

Framework for Series of Mass Employment Arbitration Proceedings

Establish a framework for dealing with individual employment claims that are subject to a common arbitration clause. This framework is ideal for companies that use a standard arbitration clause as a condition of employment or as a condition of a relationship established through a web-based interface. It provides individual arbitrations at a fixed price and establishes a panel to deal with issues common to all claims to establish efficiency and consistency.

Framework for Individual Employment Arbitrations

Filing fee: \$100 initial filing fee

Arbitrators: FedArb will work with the parties to create a roster of 5 panelist consisting of former federal judges and neutrals with relevant expertise to act as arbitrators per region (regions TBD) to deal with cases within 30 days of submission of a filing. Two-step process: FedArb proposes 10 names, then parties can strike 3. Step 2 is force ranking those who remain with the top five being the panel.

- Hourly fees agreed upon (would agree to a range of \$700-\$900/hr or alternatively, FedArb could get the judges to agree on one set hourly rate). FedArb would randomly assign judges for each new case.
- Create fixed price costs (min/max) depending on the type of arbitrations.
- For each judge, the first five cases would be billed at the actual number of hours, subject to the agreed upon minimum and maximum. After a judge has done five cases, the fee will be set to the appropriate level.

Administrative Fee: 6% of fees billed by arbitrators (half of FedArb's normal 12%)

Setup fees: 60 days prior to the hearing, a non-refundable setup fee of \$1,000 will be charged. 30 days prior to hearing date, a non-refundable prepayment of all remaining fees (arbitrator's fixed fee and administrative fee).

Key assumptions:

1. Expedited arbitration rules (limited briefing, limited discovery, no post hearing briefs).
2. FedArb can also administer procedure by CPR, JAMS, AAA or other similar entities, while still using FedArb's fee structure.
3. Major issues common to all cases dealt with in an MDL like court composed of a three-judge tribunal (optional).
4. To the extent the Mass Employment Arbitration rules conflict with FedArb's general arbitration rules, the Mass Employment Arbitration rules supersede and govern with respect to the timing and amount of fees.
5. Video may be used in situations where there is no local panelists or where health concerns otherwise dictate.

MDL Framework:

- A setup fee (based on the number of arbitration) for nationwide MDL type proceeding
- Creation of a 1 or 3 judge tribunal with former federal judges with relevant expertise to bill at their normal rate
- 6% administrative fee