28. Arbitration in the Absence of a Party or Representative

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement. An award shall not be made solely on the default of a party. The arbitrator shall require the party who is present to submit such evidence as the arbitrator may require for the making of an award.

R-29. Conduct of Proceedings

(a) The claimant shall present evidence to support its claim. The respondent shall then present evidence to support its defense. Witnesses for each party shall also submit to questions from the arbitrator and the adverse party. The arbitrator has the discretion to vary this procedure, provided that the parties are treated with equality and that each party has the right to be heard and is given a fair opportunity to present its case.

(b) The arbitrator, exercising his or her discretion, shall conduct the proceedings with a view to expediting the resolution of the dispute and may direct the order of proof, bifurcate proceedings and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case.

(c) The parties may agree to waive oral hearings in any case.

R-30. Evidence

(a) The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence as the arbitrator may deem necessary to an understanding and determination of the dispute. Conformity to legal rules of evidence shall not be necessary. All evidence shall be taken in the presence of all of the arbitrators and all of the parties, except where any of the parties is absent, in default, or has waived the right to be present.

(b) The arbitrator shall determine the admissibility, relevance, and materiality of the evidence offered and may exclude evidence deemed by the arbitrator to be cumulative or irrelevant.

(c) The arbitrator shall take into account applicable principles of legal privilege, such as those involving the confidentiality of communications between a lawyer and client.

(d) An arbitrator or other person authorized by law to subpoena witnesses or documents may do so upon the request of any party or independently.

R-31. Evidence by Affidavit and Post-hearing Filing of Documents or Other

Evidence

(a) The arbitrator may receive and consider the evidence of witnesses by declaration or affidavit, but shall give it only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission.

(b) If the parties agree or the arbitrator directs that documents or other evidence be submitted to the arbitrator after the hearing, the documents or other evidence shall be filed with the AAA for transmission to the arbitrator. All parties shall be afforded an opportunity to examine and respond to such documents or other evidence.

R-32. Inspection or Investigation

An arbitrator finding it necessary to make an inspection or investigation in connection with the arbitration shall direct the AAA to so advise the parties. The arbitrator shall set the date and time and the AAA shall notify the parties. Any party who so desires may be present at such an inspection or investigation. In the event that one or all parties are not present at the inspection or investigation, the arbitrator shall make an oral or written report to the parties and afford them an opportunity to comment.

R-33. Interim Measures**

(a) The arbitrator may take whatever interim measures he or she deems necessary, including injunctive relief and measures for the protection or conservation of property and disposition of perishable goods.

(b) Such interim measures may take the form of an interim award, and the arbitrator may require security for the costs of such measures.

(c) A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.

** The Optional Rules may be found following the Complex Track Rules.

R-34. Closing of Hearing

The arbitrator shall specifically inquire of all parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, or if satisfied that the record is complete, the arbitrator shall declare the hearing closed. If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as provided in Section R-31 and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the closing date of the hearing. The time limit within which the arbitrator is required to make the award shall commence, in the absence of other agreements by the parties, upon the closing of the hearing.

R-35. Reopening of Hearing

The hearing may be reopened on the arbitrator's initiative, or upon application of a party, at any time before the award is made. If reopening the hearing would prevent the making of the award within the specific time agreed on by the parties in the contract(s) out of which the controversy has arisen, the matter may not be reopened unless the parties agree on an extension of time. When no specific date is fixed in the contract, the arbitrator may reopen the hearing and shall

have 30 days from the closing of the reopened hearing within which to make an award.

R-36. Waiver of Rules

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with and who fails to state an objection in writing shall be deemed to have waived the right to object.

R-37. Extensions of Time

The parties may modify any period of time by mutual agreement. The AAA or the arbitrator may for good cause extend any period of time established by these rules, except the time for making the award. The AAA shall notify the parties of any extension.

R-38. Serving of Notice

(a) Any papers, notices, or process necessary or proper for the initiation or continuation of an arbitration under these rules, for any court action in connection therewith, or for the entry of judgment on any award made under these rules, may be served on a party by mail addressed to the party or its representative at the last known address or by personal service in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard to the dispute is or has been granted to the party.

(b) The AAA, the arbitrator and the parties may also use overnight delivery or electronic facsimile transmission (fax), to give the notices required by these rules. Where all parties and the arbitrator agree, notices may be transmitted by electronic mail (E-mail), or other methods of communication.

(c) Unless otherwise instructed by the AAA or by the arbitrator, any documents submitted by any party to the AAA or to the arbitrator shall simultaneously be provided to the other party or parties to the arbitration.

R-39. Majority Decision

When the panel consists of more than one arbitrator, unless required by law or by the arbitration agreement, a majority of the arbitrators must make all decisions.

R-40. Time of Award

The award shall be made promptly by the arbitrator and, unless otherwise agreed by the parties or specified by law, no later than 30 days from the date of closing the hearing, or, if oral hearings have been waived, from the date of the AAA's transmittal of the final statements and proofs to the arbitrator.

R-41. Form of Award

(a) Any award shall be in writing and signed by a majority of the arbitrators. It shall be executed in the manner required by law.

(b) The arbitrator need not render a reasoned award unless the parties request such an award in writing prior to appointment of the arbitrator or unless the arbitrator determines that a reasoned award is appropriate.

R-42. Scope of Award

(a) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of the agreement of the parties, including, but not limited to, specific performance of a contract.

(b) In addition to a final award, the arbitrator may make other decisions, including interim, interlocutory, or partial rulings, orders, and awards. In any interim, interlocutory, or partial award, the arbitrator may assess and apportion the fees, expenses, and compensation related to such award as the arbitrator determines is appropriate.

(c) In the final award, the arbitrator shall assess the fees, expenses, and compensation provided in Sections R-49, R-50, and R-51. The arbitrator may apportion such fees, expenses, and compensation among the parties in such amounts as the arbitrator determines is appropriate.

(d) The award of the arbitrator(s) may include:

(i) interest at such rate and from such date as the arbitrator(s) may deem appropriate; and

(ii) an award of attorneys' fees if all parties have requested such an award or it is authorized by law or their arbitration agreement.

R-43. Award upon Settlement

If the parties settle their dispute during the course of the arbitration and if the parties so request, the arbitrator may set forth the terms of the settlement in a "consent award." A consent award must include an allocation of arbitration costs, including administrative fees and expenses as well as arbitrator fees and expenses.

R-44. Delivery of Award to Parties

Parties shall accept as notice and delivery of the award the placing of the award or a true copy thereof in the mail addressed to the parties or their representatives at the last known addresses, personal or electronic service of the award, or the filing of the award in any other manner that is permitted by law.

R-45. Modification of Award

Within 20 days after the transmittal of an award, any party, upon notice to the other parties, may request the arbitrator, through the AAA, to correct any clerical, typographical, or computational errors in the award. The arbitrator is not empowered to redetermine the merits of any claim already decided. The other parties shall be given 10 days to respond to the request. The arbitrator shall dispose of the request within 20 days after transmittal by the AAA to the arbitrator of the request and any response thereto.

R-46. Restrictions on Dissemination of the Award

a. Unless the parties agree otherwise in writing, or unless required by law, the award shall not be published or disseminated except to the extent necessary to effectuate enforcement of the award or following issuance of a court order.

b. Unless the parties agree otherwise in writing, the award shall not have *res judicata*, *collateral*

estoppel, or precedential effect.

R-47. Release of Documents for Judicial Proceedings

The AAA shall, upon the written request of a party, furnish to the party, at the party's expense, certified copies of any papers in the AAA's possession that may be required in judicial proceedings relating to the arbitration.

R-48. Applications to Court and Exclusion of Liability

(a) No judicial proceeding by a party relating to the subject matter of the arbitration shall be deemed a waiver of the party's right to arbitrate.

(b) Neither the AAA nor any arbitrator in a proceeding under these rules is a necessary or proper party in judicial proceedings relating to the arbitration.

(c) Parties to an arbitration under these rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(d) Parties to an arbitration under these rules shall be deemed to have consented that neither the AAA nor any arbitrator shall be liable to any party in any action for damages or injunctive relief for any act or omission in connection with any arbitration under these rules.

R-49. Administrative Fees

As a not-for-profit organization, the AAA shall prescribe an initial filing fee and a case service fee to compensate it for the cost of providing administrative services. The fees in effect when the fee or charge is incurred shall be applicable. The filing fee shall be advanced by the party or parties making a claim or counterclaim, subject to final apportionment by the arbitrator in the award. The AAA may, in the event of extreme hardship on the part of any party, defer or reduce the administrative fees.

R-50. Expenses

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the arbitration, including required travel and other expenses of the arbitrator, AAA representatives, and any witness and the cost of any proof produced at the direct request of the arbitrator, shall be borne equally by the parties, unless they agree otherwise or unless the arbitrator in the award assesses such expenses or any part thereof against any specified party or parties.

R-51. Neutral Arbitrator's Compensation

(a) Regardless of the administrative track selected, the parties agree that the arbitrator shall be compensated at a rate consistent with the arbitrator's stated rate of compensation.

(b) If there is a disagreement concerning the terms of compensation, an appropriate rate shall be established with the arbitrator by the AAA and confirmed to the parties.

(c) Any arrangement for compensation of a neutral arbitrator shall be made through the AAA and not directly between the parties and the arbitrator.

R-52. Deposits

The AAA may require the parties to deposit in advance of any hearings such sums of money as it deems necessary to cover the expense of the arbitration, including the arbitrator's fee, if any, and shall render an accounting to the parties and return any unexpended balance at the conclusion of the case.

R-53. Interpretation and Application of Rules

The arbitrator shall interpret and apply these rules insofar as they relate to the arbitrator's powers and duties. When there is more than one arbitrator and a difference arises among them concerning the meaning or application of these rules, it shall be decided by a majority vote. If that is not possible, either an arbitrator or a party may refer the question to the AAA for final decision. All other rules shall be interpreted and applied by the AAA.

R-54. Suspension for Nonpayment

If arbitrator compensation or administrative charges have not been paid in full, the AAA may so inform the parties in order that one of them may advance the required payment. If such payments are not made, the arbitrator may order the suspension or termination of the proceedings. If no arbitrator has yet been appointed, the AAA may suspend the proceedings.

DESK/TELEPHONIC TRACK

D-1. If the parties agree, any claim or counterclaim regardless of amount may be resolved by submission of documents only.

D-2. The desk/telephonic rules shall be applied as described in Sections D-1 through D-6 of these rules, in addition to any other portion of the regular track rules (R-1 through R-54) that is not in conflict with the documents-only procedures.

D-3. The arbitrator shall establish a fair and equitable procedure for the submission of initial and rebuttal documents and briefs, if any.

D-4. Absent extraordinary circumstances and a finding of good cause by the arbitrator that depositions or other methods of discovery are necessary to prevent an unfair or unjust result, no additional discovery shall occur, and the dispute shall be resolved based on the documents and briefs submitted.

D-5. Telephonic Hearing -- A party may request or the arbitrator may order one or more telephonic hearings to supplement a documents-only hearing.

D-6. Arbitrator Appointment -- The AAA will submit a list of 10 proposed arbitrators from which one arbitrator shall be appointed unless the parties reach a different agreement with respect to the number of arbitrators. If for any reason an appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment from among the other members of the National Healthcare Roster, without the submission of an additional list.

COMPLEX TRACK

C-1. Upon the agreement of all parties to a dispute, any claim or counterclaim may be resolved

by application of the complex track rules.

C-2. The complex rules shall be applied as described in Sections C-1 through C-5 of these rules, in addition to any other portion of the regular track rules (R-1 through R-54) not in conflict with the complex track procedures.

C-3. Administrative Conference

Prior to the dissemination of a list of potential arbitrators, the AAA shall, unless the parties agree otherwise, conduct an administrative conference call with the parties and/or their attorneys or other representatives. The conference call will take place within 14 days after the commencement of the arbitration. In the event the parties are unable to agree on a mutually acceptable time for the conference, the AAA may contact the parties individually to discuss the issues contemplated herein. Such administrative conference shall be conducted for the following purposes and for such additional purposes as the parties or the AAA may deem appropriate:

- (a) to obtain additional information about the nature and magnitude of the dispute and the anticipated length of hearing and scheduling;
- (b) to discuss the views of the parties about the technical and other qualifications of the arbitrators;
- (c) to obtain conflicts statements from the parties; and
- (d) to consider, with the parties, whether mediation or other non-adjudicative methods of dispute resolution might be appropriate.

C-4. For cases proceeding according to complex track procedures, the parties shall each be limited to two depositions unless otherwise agreed to by the parties or ordered by the Arbitrator for good cause shown.

C-5. Management of Proceedings

- (a) Arbitrator(s) shall take such steps as they may deem necessary or desirable to avoid delay and to achieve a just, speedy and cost-effective resolution.
- (b) Parties shall cooperate in the exchange of documents, exhibits and information within such party's control if the arbitrator(s) consider such production to be consistent with the goal of achieving a just, speedy and cost-effective resolution.
- (c) At the discretion of the arbitrator(s), upon good cause shown and consistent with the expedited nature of arbitration, the arbitrator(s) may order the propounding of interrogatories to such persons who may possess information determined by the arbitrator(s) to be necessary to determination of the matter.
- (d) The parties shall exchange copies of all exhibits they intend to submit at the hearing 10 business days prior to the hearing unless the arbitrator(s) determine otherwise.
- (e) The exchange of information pursuant to this rule, as agreed by the parties and/or directed by the arbitrator(s), shall be included within the Scheduling and Procedure Order.
- (f) The arbitrator is authorized to resolve any disputes concerning the exchange of information.
- (g) Generally hearings will be scheduled on consecutive days or in blocks of consecutive days in

order to maximize efficiency and minimize costs.

OPTIONAL RULES FOR EMERGENCY MEASURES OF PROTECTION

O-1. Applicability

Where parties by special agreement or in their arbitration clause have adopted these rules for emergency measures of protection, a party in need of emergency relief prior to the constitution of the panel shall notify the AAA and all other parties in writing of the nature of the relief sought and the reasons why such relief is required on an emergency basis. The application shall also set forth the reasons why the party is entitled to such relief. Such notice may be given by facsimile transmission, or other reliable means, but must include a statement certifying that all other parties have been notified or an explanation of the steps taken in good faith to notify other parties.

O-2. Appointment of Emergency Arbitrator

Within one business day of receipt of notice as provided in Section O-1, the AAA shall appoint a single emergency arbitrator from a special AAA panel of emergency arbitrators designated to rule on emergency applications. The emergency arbitrator shall immediately disclose any circumstance likely, on the basis of the facts disclosed in the application, to affect such arbitrator's impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within one business day of the communication by the AAA to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.

O-3. Schedule

The emergency arbitrator shall as soon as possible, but in any event within two business days of appointment, establish a schedule for consideration of the application for emergency relief. Such schedule shall provide a reasonable opportunity to all parties to be heard, but may provide for proceeding by telephone conference or on written submissions as alternatives to a formal hearing.

O-4. Interim Award

If after consideration the emergency arbitrator is satisfied that the party seeking the emergency relief has shown that immediate and irreparable loss or damage will result in the absence of emergency relief, and that such party is entitled to such relief, the emergency arbitrator may enter an interim award granting the relief and stating the reasons therefore.

O-5. Constitution of the Panel

Any application to modify an interim award of emergency relief must be based on changed circumstances and may be made to the emergency arbitrator until the panel is constituted; thereafter such a request shall be addressed to the panel. The emergency arbitrator shall have no further power to act after the panel is constituted unless the parties agree that the emergency arbitrator is named as a member of the panel.

O-6. Security

Any interim award of emergency relief may be conditioned on provision by the party seeking

such relief of appropriate security.

O-7. Special Master

A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. If the AAA is directed by a judicial authority to nominate a special master to consider and report on an application for emergency relief, the AAA shall proceed as provided in Section O-1 of this article and the references to the emergency arbitrator shall be read to mean the special master, except that the special master shall issue a report rather than an interim award.

O-8. Costs

The costs associated with applications for emergency relief shall initially be apportioned by the emergency arbitrator or special master, subject to the power of the panel to determine finally the apportionment of such costs.

Administrative Fee Schedules (Standard and Flexible Fee)

The AAA has two administrative fee options for parties filing claims or counterclaims, the Standard Fee Schedule and Flexible Fee Schedule. The Standard Fee Schedule has a two-payment schedule, and the Flexible Fee Schedule has a three-payment schedule which offers lower initial filing fees, but potentially higher total administrative fees of approximately 12% to 19% for cases that proceed to a hearing. The administrative fees of the AAA are based on the amount of the claim or counterclaim. Arbitrator compensation is not included in this schedule. Unless the parties agree otherwise, arbitrator compensation and administrative fees are subject to allocation by the arbitrator in the award.

Fees for incomplete or deficient filings: Where the applicable arbitration agreement does not reference the AAA, the AAA will attempt to obtain the agreement of the other parties to the dispute to have the arbitration administered by the AAA. However, where the AAA is unable to obtain the agreement of the parties to have the AAA administer the arbitration, the AAA will administratively close the case and will not proceed with the administration of the arbitration. In these cases, the AAA will return the filing fees to the filing party, less the amount specified in the fee schedule below for deficient filings.

Parties that file demands for arbitration that are incomplete or otherwise do not meet the filing requirements contained in these rules shall also be charged the amount specified below for deficient filings if they fail or are unable to respond to the AAA's request to correct the deficiency.

Fees for additional services: The AAA reserves the right to assess additional administrative fees for services performed by the AAA beyond those provided for in these rules which may be required by the parties' agreement or stipulation.

Standard Fee Schedule

An Initial Filing Fee is payable in full by a filing party when a claim, counterclaim, or additional claim is filed. A Final Fee will be incurred for all cases that proceed to their first hearing. This fee will be payable in advance at the time that the first hearing is scheduled. This fee will be refunded at the conclusion of the case if no hearings have occurred. However, if the Association is not notified at least 24 hours before the time of the scheduled hearing, the Final Fee will

remain due and will not be refunded.

These fees will be billed in accordance with the following schedule:

Amount of Claim	Initial Filing Fee	Final Fee
Above \$0 to \$10,000	\$775	\$200
Above \$10,000 to \$75,000	\$975	\$300
Above \$75,000 to \$150,000	\$1,850	\$750
Above \$150,000 to \$300,000	\$2,800	\$1,250
Above \$300,000 to \$500,000	\$4,350	\$1,750
Above \$500,000 to \$1,000,000	\$6,200	\$2,500
Above \$1,000,000 to \$5,000,000	\$8,200	\$3,250
Above \$5,000,000 to \$10,000,000	\$10,200	\$4,000
Above \$10,000,000	Base fee of \$12,800 plus .01% of the amount above \$10,000,000 Fee Capped at \$65,000	\$6,000
Nonmonetary Claims ¹	\$3,350	\$1,250
Deficient Claim Filing Fee ²	\$350	
Additional Services ³		
Substitution Claim Filing Fee ⁴	\$250 (for up to 5 claims)	

¹ This fee is applicable when a claim or counterclaim is not for a monetary amount. Where a monetary claim amount is not known, parties will be required to state a range of claims or be subject to a filing fee of \$10,200.

² The Deficient Claim Filing Fee shall not be charged in cases filed by a consumer in an arbitration governed by the Supplementary Procedures for the Resolution of Consumer-Related Disputes, or in cases filed by an Employee who is submitting their dispute to arbitration pursuant to an employer promulgated plan.

³ The AAA may assess additional fees where procedures or services outside the Rules sections are required under the parties' agreement or by stipulation.

⁴ The Substitution Claim Filing Fee is charged to the party requesting the substitution.

Fees are subject to increase if the amount of a claim or counterclaim is modified after the initial filing date. Fees are subject to decrease if the amount of a claim or counterclaim is modified before the first hearing.

The minimum fees for any case having three or more arbitrators are \$2,800 for the Initial Filing Fee, plus a \$1,250 Final Fee.

Parties on cases filed under either the Flexible Fee Schedule or the Standard Fee Schedule that are held in abeyance for one year will be assessed an annual abeyance fee of \$300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed.

For more information, please contact your local AAA office, case management center, or our Customer Service desk at 1-800-778-7879.

Refund Schedule for Standard Fee Schedule

The AAA offers a refund schedule on filing fees connected with the Standard Fee Schedule. For cases with claims up to \$75,000, a minimum filing fee of \$350 will not be refunded. For all other cases, a minimum fee of \$600 will not be refunded. Subject to the minimum fee requirements, refunds will be calculated as follows:

> 100% of the filing fee, above the minimum fee, will be refunded if the case is settled or withdrawn within five calendar days of filing.

> 50% of the filing fee, will be refunded if the case is settled or withdrawn between six and 30 calendar days of filing.

> 25% of the filing fee will be refunded if the case is settled or withdrawn between 31 and 60 calendar days of filing.

No refund will be made once an arbitrator has been appointed (this includes one arbitrator on a three-arbitrator panel). No refunds will be granted on awarded cases.

Note: The date of receipt of the demand for arbitration with the AAA will be used to calculate refunds of filing fees for both claims and counterclaims.

Flexible Fee Schedule

A non-refundable Initial Filing Fee is payable in full by a filing party when a claim, counterclaim, or additional claim is filed. Upon receipt of the Demand for Arbitration, the AAA will promptly initiate the case and notify all parties as well as establish the due date for filing of an Answer, which may include a Counterclaim. In order to proceed with the further administration of the arbitration and appointment of the arbitrator(s), the appropriate, non-refundable Proceed Fee outlined below must be paid.

If a Proceed Fee is not submitted within ninety (90) days of the filing of the Claimant's Demand for Arbitration, the Association will administratively close the file and notify all parties.

No refunds or refund schedule will apply to the Filing or Proceed Fees once received.

The Flexible Fee Schedule below also may be utilized for the filing of counterclaims. However, as with the claimant's claim, the counterclaim will not be presented to the arbitrator until the Proceed Fee is paid.

A Final Fee will be incurred for all claims and/or counterclaims that proceed to their first hearing. This fee will be payable in advance when the first hearing is scheduled, but will be refunded at the conclusion of the case if no hearings have occurred. However, if the Association is not notified of a cancellation at least 24 hours before the time of the scheduled hearing, the Final Fee will remain due and will not be refunded.

All fees will be billed in accordance with the following schedule:

Amount of Claim	Initial Filing Fee	Proceed Fee	Final Fee
Above \$0 to \$10,000	\$400	\$475	\$200
Above \$10,000 to \$75,000	\$625	\$500	\$300
Above \$75,000 to \$150,000	\$850	\$1250	\$750
Above \$150,000 to \$300,000	\$1,000	\$2125	\$1,250
Above \$300,000 to \$500,000	\$1,500	\$3,400	\$1,750
Above \$500,000 to \$1,000,000	\$2,500	\$4,500	\$2,500
Above \$1,000,000 to \$5,000,000	\$2,500	\$6,700	\$3,250
Above \$5,000,000 to \$10,000,000	\$3,500	\$8,200	\$4,000
Above \$10,000,000	\$4,500	\$10,300 plus .01% of claim amount over \$10,000,000 up to \$65,000	\$6,000

Nonmonetary ¹	\$2,000	\$2,000	\$1,250
Deficient Claim Filing Fee	\$350		
Additional Services ²			
Substitution Claim Filing Fee ³	\$250 (for up to 5 claims)		

¹ This fee is applicable when a claim or counterclaim is not for a monetary amount. Where a monetary claim amount is not known, parties will be required to state a range of claims or be subject to a filing fee of \$3,500 and a proceed fee of \$8,200.

² The AAA reserves the right to assess additional administrative fees for services performed by the AAA beyond those provided for in these rules and which may be required by the parties' agreement or stipulation.

³ The Substitution Claim Filing Fee is charged to the party requesting the substitution.

For more information, please contact your local AAA office, case management center, or our Customer Service desk at 1-800-778-7879. All fees are subject to increase if the amount of a claim or counterclaim is modified after the initial filing date. Fees are subject to decrease if the amount of a claim or counterclaim is modified before the first hearing.

The minimum fees for any case having three or more arbitrators are \$1,000 for the Initial Filing Fee; \$2,125 for the Proceed Fee; and \$1,250 for the Final Fee.

Under the Flexible Fee Schedule, a party's obligation to pay the Proceed Fee shall remain in effect regardless of any agreement of the parties to stay, postpone or otherwise modify the arbitration proceedings. Parties that, through mutual agreement, have held their case in abeyance for one year will be assessed an annual abeyance fee of \$300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be closed.

Note: The date of receipt by the AAA of the demand for arbitration will be used to calculate the ninety (90) day time limit for payment of the Proceed Fee.

There is no Refund Schedule in the Flexible Fee Schedule.

Hearing Room Rental

The fees described above do not cover the cost of hearing rooms, which are available on a rental basis. Check with the AAA for availability and rates.

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