

Notice of Compensation Arrangements

American Arbitration Association

Nicholas Abaza and Jorge Borunda (Lawyers)

Vs.

Richard Allison, Jr. (Client)

Vs.

Caroline Allison

Case# 01-22-0000-9524

Notice of Compensation Arrangements for Hon. Anne Ashby

You have been invited to serve as an arbitrator in the above matter. It is important that you understand the terms of your compensation and the role you play in ensuring that you receive payment for fees and expenses that you may incur during your service.

This invitation to serve is based on our assumption that, you are willing to comply with the American Arbitration Association's (AAA) *Arbitrator Billing Guidelines*, which is attached to this document and also available in Panelist eCenter at www.adr.org. If you expect to assess charges that are not detailed on your AAA Resume and referenced below, (or if you are a non-AAA arbitrator and such charges are not reflected below), you must notify the AAA prior to accepting your appointment so that the parties can determine whether they still seek your services as an arbitrator.

Your Compensation

Rules: "Consumer Arbitration Rules"

Procedures: "Regular"

You will be compensated at the following rates, per the rate structure indicated on your AAA resume or in accordance with a fixed rate as prescribed in the rules and/or procedures. If you are a non-AAA arbitrator, you will be compensated based upon the rates provided to your case administrator and shared with the parties or if applicable in accordance with a fixed-rate prescribed in the rules and/or procedures.

Rate Type	Rate Frequency	Rate
Hearing Rate	DAY	\$2,500.00
Study Rate	DAY	\$0.00
Travel Rate	DAY	\$0.00
Cancellation Rate	DAY	\$0.00

In as much as you are agreeing to serve in this matter at the above rate, any subsequent change to your published rate after your appointment will not apply to this case.

Commercial Expedited and Construction Fast Track Fixed Rates

On cases administered under the Expedited and Fast Track Procedures of the rules, the arbitrator will receive compensation at rates established by the AAA. Generally, the hearing shall not exceed one day. *If during the preliminary hearing you determine that this matter requires more than one day of hearing, please consult with your case administrator about billing for the additional day(s).* Your case administrator will discuss and facilitate any necessary changes to your terms of compensation.

If the matter concludes after the preliminary hearing and prior to the final hearing, you will be compensated at half of the established rate. Under the Expedited and Fast Track Procedures, you receive no compensation for study time, travel time, or cancellations.

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Consumer Arbitration Rules Fixed Rates

On cases administered under the Consumer Arbitration Rules, the AAA has established fixed rates with the expectation the case should not require more than one day of hearing. If during the preliminary management hearing you determine that this matter requires more than one day of hearing, please consult with your case administrator about billing for the additional day(s). This case will remain under the Consumer Arbitration Rules regardless of the number of days of hearing or the amount or complexity of any claim. Under the Consumer Arbitration Rules you receive no compensation for study time, travel time, or cancellations.

Your Expenses

On most cases, your expenses should be nominal and will be reimbursed immediately after you submit them. For any single expense over \$75, please include a receipt with your request for reimbursement.

If you anticipate that you will incur significant expenses, such as airfare or hotel room costs, please advise your case administrator in advance so that the parties can be asked to make deposits prior to you incurring the expense.

Deposits and Payment

Payment for your compensation is the obligation of the parties and it is understood that the American Arbitration Association has no liability, direct or indirect, for such payment. During the course of the proceeding the case administrator will ask that you provide an estimate of the amounts needed to cover your fees. Generally this occurs immediately after the preliminary hearing, although on longer or more complex cases it can occur immediately upon appointment or after each series of hearings.

Unless you specify otherwise, the parties are advised that deposits are due 30 days prior to the first hearing. No later than two weeks prior to the hearing, the case administrator will advise you of the total amount on deposit. Should the parties fail to make deposits in a timely manner, you must determine whether to go forward, suspend or terminate the proceedings until such time as deposits have been made. Please see the applicable rules for Remedies for Nonpayment (i.e., Commercial Rule R-57, Construction Rule R-59, and Consumer Rule R-54). If you decide to go forward without full deposits, you may not subsequently delay the rendering of the award for lack of payment of your fees. *The time to deal with this issue is prior to the commencement of the hearings.* Should you decide to suspend the proceedings, your case administrator can assist you in issuing an appropriate order to the parties.

If you realize that you are spending more time on this matter than you originally estimated, it is your obligation to inform the case administrator prior to exhausting the current deposit. The case administrator will then make arrangements with the parties for additional deposits per your instructions.

In order to receive payment, please submit bills promptly. Your bills should be submitted in a format that is presentable to the parties, should detail the dates on which the charges were incurred with a description of the activity performed, and must correspond with the terms of compensation outlined herein. Bills should be submitted on a regular basis, as appropriate, and should reflect any balance forward. Upon receipt, the AAA will release payment from the amounts deposited by the parties. Should there be insufficient funds on deposit you will not receive payment until the parties have made additional deposits. Further, we will not use one party's deposit to cover another party's obligation without written permission to do so.

In the event your Award is delivered prior to payment by the parties of the agreed upon compensation, the AAA is authorized but not obligated to seek to collect these monies on your behalf by all lawful means, to represent you in any action or proceeding for such recovery and to file a claim in any bankruptcy or insolvency proceeding for such monies. The AAA may prosecute and receive any recovery on your behalf and has full authority to compromise or settle such claims as may be, in its discretion, appropriate. However, under no circumstances whatsoever will the AAA be liable for any failure to collect any or all the monies due. The AAA is authorized to subtract a reasonable amount for collection and attorney's fees.

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Failure to Disclose and Forfeiting Compensation

As an arbitrator in this matter, you have an ongoing obligation to disclose any direct or indirect relationship with the case participants. Your failure to make disclosures in a timely manner would be a serious transgression and may be grounds for your removal as arbitrator from this case and/or from the AAA's Roster. Should this occur, you may be required to forfeit the compensation for the time you spent on this matter after you should have made such disclosures.

IRS Reporting Requirement (For U.S. Residents)

Compensation payments, and the corresponding IRS reporting, will be made either to you individually (attributed to your Social Security Number) or to your employer (attributed to the Employer Identification Number), based on the preference you indicated and as recorded in your panel record. If you are unsure of your current payment preference, you may contact your case administrator or AAA Panel Relations. Promptly inform the AAA if this information is incorrect or changes during the case, or if an address correction is necessary.

If the AAA does not have the payee's tax information on record, we must withhold 31% of compensation payments, as required by the IRS. Reimbursements of expenses are not subject to withholding and are not reported to the IRS.

Please note that in accordance with Section 7 of the *Standards and Responsibilities for Members of the AAA Roster of Arbitrators and Mediators*, compensation AAA Panelists receive on an AAA-administered case will not be disbursed by the AAA to another ADR Provider Organization. If the undersigned is not on the AAA Roster, this provision is not applicable.

IRS Reporting Requirement (For Non-U.S. Residents)

Compensation payments, and the corresponding IRS reporting, will be made either to you individually (attributed to your Social Security Number) or to your employer (attributed to the Employer Identification Number), based on the preference you indicated and as recorded in your panel record. If you are unsure of your current payment preference, you may contact your case administrator or AAA Panel Relations. Promptly inform the ICDR if this information is incorrect or changes during the case, or if an address correction is necessary.

If the ICDR does not have the payee's tax information on record, we must withhold 31% of compensation payments, as required by the IRS.

Please also note that if you reside outside of the United States and perform work (e.g., attending a hearing) in the United States you are required by the IRS to complete either Form 8233 (Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual) or Form W-BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding). These forms have to be completed and filed with the ICDR annually regardless if a copy is on file. Failure to file these forms with the ICDR will result in withholding 31% of compensation payments, as required by IRS. Reimbursements of expenses are not subject to withholding and are not reported to the IRS.

Acknowledgement

If you are willing to serve on this matter per the compensation terms detailed above, please check the box below and proceed with completing your oath.



I acknowledge the terms of compensation for this case.

(AA)

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Hon. Anne Ashby

September30, 2022