

Arbitral Award Upheld Except for Post-Judgment Interest

January 5, 2018



Members of Anchin Block & Anchin's Litigation, Forensic and Valuation Services Group often serve as arbitrators in commercial disputes. Sometimes, the claimant in a case will ask for pre-award and/or post-judgment interest in addition to the principal amount of its claim. The arbitrator has to determine if such interest should be awarded and, if so, at what interest rate.

In a decision recently reported in the *New York Law Journal*¹

¹ *Maersk Line Ltd. v. Nat'l Air Cargo Grp. Inc.*, 16 Civ. 6272 (Oct. 4), the respondent in an arbitration owed the claimant fees for ocean transportation, container storage and management services that the claimant provided to the respondent. The claimant held that the respondent owed \$777,655.12 in fees and an additional \$128,281.14 in pre-award interest. The parties' contract provides that New York law would govern in any dispute arbitrated pursuant to the terms of the contract.

An arbitral panel awarded the claimant \$907,956.29, including the \$777,655.15 principal debt, \$128,281.14 in pre-award interest, arbitrator's compensation of \$2,202.00, and post-award interest at 9 percent annually pursuant to New York Civil Practice Law and Rules §5004.

Partly granting the claimant's unopposed motion to confirm the arbitral award, the

court found the claimant was entitled to confirmation of the total amount of the arbitrator's award, except its post-judgment interest rate at 9 percent annually. The court held that the parties' selection of New York law did not supplant 28 USC §1961's post-judgment interest rate applicable to federal judgments. Thus, §1961 controlled the interest rate applicable to any unpaid amounts after entry of judgment in the instant case.

For more information, please contact Anthony Bracco, David Beckman, Margaret Kolb, Dennis Neier, or Raymond Dragon of Anchin's Litigation, Forensic and Valuation Services Group at 212.840.3456.