

AAA[®] Financial Administration Services Procedures

For Non-Administered Cases



AMERICAN ARBITRATION ASSOCIATION[®]

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Procedures Effective June 15, 2017

1. The AAA will act as the intermediary between the Parties and the Arbitrator(s) in connection with the collection of deposits and distribution of funds for the Parties' arbitration proceeding.
2. The Parties shall be deemed to have made these Procedures a part of their AAA Financial Administration Services Agreement for Non-Administered Cases ("Services Agreement").
3. As a non-administered arbitration, the AAA's arbitration rules are not applicable with respect to the AAA's role in connection with any aspect of the Parties' arbitration. The AAA's sole role is with respect to the financial aspects of the arbitration as set forth in these Procedures.
4. *Matter Reference Number*: All funds submitted by the Parties to the AAA under these Procedures shall note the reference number for the matter, which the AAA will provide to the Parties.
5. *Deposit Estimates*: At the Parties' request, the AAA will work with the Arbitrator(s) and the Parties to develop a case budget. The case budget will include an estimate for the amount of the time the Arbitrator(s) anticipates is necessary to bring the case to conclusion.
 - a. Examples include anticipated time for the evidentiary hearing, preliminary matters, award preparation (which may include case preparation, document review, motion practice, discovery and deliberation), and travel time (if necessary).
 - b. Deposit estimates are subject to change at any time and may be increased depending on the amount of time spent on the case by the Arbitrator(s).
 - c. The Parties agree to submit additional advance deposits requested by the Arbitrator(s).
 - d. Arbitrator expenses are also payable by the Parties.
6. *Preliminary Conference Call*: At the Parties' request, the AAA will schedule a conference call in order to determine the schedule for the submission of deposits to the AAA to cover arbitrator fees and expenses.
7. At the Parties' request, the AAA will encourage the Arbitrator(s) to adhere to the AAA's Arbitrator Billing Best Practices.
8. *Deposit Allocation*: The Parties will inform the AAA at the outset of the case as to how the deposits should be allocated among the Parties.
 - a. Typically the AAA will assess an equal share to each Party unless otherwise agreed by the Parties or directed by the Arbitrator(s).
9. *Payment of Deposits*: The AAA accepts payment by check, credit card, or wire transfer, at the discretion of the paying party.
10. *Timing of Deposits*: The AAA will typically collect deposits in advance of an Arbitrator(s) incurring time on the case. Generally deposits are due on the schedule directed by the Arbitrator(s) and, in most cases, will be collected in advance of the Arbitrator(s) incurring any time on the case.

11. *AAA Statements and Invoices*: AAA Statements and Invoices are available on demand, and the AAA also will provide invoices to the Parties with any request for a deposit.
 - a. Statements:
 - i. Detailed Statement – Provide a complete financial history of the case, including credits, cancellations, or other changes to each invoiced amount.
 - ii. Cyclical Statement – Automatically generated each month, when a balance exists, reflecting new monthly charges and any previous existing amounts due to the AAA.
 - b. Invoices – Show only the amount being requested. The AAA's invoice will not reflect any credits, cancellations or other changes to an invoiced amount.
12. *Arbitrator Invoices*: The AAA requires a written invoice from the Arbitrator(s) prior to making payment.
 - a. Arbitrator invoices are available to the Parties upon request.
13. *Accounts*: No interest shall be paid to the Parties.
14. *Billing Representative*: Each party should designate a billing representative for the AAA's statements/invoices. If a separate billing representative is not identified, the AAA will send communications to the lead representative for that party.
15. The AAA will maintain the confidentiality of the information provided by the Parties and the Arbitrator(s), unless the Parties agree otherwise or the law provides to the contrary.
16. In the event that there are excess funds of the Parties held by the AAA at the termination of the Services Agreement, the AAA shall pay any outstanding Arbitrator(s) invoices through the date of termination before calculating any refunds due to the Parties. If, after making payment to the Arbitrator(s), there remains a balance due, that issue is to be addressed and resolved directly between the Part(ies) and the Arbitrator(s). If any excess funds remain after payment of the Arbitrator(s)' invoices through the date of termination, the AAA will return such funds to the Parties' billing representative in the proportions in which they were deposited unless otherwise specifically agreed between the Parties or directed by the Arbitrator(s).
17. In the event that a Party does not pay deposits or an invoice when due, the AAA will provide the non-paying party 10 days within which to submit payment. In the event that the non-paying party continues to be delinquent, the AAA will provide an opportunity for the other party to submit payment on behalf of the non-paying party. If payment is not received within 15 days of the invoice or deposit due date, the AAA will terminate its administration of the financial services for the arbitration. Distribution of any excess funds of the Parties held by the AAA at the termination of the Services Agreement shall proceed as set forth in Paragraph 16.

