



# CONSUMER ARBITRATION RULES

## Costs of Arbitration

Amended and Effective September 1, 2018

### Costs of Arbitration

Arbitrator compensation, expenses as defined in sections (v) and (vii) below, and Administrative Fees (which includes Filing Fees, Case Management Fees and Hearing Fees) are not subject to reallocation by the arbitrator(s) except as may be required by applicable law or upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.

Party	Desk/Documents-Only Arbitration	In-Person or Telephonic Hearing Arbitration
Consumer	<b>Filing Fee:</b> \$200 (nonrefundable)  \$0 if Case Filed by Business	<b>Filing Fee:</b> \$200 (nonrefundable)  \$0 if Case Filed by Business
Business	<b>Filing Fee (nonrefundable):</b> \$300 for 1 or \$425 for 3 arbitrators is due once the consumer claimant meets the filing requirements; \$500 for 1 arbitrator or \$625 for 3 arbitrators if Case Filed by Business is due at the time the arbitration is filed.  <b>Case Management Fee (nonrefundable):</b> \$1,400 for 1 arbitrator or \$1,775 for 3 arbitrators will be assessed 60 days after the date the AAA sends correspondence communicating the "answer" due date to the parties or upon the appointment of the arbitrator, whichever comes first.  <b>Arbitrator Compensation:</b> \$1,500 per case*	<b>Filing Fee (nonrefundable):</b> \$300 for 1 or \$425 for 3 arbitrators is due once the consumer claimant meets the filing requirements; \$500 for 1 arbitrator or \$625 for 3 arbitrators if Case Filed by Business is due at the time the arbitration is filed.  <b>Case Management Fee (nonrefundable):</b> \$1,400 for 1 arbitrator or \$1,775 for 3 arbitrators will be assessed 60 days after the date the AAA sends correspondence communicating the "answer" due date to the parties or upon the appointment of the arbitrator, whichever comes first.  <b>Hearing Fee:</b> \$500  <b>Arbitrator Compensation:</b> \$2,500 per day of hearing* per arbitrator
	*A Desk/Documents-Only Case will not exceed document submissions of more than 100 pages in total and 7 total hours of time for the arbitrator to review the submissions and render the Award.  Beyond 100 pages and 7 hours of time, the business will be responsible for additional arbitrator compensation at a rate of \$300 per hour. Arbitrator compensation is not subject to reallocation by the arbitrator(s) except as may be required by applicable law or upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.	*The arbitrator compensation encompasses one preliminary conference, one day of in-person or telephonic hearing, and one final award. For cases with additional procedures, such as multiple telephone conferences, motion practice, post-hearing briefing, interim or partial awards, awards containing findings of fact and conclusions of law, or other processes not provided in the Rules, the business will be responsible for additional arbitrator compensation. Arbitrator compensation is not subject to reallocation by the arbitrator(s) except as may be required by applicable law or upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.

#### (i) Filing Fees\*

In cases before a single arbitrator where the consumer is the Claimant, a nonrefundable filing fee, capped in the amount of \$200, is payable in full by the consumer when a case is filed unless the parties' agreement provides that the consumer pay less. A nonrefundable filing fee in the amount of \$300 is payable by the business once the consumer claimant meets the filing requirements, unless the parties' agreement provides that the business pay more.



In cases before three or more arbitrators, where the consumer is the Claimant, a nonrefundable filing fee capped in the amount of \$200 is payable in full by the consumer when a case is filed, unless the parties' agreement provides that the consumer pay less. A nonrefundable filing fee in the amount of \$425 is payable by the business once the consumer claimant meets the filing requirements, unless the parties' agreement provides that the business pay more.

In cases where the business is the Claimant, the business shall be responsible for all filing fees. The nonrefundable filing fee is \$500 for a single arbitrator or \$625 for 3 arbitrators.

There shall be no filing fee charged for a counterclaim.

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.

*\*Pursuant to Section 1284.3 of the California Code of Civil Procedure, consumers with a gross monthly income of less than 300% of the federal poverty guidelines are entitled to a waiver of arbitration fees and costs, exclusive of arbitrator fees. This law applies to all consumer agreements subject to the California Arbitration Act, and to all consumer arbitrations conducted in California. If you believe that you meet these requirements, you must submit to the AAA a declaration under oath regarding your monthly income and the number of persons in your household. Please contact the AAA at 1-800-778-7879, if you have any questions regarding the waiver of administrative fees. (Effective January 1, 2003)*

### **(ii) Case Management Fees**

A nonrefundable case management fee of \$1,400 for 1 arbitrator or \$1,775 for 3 arbitrators will be assessed to the business 60 days after the date the AAA sends correspondence communicating the "answer" due date to the parties or upon the appointment of the arbitrator, whichever comes first. Should the case close for any reason within 60 days of the "answer" due date communication and no arbitrator has been appointed, the case management fee will not be charged.

### **(iii) Neutral Arbitrator's Compensation**

The business shall pay the arbitrator's compensation unless the consumer, post dispute, voluntarily elects to pay a portion of the arbitrator's compensation.

- **Desk/Documents-Only Arbitration** – Arbitrators serving on a desk/documents-only arbitration will receive compensation at a rate of \$1,500 per case. A desk/documents-only arbitration will not exceed document submissions of more than 100 pages in total and 7 total hours of time for the arbitrator to review the submissions and render the Award. Beyond 100 pages and 7 hours of time, the business will be responsible for additional arbitrator compensation at a rate of \$300 per hour.
- **In-Person or Telephonic Hearing Arbitration** – Arbitrators serving on an in-person or telephonic hearing arbitration case will receive compensation at a rate of \$2,500 per day of hearing per arbitrator. The arbitrator compensation encompasses one preliminary conference, one day of in-person or telephonic hearing, and one final award. For cases with additional procedures, such as multiple telephone conferences, motion practice, post-hearing briefing, interim or partial awards, awards containing findings of fact and conclusions of law, or other processes not provided in the Rules, the business will be responsible for additional arbitrator compensation.

Once a Preliminary Management Hearing is held by the arbitrator, the arbitrator is entitled to one-half of the arbitrator compensation rate. Once evidentiary hearings are held or all parties' documents are submitted for a desk/documents-only arbitration, the arbitrator is entitled to the full amount of the arbitrator compensation rate.

For in-person or telephonic hearing arbitrations, if an evidentiary hearing is cancelled fewer than 2 business days before the hearing, the arbitrator is entitled to receive compensation at the first day of hearing rate.

Any determination by the AAA on whether the business will be responsible for additional arbitrator compensation is in the sole discretion of the AAA and such decision is final and binding.

**(iv) Hearing Fees**

For telephonic hearings or in-person hearings held, a Hearing Fee of \$500 is payable by the business. If a case is settled or withdrawn prior to the hearing taking place, the Hearing Fee will be refunded, or cancelled if not yet paid. However, if the AAA is not notified of a cancellation at least two business days before a scheduled hearing, the Hearing Fee will remain due and will not be refunded.

There is no AAA hearing fee for an Administrative Conference (see R-10).

**(v) Hearing Room Rental**

The hearing fees described above do not cover the rental of hearing rooms. The AAA maintains rental hearing rooms in most offices for the convenience of the parties. Check with the administrator for availability and rates. Hearing room rental fees will be borne by the business.

**(vi) Abeyance Fee**

Parties on cases held as inactive for one year will be assessed an annual abeyance fee of \$500. If a party refuses to pay the assessed fee, the opposing party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed. All filing requirements, including payment of filing and other administrative fees, must be met before a matter may be placed in abeyance.

**(vii) Expenses**

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne by the business.

**(viii) Consumer Clause Review and Registry Fee**

Please note that all fees described below are **nonrefundable**.

For businesses submitting a clause, the cost of reviewing the clause and maintaining that clause on the Registry is \$500. A yearly Registry fee of \$500 will be charged to maintain each clause on the Registry for each calendar year thereafter.

If the AAA receives a demand for consumer arbitration from an arbitration clause that was not previously submitted to the AAA for review and placement on the Registry, the business will incur an additional \$250 fee for the AAA to conduct an immediate review of the clause.

Any subsequent changes, additions, deletions, or amendments to a currently registered arbitration agreement must be submitted for review and a review fee of \$500 will be assessed at that time.

**(ix) Reallocation of Arbitrator Compensation, AAA Administrative Fees and Certain Expenses**

Arbitrator compensation, expenses as defined in sections (v) and (vii) in Costs of Arbitration section of the Rules and administrative fees (which include Filing and Hearing Fees) are not subject to reallocation by the arbitrator(s) except as may be required by applicable law or upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.