

REASONED AWARDS CASE LAW SUMMARY

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REASONED AWARD STANDARD

FEDERAL COURTS:

JURISDICTION	CASES/STANDARD
Second Circuit	<p><u>Leeward Constr. Co., Ltd. v. Am. Univ. of Antigua-Coll. of Med.</u>, 826 F.3d 634 (2d Cir. 2016). The second federal circuit to adopt the now-dominant, relatively loose Eleventh Circuit <i>Cat Charter</i> test for whether an award is adequately reasoned.</p> <p>The contract incorporated the AAA's construction rules; the award, which involved construction of a medical school in Antigua, was an ICDR award. The trial court, which the Second Circuit upheld, confirmed the award in <i>Leeward Const. Co. v. American Univ. of Antigua</i>, 2013 WL 1245549, at ** 2-3 (S.D.N.Y. 2013).</p> <p><u>Standard</u>: "A reasoned award is something more than a line or two of unexplained conclusions, but something less than full findings of fact and conclusions of law on each issue raised before the panel. A reasoned award sets forth the basic reasoning of the arbitral panel on the central issue or issues raised before it. It need not delve into every argument made by the parties."</p> <p><u>Facts/Holding</u>: AUA contended that the arbitrators exceeded their powers as they failed to provide a "reasoned award" required by the parties' contract. The award divided the case into 68 "Controversies," decided each in a separate "Panel's Decision," but provided very little by way of explanation in an award that granted some claims and denied others. The court, however, <u>held</u> that the award in this construction dispute was sufficiently reasoned when it was well over thirty pages long and contained considerable detail on the panel's findings and conclusions. The award just needs the "relevant facts, as well as the key factual findings supporting its conclusions."</p>
Second Circuit	<p><u>Tully Constr. Co., Inc. v. Canam Steel Corp.</u>, 684 Fed. Appx. 24 (2d Cir. 2017), <i>affirming</i>, <u>Tully Constr. Co./A.J. Pegno Constr. Co., J.V. v. Canam Steel Corp.</u>, 13 CIV. 3037 (PGG), 2016 WL 8943164 (S.D.N.Y. Mar. 29, 2016), a decision upholding the second <i>Tully</i> award after the trial court vacated the first award in <u>Tully Const. Co./A.J. Pegno Const. Co., J.V. v. Canam Steel Corp.</u>, 13 CIV. 3037 PGG, 2015 WL 906128 (S.D.N.Y. Mar. 2, 2015), .</p> <p>The <i>Tully</i> awards were rendered in a "private arbitration." The Second Circuit affirmed the trial court's confirmation of the second award, which was entered after remand of the first award for more explanation.</p>

	<p><u>Standard:</u> The Second Circuit followed its <i>Cat-Charter</i> based “something more” standard for reasoned awards as stated in <i>Leeward Construction</i>.</p> <p><u>Facts/Holding:</u> The court of appeals disposed of the attack on the award for lack of reasons in two short paragraphs. It cited approvingly that trial court’s confirmation reasoning, taken from <i>Leeward</i>, that the award does not have to address every party argument and need only state “key factual findings” that support its conclusions. To the court of appeals, the award adequately “laid out a factual history of the parties’ dealings” and then explained why Tully was entitled to damages on some of its claims.</p> <p>The first <i>Tully</i> award and its vacatur is discussed <i>infra</i> in the Southern District of New York section.</p>
Fifth Circuit	<p><u>Rain CII Carbon, LLC v. ConocoPhillips Co.</u>, 674 F.3d 469, 474 (5th Cir. 2012). The Fifth Circuit was the first federal circuit to adopt and follow the Eleventh Circuit’s <i>Cat Charter</i> opinion, issued in 2011. The <i>Rain</i> opinion helped make <i>Cat Charter</i> the dominant test for analyzing the adequacy of reasons in supposedly reasoned awards.</p> <p>The arbitration was governed by the Federal Arbitration Act. The award is another ICDR award.</p> <p><u>Standard:</u> “The only description of a reasoned award in this circuit was rendered in a footnote.” <i>See Sarofim v. Tr. Co. Of The W.</i>, 440 F.3d 213, 215 n.1 (5th Cir. 2006)(“[A] reasoned award is something short of findings and conclusions but more than a simple result.”) (quoting <u>Holden v. Deloitte & Touche LLP</u>, 390 F. Supp. 2d 752, 780 (N.D. Ill. 2005))).</p> <p><u>Facts/Holding:</u> Conoco asserted that the arbitrator exceeded his powers in two ways: (1) failing to select only one proposal, per the parties’ baseball arbitration agreement; and (2) failing to render a reasoned award. Like the Eleventh Circuit in <i>Cat Charter</i>, so here the Fifth Circuit noted that the parties did not request findings of fact and conclusions of law, which it called an exhaustive standard familiar to the courts. Instead, they agreed to a reasoned award without further elaboration. The court <u>held</u> that given the deference employed when evaluating arbitral awards, and as all doubts implicated by an award must be resolved in favor of arbitration, the award in this case was sufficient to withstand Conoco’s request for vacatur. Specifically, the arbitrator’s eight page award laid out the facts, described the parties’ contentions, and decided which of the two proposals for the price formula should prevail.</p> <p>The <i>Rain</i> award and opinion are important because they raise the question of contention awards, those in which an arbitrator merely lists contentions</p>

	<p>and then announces who wins. The court chided ConocoPhillips by complaining that “Conoco would have this court vacate the arbitration award merely because the arbitrator did not reiterate this reason [the winner’s contentions] in the following paragraph.” The court apparently did not know that the contentions were drawn from the losing party’s proposed award, so they were not written by the arbitrator and do not necessary reflect the arbitrator’s thought process. Moreover, ConocoPhillips summary of the Rain’s contentions is incomplete, and nowhere in the award does the arbitrator say that he actually agrees with any specific position or piece of evidence. All his award really indicates is that it adopts the outcome sought by Rain.</p>
Fifth Circuit	<p><i>Sarofim v. Trust Co. of the W.</i>, 440 F.3d 213 (5th Cir. 2006). <i>Sarofim</i> is a pre-<i>Cat Charter</i> and <i>Rain</i> opinion upholding a detailed reasoned award in a securities investment dispute. It contains a footnote that states the standard the Eleventh Circuit would later incorporate into <i>Cat Charter</i>, that a reasoned award is anything “short of findings and conclusions but more than a simple result,” but the holding does not stand for that proposition.</p> <p>The award is a AAA award.</p> <p><u>Standard</u>: The appeal concerned only punitive damages, with the Respondent brokerage company complaining that the award did not show the Texas-based panel applied the correct California standard for proving the “malice” or “fraud” required to award punitive damages. The court rejected Respondent’s proposition that an appellate review of a “reasoned award” is “confined to the four corners of the arbitral award, and that [the court] may not consider evidence from the record which supports the punitive damages award.”</p> <p><u>Facts/Holding</u>: Looking at the overall record, the court held that the award of punitive damages was properly supported. It <u>held</u> that an appellate court may consider “all the information available to the court on review of manifest disregard” and that even though the award did not specifically use the pertinent terms of the California statute, the award contained enough information to let the court infer the necessary elements.</p>
Sixth Circuit	<p><i>Green v. Ameritech Corp.</i>, 200 F.3d 967 (6th Cir. 2000). A pre-<i>Cat Charter</i> opinion that reversed vacatur and upheld a weakly explained discrimination award that denied all claims on the ground that the claimant had not “met his burden” or, on one claim, had presented “no evidence.”</p> <p><u>Standard</u>: The contract contained a detailed requirement for an “explained” award, which it defined as “an opinion which explains the arbitrator’s decision with respect to each theory advanced by each Plaintiff and the arbitrator’s calculation of the types of damages.” The court of appeals largely removed this requirement by finding it a term that</p>

	<p>offered the court “little guidance,” did not “clearly state in the agreement the degree of specificity required,” and was only an “inexact requirement of an explanation as to each theory.”</p> <p><u>Facts/Holding:</u> The court of appeals reversed the trial court, which had vacated because the arbitrator only “announced” his decision, because the award “set forth facts pertaining to the dispute” in its “brief discussion of each of the three claims” and the conclusion that Green failed to meet the burden of proof on each award. Thus it seemed to accept that merely stating a party fails to meet its burden, which every losing party does, offered an “explanation” for the outcome.</p>
Ninth Circuit	<p><u>Western Employers Ins. Co. v. Jefferies & Co., Inc.</u>, 958 F.2d 258 (9th Cir. 1992). An important, leading early case upholding judicial power to vacate awards that lack reasons in its holding that a failure to provide requested findings and conclusions required vacatur.</p> <p>The award is an older NASD award.</p> <p><u>Standard:</u> The Ninth Circuit applied a contract-compliance standard, holding that a party has “a right to arbitration according to the terms for which it contracts.”</p> <p><u>Fact/Holding:</u> The parties had altered the NASD arbitration clause to <u>require findings of fact and conclusions of law. The brokerage’s counsel lobbied against the panel’s supplying this form of award, and in addition argued that, as former counsel to the NASD, he urged the panel to consult with the NASD on whether the agreed form was proper. For whatever reason, the panel did not issue findings and conclusions. The court vacated the award for violating the parties’ agreement. It dealt with the flaw in the brokerage’s position by noting that “Jefferies has not indicated why, under simple principles of contract law, Western should be held to the terms of the contract for which it did not bargain.” The opinion is also important for explaining why an alteration to the parties’ agreement on form, an alteration that may appear one of omission, nonetheless can establish that the arbitrators exceeded their powers and require vacatur.</u></p>
Ninth Circuit	<p><u>Olson v. Harland Clarke Corp.</u>, 676 Fed. Appx. 635 (9th Cir. 2017)(Mem. opp. not for publication), <i>aff’g</i> 2014 WL 2589453, slip op. at **1-2 (W.D. Wash. June 10, 2014). An aberrant opinion out of line with the almost universal acceptance that failing to provide the proper form of award is a vacatable offense.</p> <p>The case was a AAA commercial arbitration.</p>

	<p><u>Standard:</u> The Ninth Circuit did not treat failure to give reasons as a legitimate basis for vacatur. The trial court found “little guidance in this circuit or elsewhere as to the precise definition of a reasoned opinion, . . .”</p> <p><u>Facts/Holding:</u> The arbitrator in an employment termination case under AAA commercial rules agreed to issue a reasoned award. The award concluded that the employee was an independent contractor, though not why, and that he had not complied with time requirements for giving notice, but not why. He dismissed all of the claims. <u>The Ninth Circuit’s opinion, which is out of step with mainstream reasoned award law that a failure to give reasons when the form requires them is a vacatable problem, does not cite the many cases, including the Ninth Circuit’s <i>Western Employers, Cat Charter, Rain, and Leeward</i>, that treat failure to give reasons as a legitimate basis for vacate.</u></p>
Eleventh Circuit	<p><u>Cat Charter, LLC v. Schurtenberger</u>, 646 F.3d 836, 844 (11th Cir. 2011). <i>Cat Charter</i> is the leading case on the test required to see if an award is reasoned. It contains two tests: (1) is an award something more than a standard award but less than findings and conclusions; and (2) does it satisfy the vaguely broad test listed under “Standard” below?</p> <p>The arbitration was governed by the Commercial Arbitration Rules of the AAA.</p> <p><u>Standard:</u> (1) “A reasoned award is something short of findings and conclusions but more than a simple result.” (2) “Strictly speaking, then, a ‘reasoned’ award is an award that is provided with or marked by a detailed listing <i>or mention of</i> expressions or statements offered as a justification of an act -- . . .” (emphasis in original).</p> <p><u>Facts/Holding:</u> Claimants sought damages for Respondent shipbuilders’ failure to complete a catamaran for them and won on two claims, but lost on their major tort claims. The award’s only approximation to a reason was the conclusion that Claimants “have proven their claim . . . by the greater weight of the evidence.” The award did not explain what the dispute was about or contain any other facts, or cite any law. The Respondents tried to vacate the Award on the ground that the panel exceeded its authority by not providing the required reasoned award. They argued that saying Claimants proved their claims “by the greater weight of the evidence” added no explanatory value to the Award and “work no transformative alchemy on what is most certainly a ‘bare’ or ‘standard’ award.” The court found the term reasoned award “somewhat ambiguous.” that the context of the Panel’s statements and the fact that the Award provided detailed reasons regarding one claim (this appearing to be a reference to its discussion of</p>

	<p>who was a substantially prevailing party on that claim for fee purposes) lead the court to disagree with the defendants. These points somehow persuaded the court that the issue was one of “credibility” that the panel decided for claimants. (Neither the word credibility nor a reference to any witness’s testimony appears in the award.) The court held the award reasoned because the panel provided more than a simple result.</p>
<p>Northern District of Texas</p>	<p><u>Murchison Capital Partners, L.P. v. Nuance Communications, Inc.</u>, 3:12-CV-04749-P, 2013 WL 12094168 (N.D. Tex. July 30, 2013), <i>appeal dis’d because remand order was not a final order</i>, 760 F.3d 418 (5th Cir. 2014).</p> <p><u>Standard</u>: The merger agreement governing the dispute required “written findings of fact and conclusions.”</p> <p><u>Facts/Holding</u>: The <i>Murchison</i> trial-court opinion is a good example of the proper application of a requirement of findings and conclusions, and its approach should apply to reasoned awards, too. The arbitrators issued an award with sixteen pages of findings and five pages explaining their conclusions of law. (They provided added detail in a narrative portion of the award that could have stood on its own as a reasoned award.) The panel found for the claimant on fraud and fraudulent inducement, but held that the claimant had not proven the cause of damages because, under claimant’s benefit-of-the-bargain model, the arbitrators did not find the acquired corporation ever would have achieved enough revenue for earnout damages to be accrue. The award did not address out-of-pocket damages, however, even though those damages were being sought and the trial court found these were applicable damages for fraud under New York Law. The arbitrators might have concluded that the acquirer received value worth what it paid and thus did not suffer out-of-pocket damages, but they might have had a different view, and in any event they did not address out-of-pocket damages at all. The court therefore found it “neither arguable nor colorable that the Panel tried to provide a conclusion of law supporting an award for out-of-pocket damages.” The court remanded for the arbitrators to address out-of-pocket damages.</p>
<p>Eastern District of Tennessee</p>	<p><u>Galloway Const., LLC v. Utilipath, LLC</u>, 3:13-CV-161-PLR-CCS, 2014 WL 3965118 (E.D. Tenn. Aug. 13, 2014), <i>on reconsideration</i>, 3:13-CV-161-PLR-CCS, 2014 WL 5361984 (E.D. Tenn. Oct. 21, 2014).</p> <p><u>Standard</u>: The court stated that the arbitration agreement required panel to “analyze the issues, claims, counterclaims, and defenses of the parties and provide a ‘reasoned’ award on the merits of the parties’ claims and counterclaims.”</p> <p><u>Facts/Holdings</u>: The award failed to mention two counterclaims. The court held that denying those counterclaims could not be reasoned “when</p>

	<p>neither a basis for the denial is given, nor the very existence of the counterclaim mentioned.” A reasoned award has to contain, at a minimum, “a basic statement addressing why each claim, counterclaim, theory, or defense was accepted or rejected by the panel.” The court rejected the argument that requiring such an explanation would mistakenly mean imposing a requirement of “minute fact-finding within a dispute involving cross-claims and well over 600 exhibits,”</p>
<p>Northern District of Illinois Circuit</p>	<p><u>ARCH Dev. Corp. v. Biomet, Inc.</u>, 02 C 9013, 2003 WL 21697742, at *4 n.2 (N.D. Ill. July 30, 2003), the court expressed skepticism that failing to provide a reasoned award – failing to perform an act – could be interpreted as exceeding powers, as if an excess always requires affirmative behavior and cannot arise from insufficient activity. <i>Id.</i> (“Further, failure to provide a reasoned award cannot form the basis for finding that the Arbitrator exceeded his powers. Indeed it is very strange to assert that an arbitrator has <i>exceeded</i> his powers by not doing enough.”).</p> <p>This minimization of the award’s form was picked up and cited with approval in <i>Holden v. Deloitte and Touche, LLP</i>, 390 F.Supp.2d 752, 780 (N.D. Ill. 2005) and <i>R & Q Reinsurance Co. v. Am. Motorist Ins. Co.</i>, 10 C 2825, 2010 WL 4052178 at *5 (N.D. Ill. Oct. 14, 2010).</p>
<p>Middle District of Alabama</p>	<p><u>Forrest v. Waffle House, Inc.</u>, 1:05CV572-MHT, 2012 WL 1867601, slip op. at *4-5 (M.D. Ala. May 22, 2012).</p> <p>The arbitration occurred under the AAA Employment Arbitration Rules.</p> <p><u>Standard</u>: The agreement required an award in the form “typically rendered in labor arbitration cases,” which the court found was satisfied by one providing the “written reasons” for the outcome as dictated by AAA Employment Rule 39(c).</p> <p><u>Facts/Holding</u>: The court found the requirement of written reasons met in a “well-reasoned 16-page award.” The arbitrator, deciding for the claimant on state-law tort claims based upon sexual harassment, identified the primary issue as the weight of evidence, described “the various evidence,” concluded that the “greater weight” supported Forrest, and made specific fact findings as well. The court correctly described the “thorough 16-page award” as one “detailing Forrest’s claims, summarizing the evidence, and explaining [the arbitrator’s] reasoning” much more than the award’s “bulleted points.” The arbitrator discussed the law and facts on Waffle House’s position that Forrest did not file her Title VII claim with the 180 days of the “tangible employment action” and found that the claim indeed was filed timely. He separately addressed</p>

	Forrest's state-law claims of "hostile environment, harassment, outrage, invasion of privacy, and assault and battery."
Middle District of Florida	In <u>PriMed, Inc. v. Dallas Gen. Life Ins. Co.</u> , 8:11-CV-2002-T-33AEP, 2012 WL 646221, (M.D. Fla. Feb. 28, 2012), the decision did not indicate that the Respondent complained about the form of the award, but the district court did cite <i>Cat Charter</i> and indicate that the award went beyond that minimal award because the arbitrator supplied "specific dates and identified Respondents' actions that constituted breach of the subject contract."
Southern District of New York	<p><u>Tully Const. Co./A.J. Pegno Const. Co., J.V. v. Canam Steel Corp.</u>, 13 CIV. 3037 PGG, 2015 WL 906128 (S.D.N.Y. Mar. 2, 2015).</p> <p>The arbitration was governed by the AAA Rules for Complex Cases.</p> <p><u>Standard</u>: "Many courts in this District have found that a 'reasoned award' requirement means that the arbitrator is obligated to present something short of findings of fact and conclusions of law but more than a simple result. It is clear that an arbitrator required to render a 'reasoned award' is not obligated to discuss every single piece of evidence or to show how every single proposition he adopted could be derived from first principles. Courts in this district find an award adequately 'reasoned' where it sets out the arbitrator's key findings and, where necessary, the reasons for those findings."</p> <p><u>Facts/Holding</u>: The first award took the form of a construction list award. The court concluded that the arbitrator's two page final award "offers no explanation whatsoever for his rulings on Tully's claims and Canam's counterclaims"; the arbitrator did not "set forth the relevant facts, explain the nature of the claims, or offer any reason or rationale for his determinations as to liability and damages. . . . Instead, the arbitrator merely listed various categories of monetary damages without any explanation as to how he calculated those figures or determined liability. . . ." Thus, the award was not a reasoned award.</p> <p>The arbitrator had refused a request that he provide more detail before the court vacated the first award; on remand, he added string cites to exhibits and record transcript pages to the award but no explanation of what this evidence meant to him. Yet both the trial court and the Second Circuit upheld the later, "Enlarged" award. <u>Tully Constr. Co./A.J. Pegno Constr. Co., J.V. v. Canam Steel Corp.</u>, 13 CIV. 3037 (PGG), 2016 WL 8943164 (S.D.N.Y. Mar. 29, 2016), <i>aff'd sub nom. Tully Constr. Co., Inc. v. Canam Steel Corp.</i>, 684 Fed. Appx. 24 (2d Cir. 2017).</p> <p><u>See other cases in Southern District of New York:</u></p>

	<p>TapImmune, Inc. v. Gardner, 2015 WL 4111881, slip op. at **6-7 (S.D.N.Y. 2015)(holding that while failing to provide reasons when requested may exceed powers, giving reasons when they were not requested does not).</p> <p><u>Fulbrook Capital Mgmt. LLC v. Batson</u>, 14-CV-7564 JPO, 2015 WL 321889, at *5 (S.D.N.Y. Jan. 26, 2015)(finding “reasoned award” where arbitrator’s award “charts the path to its result with clear and well-reasoned findings” and “explains in full its rejection of ... Petitioners’ most important argument”).</p> <p><u>Carmody Bldg. Corp. v. Richter & Ratner Contracting Corp.</u>, 08 CIV. 9633 SHS, 2013 WL 4437213, at *4 (S.D.N.Y. Aug. 19, 2013)(upholding arbitrator’s award as “reasoned” where the “eight-page award ... set forth at length the history of the dispute and [the arbitrator’s] findings with regard to each issue submitted to him, as well as an explanation for each of his findings”).</p> <p><u>Am. Centennial Ins. Co. v. Glob. Intern. Reinsurance Co., Ltd.</u>, 12 CIV. 1400 PKC, 2012 WL 2821936, at *9 (S.D.N.Y. July 9, 2012) (upholding award as “reasoned” where the arbitrators, “[i]n seven pages and thirty numbered paragraphs, ... recite[d] the relevant terms of the Agreement, the history of the dispute, the findings of the prior panels, and the panel’s rationale for awarding [respondent reinsurer] a 15%—and not a 30% or 45%-reduction [on all losses and loss adjustment expenses paid by petitioner insurer].... The panel thus ‘rendered more than a standard award, which would be a mere announcement of [its] decision.’”).</p>
<p>Northern District of Illinois</p>	<p><u>R & Q Reinsurance Co. v. Am. Motorist Ins. Co.</u>, 10 C 2825, 2010 WL 4052178 at *5 (N.D. Ill. Oct. 14, 2010).</p> <p>The arbitration was governed by the Federal Arbitration Act.</p> <p><u>Standard</u>: “There is no established statutory or case law definition of a ‘reasoned award.’ As best this Court can glean, a ‘reasoned award’ constitutes an award with more specificity than a simple one-line award stating ‘party x wins and party y loses,’ but less specificity than an award with findings of fact and conclusions of law. [citation omitted]. There is a broad spectrum between a one-line award and an extensive recitation of findings of fact and conclusions of law.”</p> <p><u>Facts/Holding</u>: R & Q argued that its motion to vacate should be granted for the following three reasons: (1) the Panel failed to issue a “reasoned award”; (2) in failing to issue a “reasoned award” the panel was guilty of misconduct and exceeded its powers; and (3) R & Q was prejudiced by the Panel’s misconduct. The court, disagreeing, held that the panel’s award fell within the broad spectrum stated above and was sufficient to constitute a</p>

	<p>reasoned award. It found the award did more than simply provide a one-line finding that one party won and one lost. The award included six paragraphs and spanned more than one single-spaced page. More importantly, the award included the relevant contract clause and fact findings that drove the panel's award decision. The Award also closely mirrored the draft award one of the parties submitted to the Panel. Therefore, the Panel issued a "reasoned award."</p>
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STATE COURTS:

JURISDICTION	CASES/STANDARD
<p>Connecticut</p>	<p><u>SBD Kitchens, LLC v. Jefferson</u>, 157 Conn. App. 731, 118 A.3d 550, 559-60 (2015).</p> <p>The arbitration was governed by the AAA.</p> <p><u>Standard</u>: “Although there is no Connecticut authority defining a reasoned award under the rules of the American Arbitration Association, several federal courts have done so. The common theme of those federal authorities, with which we agree, is that a reasoned award means something more than a simple result and less than specific findings of fact and conclusions of law.” [citations omitted]. The court held its review of the award for reasons when facing a manifest disregard challenge was not “confined to the four corners of the arbitral award and that [the court] may consider evidence from the record . . . “</p> <p><u>Facts/Holding</u>: The defendants claimed that the arbitrator manifestly disregarded the law on punitive damages by finding only what amounted to malice in fact rather than actual malice. The arbitrator was required to give a reasoned award. The arbitrator summarized the proceedings before him and made findings of fact and conclusions of law. The defendants argued that the arbitrator was required to find actual malice to justify awarding punitive damages under Connecticut law. It argued that the award’s language about the defendants’ motives fell short of the proof Connecticut required. The defendants claimed as well that appellate review of a “reasoned award” was “confined to the four corners of the arbitral award” and could not look broadly at the record to see if it supported the punitive damages. The court disagreed. Relying on <i>Sarofim</i>, it <u>held</u> that it could consider “all the information available to the court on review for manifest disregard.” Ultimately, it held that the arbitrator’s decision and the record showed that the arbitrator did not manifestly disregard the law by failing to provide reasons for the punitive damages.</p>
<p>Oklahoma</p>	<p><u>House v. Vance Ford-Lincoln-Mercury Inc.</u>, 328 P.3d 1239, 1246 (Okla. Civ. App. 2014).</p> <p>The arbitration was subject to the FAA.</p> <p><u>Standard</u>: The court applied the test of whether the award was “something more than a simple result,” citing among other authority <i>Sarofim</i>.</p> <p><u>Facts/Holding</u>: The arbitration concerned a 2008 Ford F-150 sold as a “new” demo model but that allegedly was used because it had been sold</p>

	<p>once before. The arbitrator did not award damages to the truck owner, finding no evidence that the truck had been misused, that the claimant had been injured by the nondisclosure, or that she had any problems with the truck in the thirty months she had used it. The unhappy truck owner claimed that the seven-page award was not reasoned (and only had “bare” conclusions) as required by the underlying agreement. But the court found that the 27-paragraph award explained the dispute’s history, recited facts from the hearing, the contentions, “and explains the rationale for the conclusions reached.” The award may have had less reasoning than the losing Claimant wanted, but that was not a basis for reversal.</p>
South Dakota	<p><u>Vold v. Broin & Associates, Inc.</u>, 699 N.W.2d 482 (S.D. 2005). An unusual dispute over whether the arbitrator could rescind his own decision that the award would be reasoned.</p> <p>The arbitration proceeded under the AAA’s Construction Industry Arbitration Rules and was subject to the FAA.</p> <p><u>Standard</u>: The arbitrator’s decision on the form of award is a substantive decision and cannot be revoked without notice to the parties.</p> <p><u>Facts/Holding</u>: The arbitrator decided to issue a reasoned award. The parties disputed whether they had agreed to a reasoned award and the trial court determined they had, but the South Dakota Supreme Court held that the record did not permit the trial court to draw that conclusion. Nonetheless, the Court held that under AAA Construction Rule 43 on the form of award, the arbitrator’s failing to provide a reasoned award, after having decided to provide that form of award, was a substantive error, not a procedural one, and it therefore vacated the award. An impassioned dissenting judge argued that the arbitrator had “absolute discretion” under the AAA rules to determine the form of the award in the absence of party agreement and that he retained power to modify his order at any time.</p>
New Jersey	<p><u>Integrated Const. Enterprises, Inc. v. Bradley Sciocchetti, Inc.</u>, 2012 WL 5845616, at *7 (N.J. Super. Ct. App. Div. Nov. 20, 2012).</p> <p>The arbitration was governed by the AAA.</p> <p><u>Standard</u>: “Generally, courts have found arbitration awards to be “reasoned” when the awards consist of more than a standard award that simply announces a result, but less than an award that contains findings of fact and conclusions of law.” This, of course, is part of the <i>Cat Charter</i> test, which the New Jersey court cited.</p> <p><u>Facts/Holding</u>: ICE contended that the court should have vacated the award because the arbitrator exceeded his powers by failing to render a “reasoned award” as required by the parties. However, the court held that the arbitrator</p>

	<p>did not exceed his authority because the parties' agreement did not specify the award's form, and the parties did not request a written explanation before the arbitrator was appointed (that a requirement for a party agreement to bind the arbitrator under AAA rules). ICE therefore failed to carry its burden of proving that the arbitrator exceeded his powers by issuing something other than a "reasoned award." In addition, the court held that the arbitrator rendered an award that provided more than what was required by a standard award, and more than ICE had bargained for with the other parties. It noted that the arbitrator provided "reasons" for finding in favor of BSI when the award explained that BSI did not breach the subcontract agreement or delay the construction project's completion.</p>
Texas	<p><u>Stage Stores, Inc. v. Gunnerson</u>, No. 01-13-00708-cv, 2015 WL 5946612, at *7 (Tex. App.—Houston [1st Dist.] Oct. 8, 2015, no pet.).</p> <p>The arbitration was governed by the Federal Arbitration Act. It was a private arbitration conducted by agreement under the AAA commercial rules for Large, Complex cases.</p> <p><u>Standard</u>: "The detail and specificity required of a reasoned award falls between a standard award and findings of facts and conclusions of law. A reasoned award is an award that is provided with or marked by the detailed listing or mention of expressions or statements offered as a justification of the decision of the Panel or arbitrator." This, of course, is the Eleventh Circuit's <i>Cat Charter</i> standard, and the opinion cites that case repeatedly.</p> <p><u>Facts/Holding</u>: The parties agreed that the arbitrator would issue a "reasoned award." They disputed whether the arbitration award was reasoned. Stage Stores argued that the award should be vacated because it failed to address one of its defenses and was not reasoned on other issues. The court disagreed on the broader attack, but did remand on the omitted defense. The court's review revealed that the award largely conformed to the requirements for being a reasoned award (the court citing <i>Rain CII</i> and <i>Cat Charter</i>). It was four pages long and contained more than just a recitation of which party won and the recovery. Near the beginning of the arbitration award, the arbitrator wrote, "For the reasons set forth herein, the Arbitrator concludes that the claimant has met his burden of proof in part, and failed to meet his burden of proof in other respects, but was entitled to the relief set out below." The award contained a statement of jurisdiction, an identification of the parties, a statement of the issues, a recitation of procedural facts, the arbitrator's rulings, and the arbitrator's damage awards. The court therefore held that it was more than a standard award. With respect to the defense the award did not address, the court held that it could not fill that gap for the arbitrator, and ordered the trial court to remand the award to the arbitrator to rule on that defense. It rejected the argument that other portions of the award were inadequately reasoned.</p>

<p>Texas</p>	<p><u>SSP Holdings Ltd. P’ship v. Lopez</u>, 432 S.W.3d 487, 493 (Tex. App. – San Antonio, 2014).</p> <p><u>Standard:</u> The court of appeals discussed <i>Cat Charter</i>, <i>Sarofim</i>, and the Sixth Circuit’s earlier <i>Green</i> opinion in discussing the approach it would take.</p> <p><u>Facts/Holding:</u> The agreement required the panel to “include a brief, written opinion addressing the issues before them.” But the arbitrators merely stated the conclusions that the allegedly injured claimant’s suit was barred by limitations, by “res judicata, collateral estoppel, or issue/claim preclusion” from a prior panel arbitration, and by “arbitration and award.” The court of appeals nonetheless found this outcome-announcing award adequate in spite of the court’s defining “opinion” from <i>Black’s Law Dictionary</i> as usually “including the statement of facts, points of law, <i>rationale</i>, and dicta.” <i>Id.</i> at 495 (emphasis added). The opinion contains no explanation for the listed “rationales” behind the arbitrators’ rejection of Lopez’s claims.</p>
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