

Dispute Resolution Clause for Business – Three Step Process

Negotiation. In the event of any dispute arising out of or relating to this Agreement or the breach thereof, the parties shall use their best efforts to settle the dispute by direct negotiations between individuals with full settlement authority.

If the dispute is not settled promptly through negotiation, the parties shall submit the dispute to mediation under the then-applicable Mediation Rules of the American Arbitration Association. The parties to the dispute shall share equally the mediator's fees and any administrative fee, but shall otherwise bear their own expenses.

Thereafter, any unresolved dispute arising out of or relating to this Agreement, or breach thereof, shall be decided by binding arbitration in Boston, Massachusetts by a single arbitrator pursuant to the then-current Arbitration Rules of the American Arbitration Association, and judgment upon the Award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall issue a written decision stating the reasons for the award. The arbitrator shall be a lawyer who has been admitted to the Massachusetts bar for at least ____ years and has substantial experience in _____. The parties to the dispute shall share equally the arbitrator's fees and any administrative fee, but shall otherwise bear their own expenses. The arbitrator shall not award multiple damages, punitive damages, prejudgment interest, or attorney's fees, nor shall the arbitration be conducted as part of a class action; provided however that, if any limitation set forth herein shall be determined by a court of competent jurisdiction to be unenforceable, said limitation shall be disregarded without affecting any other provision of this Agreement. The arbitrator shall determine the arbitrability of the dispute if it is in controversy. The arbitrator may consider and rule on any dispositive motions submitted by the parties. Discovery shall be limited to such prehearing exchange of information as is explicitly authorized by Chapter 251 of the Massachusetts General Laws. Except for any stenographer and the arbitrator, attendance at the arbitration shall be limited to the parties and their counsel and witnesses. Except as necessary for purposes of an action to enforce, modify, or vacate the arbitration award, all documents and other information submitted to the arbitrator, including any transcript of the proceedings, shall be confidential and shall not be disclosed to anyone other than the parties and their counsel and financial advisors.