Follow the Bouncing Ball: Newly Revised Cybersecurity Regulations Scheduled for March 1 in New York

February 8, 2017

When a member of Anchin, Block & Anchin's Litigation, Forensic and Valuation Services Group serves as an arbitrator, one of the things he or she needs to consider is whether his or her decision should be contained in a simple award or in a reasoned award; if the latter, how much detail needs to be included in the reasoned award.

There was a case1 recently reported in the New York Law Journal in which Leeward Construction Co. Ltd. was contracted to build a medical school for American University of Antigua – College of Medicine. The agreement contained an arbitration provision.

A disagreement arose between Leeward and American University of Antigua, and Leeward commenced an arbitration proceeding pursuant to the terms of the agreement. In a reasoned award, the arbitration panel awarded Leeward the equivalent of $156,462.38. The arbitral panel in its award did not contain a line by line analysis of how it arrived at the amount of the award.

The American University of Antigua challenged the award, arguing that the district

court erred in its confirmation of the award because the arbitral panel did not produce a reasoned award as it was required to do. The Second Circuit, informed by the Fifth Circuit's ruling in Rain CII Carbon LLC v. Conoco Phillips Co. and the Eleventh Circuit's ruling in Cat Charter LLC v. Schurtemberger, affirmed the district's court's decision, holding that an arbitration decision need not contain a line-by-line analysis of damages awarded to be considered a "reasoned award." Rather, the award is a "reasoned award" when it contains a substantive discussion of the panel's rationale. Here the award set forth the relevant acts, and key factual findings supporting the panel's decision.

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

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1 Leeward Constr. Co. Ltd. V. Am. Univ. of Antigua—College of Medicine., 13-1708-cv (June 24, 2016)