

Online ADR:

Who It Benefits and How It Works



Arbitration Resolution Services, Inc. (ARS)

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8 Reasons to Choose ADR over Litigation to Resolve Your Dispute

Alternative Dispute Resolution (ADR), including arbitration and mediation is not new. It has been used successfully for hundreds, if not thousands, of years. However, in recent years, it has been growing in use with more companies choosing to use arbitration in commercial employment and consumer disputes. With this increased usage, the methods for conducting ADR have expanded making it an even more practical and cost-effective solution for many types of disputes.

ADR vs Litigation

Simply stated, litigation is a formal, generally public process which resolves disputes through a court with a judge and often a jury. It is subject to strict rules imposed by law governing the conduct of the proceeding, such as the formal rules of evidence. Arbitration is private process whereby parties work with a neutral third party to hear both sides and make a final and binding decision, using agreed-upon rules governing how the process will work. Mediation is a negotiation facilitated by a neutral third party. The mediator does not impose a decision, but helps the parties come to an amicable resolution. Mediation is useful to help the parties can find common ground, while arbitration is used as an alternative to litigation when the parties cannot resolve their dispute and need a neutral third-party to impose a decision.

Benefits of Arbitration

For many types of disputes, arbitration offers a better alternative to litigation. Its advantages include:

- 1. Flexibility and control.** Parties can set terms in their arbitration agreement contract governing how the process will work. This includes establishing rules regarding discovery, hearings, time limitations and other matters. In addition, parties can schedule hearings and deadlines to accommodate their needs.
- 2. Speed.** According to statistics of the American

Arbitration Association, on average, U.S. District Court cases took 12-16 months longer to get to trial than cases using arbitration.

- 3. Low cost.** Less time spent to resolve a dispute means lower costs for attorneys' fees. In addition, discovery is much more limited in arbitration, and appeals are very limited, so those costs are all saved.
- 4. Simplified rules of evidence and discovery.** Typically, there are limits on the nature and scope of discovery and time limits on how long the process can take. Issues are handled through phone calls rather than multiple hearings, subpoenas, depositions, interrogatories and the like. And, the strict rules of evidence don't apply.
- 5. Privacy and confidentiality.** Arbitrations are private with only designated parties, their representatives, and witnesses in attendance and the proceedings are strictly confidential. In contrast, litigation is open to be public.
- 6. Arbitrator selection.** Parties can choose an arbitrator with subject matter expertise as opposed to being assigned a judge randomly. This is particularly important in complex cases requiring specialized knowledge.
- 7. Finality.** Arbitration decisions are enforceable under state and federal law, and appeal rights are very limited in arbitration. Disputes are finally resolved more quickly.

Arbitration provides many advantages over litigation, but online arbitration has additional benefits allowing parties to further reduce costs and increase efficiency.

How to Reduce Time and Money Spent On ADR

While ADR has many advantages over litigation, traditional ADR can still be a relatively expensive and inefficient option. Rising costs related to party, counsel, witness and arbitrator travel fees, can limit the benefits of ADR, particularly in small cases. As a result, many claims are not pursued because of the time and money involved. Fortunately, online ADR addresses these issues, providing a practical, cost-effective alternative to litigation and traditional “brick and mortar” arbitration.

Online vs Traditional ADR

Traditional ADR is a much less onerous process than litigation, but it developed in a time where parties had few options regarding how to conduct the process. Documents were shared via surface mail or later email; hearings had to be conducted in-person; attorneys were required to manage the claim and deadlines; and scheduling was cumbersome. Online ADR provides a simplified and fully accessible method to handle these items. For example, with both traditional and online ADR, the parties can select an experienced arbitrator. However, it can be easier to quickly find an available arbitrator because of the convenience of working in an online-only environment.

Benefits of Online ADR

Online ADR has all of the advantages of traditional ADR, but the right online ADR provider can also offer these benefits:



Parties can save as much as 80% of the costs of traditional litigation in as little as 20% of the time

1. **Ease of use.** Online ADR allows anyone to participate in arbitration without formal training or legal representation. Software which runs the online platform guides participants through the process with timely reminders of all events and tasks needing attention. Parties can instantly monitor the status of all of their arbitrations/mediations with a quick glance.
2. **Accessibility anytime, anyplace.** Parties can upload evidence from virtually any desktop or mobile device to a cloud-based service to preserve e-mails, voicemails, photographs, witness statements, reports, video and audio recordings, etc.
3. **Reduced time and money.** Parties can save as much as 80 percent of the costs of traditional litigation in as little as 20 percent of the time. This affordability means that claims that were previously unaffordable or not cost-effective can be pursued.
4. **Convenience.** Conducting an arbitration or mediation on an online platform means that hearings are scheduled for the convenience of the participants. There is no need for travel; no waiting around in airports and spending time in hotels; and it's much easier to find a time when everyone is available.
5. **Security.** Companies, law firms and individuals have all been subject to hackers in recent years. Using a secure cloud-based platform that meets or exceeds industry standard SSL encryption ensures that nobody can observe any details or evidence without being authorized.

Online ADR provides the parties with an incredibly cost-effective and flexible method for resolving their dispute. ARS provides the only complete end-to-end online ADR process.



Benefits of Online ADR for Attorneys

Online ADR offers attorneys a unique opportunity to handle cases that otherwise would not be practical or cost-effective to take on in a traditional, “brick and mortar” way. Litigation and traditional ADR can be time-consuming and expensive. This in turn limits an attorney’s ability to accept new cases. This is particularly true when the claim involves a small dollar figure (under \$50,000). Online ADR eliminates many of these disadvantages, allowing firms to represent these clients, which is good for lawyers and clients.

Advantages of Online ADR for Attorneys

From a law firm’s perspective, online ADR changes the economics of smaller cases.

1. **Reduced time and cost.** Representing clients with smaller claims is often difficult financially in litigation or traditional ADR. Clients don’t want to pay an hourly fee because the cost could be too high. On the other hand, the operating cost structure of a typical firm makes it cost-prohibitive for a firm to handle the work on a contingency fee. Too many resources must be utilized for a small return. However, with online ADR, those concerns are lessened.

Online ADR only takes a fraction of the time to resolve disputes that is needed for litigation or traditional ADR. Simplified rules of evidence and discovery, set time limitations, online hearings and restrictions on appeals means less time spent to resolve a dispute. This translates into reduced legal fees so clients are more likely to decide to pursue these claims. Law firms don’t need to devote as many resources and the work becomes more cost-effective.

2. **Convenience and efficiency.** Online ADR makes it easier to manage cases in many ways. Software which runs the online platform guides participants through the process with timely reminders of all events and tasks needing attention. Attorneys can instantly monitor the status of all of their arbitrations/mediations with a quick glance. They can upload evidence from virtually any desktop or mobile device to a cloud-based service to preserve e-mails, voicemails, photographs, witness statements, reports, video and audio recordings, etc.

In addition, the ability to conduct hearings online means it is easier to arrange testimony of necessary witnesses, including eliminating some of the legal challenges to obtaining non-party witness testimony for an out of town hearing.

3. **Increased caseload.** Once taking on smaller claims becomes more economical, firms can expand the number and types of cases they handle. In addition, online ADR opens up the possibility for a firm to expand their practice nationally. In many jurisdictions, an online appearance does not constitute an appearance in any given state. That means that an attorney can represent a client in an online ADR matter anywhere in the country, regardless of whether the lawyer is licensed in a particular state. As online ADR expands, state bars may start regulating online appearances, so attorneys should check with the rules of their state.



ARS makes taking on smaller claims more economical, allowing firms to expand the number and types of cases they handle.

A Better Way

Online ADR provides additional benefits. By offering law firms a way to feasibly represent more clients with valid claims, online ADR serves an important societal interest in helping parties seek justice and resolve disputes out of court.

Benefits of Online ADR for Arbitrators

One of the benefits of both traditional and online ADR is that the parties can control much of the process, including selecting an arbitrator and shaping the arbitrator's powers and authority. However, the arbitrators also have a great deal of control thanks to the relative informality of ADR compared to a courtroom setting. Many skilled attorneys and retired judges choose to become arbitrators because of these benefits. Still, traditional ADR can be a difficult and time-consuming option for them. Online ADR negates many of these issues and provides additional advantages.

Advantages of Online ADR for Arbitrators

Working in an online environment offers arbitrators many of the same benefits enjoyed by the attorneys and parties. It also helps them be more effective in their role.

- 1. Reduced time.** Traditional arbitration's limitations on discovery and evidence speeds ADR as compared to litigation. However, online ADR also enables hearings to be much more efficient. Easier scheduling and no travel or wait times means arbitrators can move cases along more quickly.
- 2. 24/7 access to matters.** Arbitrators can easily review evidence submitted online anytime and anywhere. They can also monitor the status of all of their arbitrations/mediations through an online platform. This helps them manage cases more effectively.
- 3. Security.** An online platform can provide more security than many email systems, allowing the arbitrator to ensure that matters remain confidential and private.
- 4. Expanded caseload.** The reduced time, lack of travel and added convenience of online ADR allows arbitrators to handle more disputes in a wider geographic area.



Online ADR Reflects Today's World

Some critics of online ADR express concerns about eliminating in-person hearings. The reality is that much of our communication today (both personal and business) is by phone, email and video. Even in a traditional ADR environment, telephone conferences are common, and arbitrators are accustomed to hearing witness testimony this way. In fact, some courts have recognized that there is often little reason to insist on in-person hearings, which are more difficult to coordinate, time-consuming and costly.

Online ADR opens more opportunities to arbitrators. They can handle matters that previously they might have rejected. This benefits the parties and attorneys because the more arbitrators are willing to conduct online ADR, the broader the selection of arbitrators available to decide cases.

Conducting arbitration entirely online is an efficient and economical way of resolving disputes. ARS provides the only complete end-to-end online ADR process.



Arbitrators can easily review evidence submitted online anytime and anywhere from a secure platform.

What Types of Disputes Can Benefit Most from Online ADR

All disputes can benefit from using ADR, however, online ADR offers additional advantages. While it can be used for virtually any type or size of dispute, its affordability and ease of use makes it especially practical for smaller business and consumer claims. Often these disputes are not pursued because the litigation costs outweigh the amount of recovery. This results in significant amounts of lost money for the parties, with little remedy. Online ADR solves this problem.

Business to Business Disputes

Outstanding claims and receivables can have a profound effect on the financial health of a business. Expedient and cost-effective conflict resolution is critically important to businesses of any size, but the biggest benefit of online ADR is with smaller business disputes. Online ADR can help parties involved in any type of contract dispute, including:

- **Purchasing contracts**
- **Service contracts**
- **Manufacturing**
- **Equipment Leasing**
- **Commercial Landlords and Tenants**
- **E-Commerce**
- **Construction**

Business to Individual Disputes

Online ADR is a great option for many disputes involving transactions between individuals and businesses, such as credit by a bank or store, property rentals, car leases, work involving independent contractors (e.g., electricians, plumbers, and repair specialists), and problems with wills, estates and trusts. These matters often involve claims that are under \$50,000 and would be very expensive to pursue via litigation.

Online ADR opens more opportunities to arbitrators.

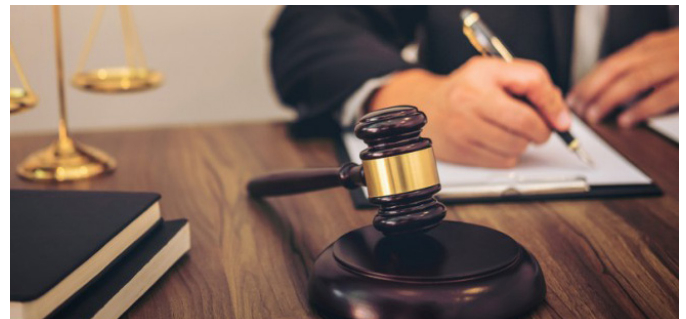
Businesses spend hundreds of millions of dollars in attorney's fees, in addition to other litigation costs, to pursue or defend against claims they have, or which are brought against them. Individuals are also faced with either pursuing claims they have against a business or otherwise have to respond or defend themselves for lawsuits filed against them. Many individuals with smaller claims can't afford attorneys to represent them, let alone find the time to appear at court proceedings. Online ADR provides a better option for both the business and consumer.

Vehicle and Property Damage Disputes

Every day there are countless numbers of accidents that result in damage to vehicles and/or real or personal property. These claims involve both business to business and business to individual disputes as injured plaintiffs, policy holders, insurance companies, car-rental and truck and fleet leasing companies pursue actions against each other. Litigation is not a good solution to many of these claims. Online ADR provides a way to resolve such claims in a correct, fair and unbiased manner without resorting to litigation.

Complete Online ADR: The Better Way

Online ADR is useful for any type of dispute, large or small, but it is most cost-effective for smaller claims. In these situations, the parties get the most benefit from online ADR because it gives them the opportunity to resolve their dispute fairly, efficiently and affordably. ARS provides the only Complete Online ADR (C-ODR) solution.



What Types of Parties Can Benefit Most from Online ADR

While all parties can benefit from using ADR, online ADR offers additional advantages to certain types of businesses and individuals. These are the ones who are likely to incur extra time, money and inconvenience when using traditional ADR or litigation. Some common examples of this include the following:

- **Businesses with a dispersed workforce.** This includes multi-office companies and those with off-site/field workers, such as those involved in trucking, manufacturing, retail, utilities, rental companies and many others. It can be very time-consuming and expensive to litigate or arbitrate a dispute where the witnesses may be in different locations or different time zones. Online ADR doesn't require travel, so it is much more cost-effective for these businesses.
- **Companies engaged in ecommerce.** Businesses and consumers can be located anywhere which again raises a concern about travel costs. In addition, companies often must find counsel licensed in multiple states if they litigate or use traditional "show up in person" arbitration. Online ADR eliminates this concern. No travel is involved and typically, any attorney can handle the matter regardless of where they practice law. And, let's face facts: it just doesn't make sense for a Web-based business to engage in brick and mortar dispute resolution.
- **Banks/credit card companies and consumers.** Businesses and individuals spend millions of dollars a year on attorney fees and litigation costs due to bank and credit card disputes. Customer service hotlines and support emails can only go so far, and when that fails, both parties feel as if their only remaining option is litigation. Online ADR provides an effective route to resolving bank and credit card disputes in a timely manner.
- **Insurance companies and policy holders.** Online ADR is a timely and cost-effective way to settle claims and/or disputes between insurance companies and policyholders. Disagreements between these parties often occur because of miscommunications in policy coverage or procedure; and, in many cases, the negligence of one of the parties or their insured rides on the coattails of accidents. This is a stressful situation for all parties and the amount of time and money required for litigation is often more hassle and expense than it's worth.
- **Municipalities and their contractors, vendors and citizens.** Conflicts with governmental agencies and/or municipalities can be complicated and exhausting. No matter the cause of the dispute, the nature of government means that litigation is especially difficult and going to court could mean not reaching a resolution for months. That's thousands of dollars in court and attorney fees and hours of valuable time wasted. In addition, municipalities do not want to be viewed as antagonizing local residents. The best option for all parties is to reach a resolution as quickly as possible and online ADR does that.
- **Small businesses.** Courts require that companies be represented by counsel. However, with online ADR, a small business owner can represent him/herself and save the costs of a lawyer. In addition, the whole process is much simpler and easier than other forms of dispute resolution.

Online ADR can benefit almost any party but is especially useful for those who are looking for a fast, affordable and convenient way to resolve a dispute. ARS provides the only Complete Online ADR (C-ODR) solution.

How to Select an Arbitrator

An important benefit of arbitration is being able to select a neutral third-party with the relevant knowledge and experience needed to resolve your dispute. In traditional arbitration, there are several steps involved in picking an arbitrator, resulting in what can be a long process in many cases. However, Complete Online Dispute Resolution (“C-ODR”) can significantly improve your ability to get a high-quality arbitrator in a very efficient manner.

Arbitrator’s Qualifications

Parties looking to use arbitration should work with ADR providers who only use highly skilled and knowledgeable professionals. Ideally, their list of arbitrators should include former Judges, Magistrates, Administrative Hearing Officers and law school professors and others with in-depth expertise. These individuals should have experience in the relevant area of law, industry or type of claim.

Traditional Arbitrator Selection Process

Once you are working with an ADR provider, the provider will have its own method of assigning an arbitrator to your case. Typically, the organization provides a list of qualified arbitrators to the parties who then make a list of which ones are not acceptable and rank the ones who are acceptable. If the parties can’t agree on a qualified arbitrator, they may be forced to file a lawsuit so that a judge can choose the arbitrator.

When the parties can select their arbitrator with the “list” method, there is a risk that an arbitrator will “split the baby” when deciding cases to cull favor with the parties so they will be selected again on future matters. Although most arbitrators are fair and impartial, the “list” method does introduce a potential for biased decision-making.

Advantages of a Software Solution

Using software to select an arbitrator can provide the same quality assurances as the traditional arbitrator selection process without the downside. For instance, ARS’ proprietary algorithm selects the arbitrator based on their level of expertise for a specific matter. Before being added to the ARS panel of arbitrators, each potential Arbitrator is interviewed, and his/her qualifications are verified. Once placed on the panel, an arbitrator will only be assigned cases where his/her background shows a high level of expertise. The computer randomly assigns cases to arbitrators based on their strongest areas of knowledge. Since the software makes the selection based on the type of experience the parties need, there is no risk of bias. In addition, before a matter is assigned to an arbitrator, ARS also conducts a conflict check to make sure that the arbitrator has no connection to the parties to ensure their neutrality.

The selection of a fair and knowledgeable arbitrator is critical, but the process should not impose additional and unnecessary burdens on the parties. An online ADR provider that incorporates highly skilled arbitrators, sophisticated matching technology and conflicts checks offers a fast, cost-effective solution to choosing an arbitrator.

Presenting Evidence in Your Online ADR matter

Many parties choose ADR because of the simplified rules of evidence and discovery. Typically, there are limits on the nature and scope of discovery and time limits on how long the process can take. Issues are handled through phone calls rather than multiple hearings, subpoenas, depositions, interrogatories and the like. And, the strict rules of evidence don't apply. Notwithstanding this, the parties still must present evidence supporting their position. Online ADR makes this process simple.

Types of Evidence Required

Evidence includes anything you can use to prove your claim or to show that the other party's position is wrong. The type of evidence can vary depending on the nature of the dispute. For example:

Traditional Arbitrator Selection Process

- **Vehicle Accident Claims:** For claims arising out of vehicular accidents, evidence can include police or accident reports, witness statements (these are statements by someone or people other than the parties who saw the accident), photographs, estimates or receipts showing the damages to your vehicle. In addition, a party can also use any type of video or audio recording that he/she has taken at the time of the accident or to show the damage to the vehicle.
- **Business and Individual Matters or Disputes Between Businesses:** For claims that arise out of contracts, evidence includes a copy of the agreement, in addition to witness statements, photographs, written documents showing the basis for the amount of money being sought in the Application or Counterclaim. If a hearing is requested, the parties may testify as well as any individuals with personal knowledge of the events involving the claim(s).

Uploading of Evidence to the Online Platform

In evaluating an online platform, ease of use is paramount. With ARS' platform, all types of digital, audio or electronic data files can be easily uploaded and shared by the parties. Parties can upload evidence from virtually any desktop or mobile device to a cloud-based service to preserve e-mails, voicemails, photographs, witness statements, reports, video and audio recordings, etc. Once all the information is on the computer, the online platform provides simple instructions on how to upload evidence. Paper documents can be scanned or faxed to ARS. All evidence will appear in the evidence table and can be viewed anytime anywhere. The process is intended to be user-friendly for any party and doesn't require use of an attorney.

Although traditional brick and mortar ADR providers simplify evidentiary procedures as compared to litigation, none provide a fully online environment. ARS provides the only Complete Online ADR (C-ODR) solution.



Hearings in the Online ADR World

Hearings are of course traditionally part of the ADR process and can be beneficial where live testimony is needed. However, many cases can be resolved with documentary evidence, such as contracts, police or accident reports, witness statements, photographs, estimates or receipts, and video or audio recordings. One of the disadvantages of traditional brick and mortar ADR is that not only are hearings required, but they are generally in-person, regardless of whether they offer any benefits to the parties.

Advantages of Using an Online Platform

Online ADR offers parties convenience and cost-savings. For instance, with ARS' online platform, hearings are optional.¹ However, any party may request a telephonic or video conferenced hearing. If such a hearing is requested, the Arbitrator will render a decision after the hearing. If no telephonic hearing is requested a decision will be made based on the Application and Response(s) along with the evidence that has been submitted.

When the parties opt for a hearing, the benefit of an online platform is that hearings are scheduled for the convenience of the participants. It's much easier to find a time when everyone is available. There is no need for travel; no waiting around in airports and spending time in hotels. In addition, it is simpler to arrange testimony of necessary witnesses, including eliminating some of the legal challenges to obtaining non-party witness testimony for an out of town hearing.

The process for scheduling is also simplified. Where any party requests either a telephonic or video conferenced hearing, ARS provides all parties with a brief online questionnaire allowing them to state days of the week and times which they prefer for hearings. This facilitates the process for selecting days and times which are convenient for all parties and eliminates numerous back and forth emails among

Uploading of Evidence to the Online Platform

After introductions are made, the Arbitrator (who will have already reviewed the file containing each party's side of the matter) will start by giving his/her initial thoughts as to what he/she believes to be the facts. If needed, the Arbitrator will ask questions of the parties, so he/she can understand the facts more clearly. Then the Applicant and Respondent(s) will have the chance to explain why each believes their view of the dispute is correct. After the parties are finished, the Arbitrator will give the parties the chance to discuss the dispute between themselves for a few minutes to see if they can settle the claim. If they can't, the Arbitrator will then end the hearing. Within sixty (60) days the Arbitrator will render a decision and the parties are notified.

When traditional brick and mortar ADR providers conduct hearings, the process often adds time and expense to the cost of ADR without looking at whether it benefits the parties. In a fully online environment, the parties have the option to proceed without a hearing and if they do want a hearing, it is a much more convenient and less costly option. ARS provides the only Complete Online ADR (C-ODR) solution.

¹ And at least one court has held that there is no right to an in-person hearing. See *State Farm Guaranty Insurance Co. v. Hereford Insurance Co.*, No. A-3749-16T3 (N.J. App. Div. Mar. 14, 2018): "If a hearing is allowed, nothing in the Act prohibits the hearing from being conducted telephonically. In addition, nothing in the Act requires that the hearing be at a physical location."

Arbitration Decision Appeals and Enforceability

Generally, arbitration decisions rendered in private arbitrations are final and binding, subject to very limited court review. There are four major grounds for challenging arbitration awards: fraud, arbitrator bias, arbitrator misconduct, or the arbitrators exceeding their authority. Absent these, decisions can be converted to enforceable judgments. Since appeal rights are so limited, disputes are resolved relatively quickly. However, this can leave a party with little remedy where they feel there are clear legal reasons to object. That's where an online ADR process that incorporates a fast and affordable online appeal process can be a significant benefit to the parties.

Appeal Rights

The ability to have an arbitration decision reviewed in certain circumstances is important. ARS decisions are binding, but unlike many other ADR providers, ARS offers an Appeal process when one or more of the parties believes a decision is legally incorrect. Any party may file an appeal of the decision based on one of two reasons: (1) The Arbitrator used the wrong law or legal standard or (2) The Arbitrator used the correct legal standard but applied it incorrectly as to the facts of the case as determined by the Arbitrator. The non-appealing party has the right to respond. On appeal, the matter is referred to an Appellate Panel of online arbitrators who review the matter and render a decision either affirming the original decision or rendering a new one. The entire process is handled online quickly and efficiently.

Enforcement

Once a decision is rendered (or if applicable, a decision on appeal is rendered), payment of any ADR award of damages is due. If a party fails to pay as required by a decision, the award may be converted to judgment and then enforced by the courts. In that situation, as provided in ARS rules, the award against the non-paying party will be increased to cover the expenses incurred by the party who was not paid in converting the award to a judgment.

The finality and speed of arbitration is one of the main reasons that parties choose arbitration to resolve their disputes. However, the addition of an online appeal mechanism enables the parties to keep all the benefits of ADR while adding an extra level of protection against improper decisions.

ARS provides the only complete end-to-end online ADR process, including appeals.



Drafting Considerations for Online ADR

Among the many advantages of alternative dispute resolution (“ADR”) is that the parties have a great deal of control over the process. The first step in that is a well-drafted arbitration clause. While most of the same drafting considerations apply whether you are using online or brick-and-mortar ADR, there are some important variations.

Types of Evidence Required

At its most basic, an ADR clause is a written agreement to resolve disputes using impartial arbitration or mediation. These clauses are enforceable under the Federal Arbitration Act and State arbitration laws. The provision can be inserted into any contract including retail, commercial, transportation, ecommerce and other agreements providing for resolution of future disputes. Parties can also agree to submit an existing dispute to arbitration. The key points to cover in the basic ADR clause are to make clear that all disputes are arbitrable, it is self-enforcing, and it provides a complete set of rules and procedures.

Specific Considerations

In addition to general language, there are specific provisions that should be considered.

- **Type of disputes covered.** If there are any limitations, these should be identified. In addition, the parties may want to tailor the language for certain types of disputes, such as international, construction, employment and patent claims.
- **Arbitrator selection process and qualifications.** The parties may want arbitrators with certain knowledge and experience.
- **Discovery.** ADR is typically less expensive than litigation because the parties have the power to limit the scope of discovery.
- **Hearings.** With ARS, for example, arbitration hearings are optional, and if requested, can be held either by telephone or video conference. Mediation services are also available by telephone or video conference.
- **Governing law.** The parties can set forth what jurisdiction’s substantive law should apply to the matter or agree that any arbitration conducted shall be

governed by the Federal Arbitration Act.

- **ADR provider selection.** The parties can select a specific ADR provider and invoke that provider’s rules. This eliminates the need to spell out dozens of procedural matters in the parties’ agreement.
- **Appeal.** For example, ARS provides an online appeal process if a party requests it.
- **Venue.** With online ADR there is no physical venue, so the parties need not provide for one in the contract.

This is just a sampling of provisions as each agreement is different

Choosing Online ADR

Online ADR provides the parties with an incredibly cost-effective and flexible method for resolving their dispute. Providing for online ADR in a business contract is a simple process. Note that even where an existing written agreement specifies another method or venue for dispute resolution, the parties can always agree to change the method or venue.

ARS provides the only complete end-to-end online ADR process.



Comparing the Costs of Online ADR

Generally, ADR is significantly less expensive than litigation. However, the cost of ADR can quickly increase as ADR providers tack on additional fees and hourly charges. It may seem like there is no option but to pay these extra expenses, but online ADR provides the parties with more options to control and reduce their costs.

Types of Fees

Most ADR providers charge a myriad of fees for using their services. The amount varies depending on the size of the claim and the provider. These fees include:

- Initial filing fee
- Additional filing fees for responses, motions, hearing room rentals, postponements, etc.
- Hourly charges for arbitrator/mediator compensation

ADR costs often rise because many ADR providers give arbitrators significant discretion in asking for additional documentation. This can allow arbitrators to bill for the extra time they put in above and beyond the hearing.

Other Costs

Other expenses typically associated with ADR include attorneys' fees and travel (i.e., in-person hearings may require parties, witnesses and attorneys to travel). These costs may vary but can't be eliminated with most ADR providers.

Complete Online ADR Solution

Online ADR can offer many advantages over traditional ADR. For instance, ARS' Complete Online ADR (C-ODR) solution provides the parties with more flexibility in conducting their arbitration, including the ability to:

- **Eliminate hearings.** ARS provides an option for arbitrations to be decided on the contentions and evidence submitted with no formal hearing. In those situations, the only fee is the initial filing fee.
- **Avoid in-person hearing travel.** Where a hearing is requested by any party, the hearing may be conducted telephonically or by video-conference.
- **Reduce hearing costs.** Where a hearing is requested, there is an hourly fee associated with the hearing time and nothing else. ARS rules do not provide the arbitrators with the authority or ability to engage in ongoing and billable activities.
- **Represent themselves.** ARS does not require companies to be represented by counsel, which eliminates attorney fees for small businesses who may want to handle the matter themselves.

Parties considering ADR for their disputes should have a clear understanding of the costs and fees associated with the provider they are using. A provider should be completely transparent in its fee structure, giving parties the predictability and low cost they want.



Advantages of Choosing a Complete Online ADR Provider

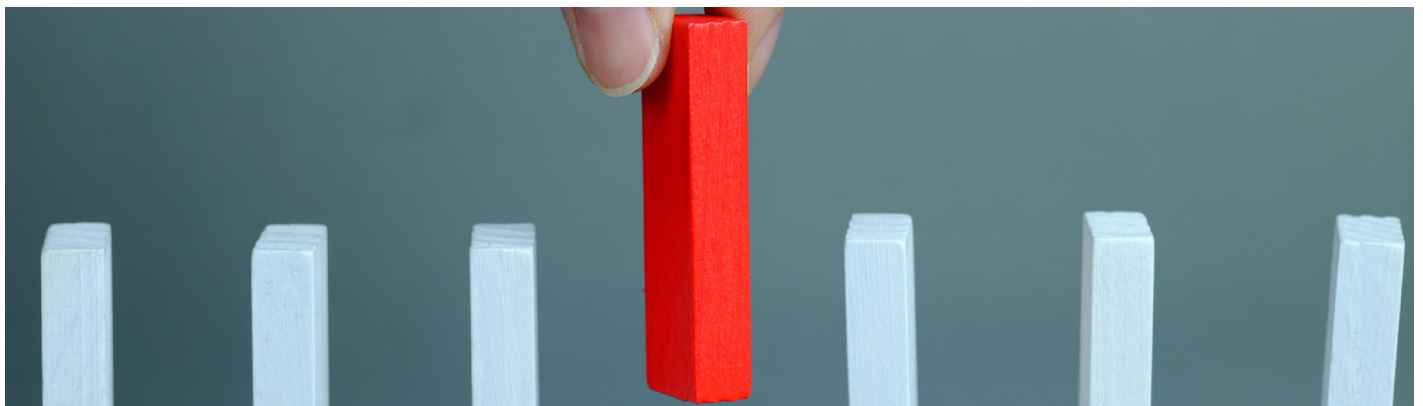
The significant benefits of incorporating technology into ADR is gradually being embraced by ADR providers and parties. However, with most providers, an online platform is used to simplify certain parts of the process, while other tasks are still dealt with through in-person hearings, emails, or paper communications. That can result in wasted time and money. In choosing an ADR provider, it's important to evaluate not only the quality of the services offered, but whether the entire process is efficient and cost-effective for your matter. A provider that fully integrates ADR expertise and technology into an end-to-end web-based system can make a big difference in the time and cost involved in resolving a dispute.

Before selecting an ADR provider here are some key questions to consider:

- **What is the nature of the dispute and the amount involved?** While it can be used for virtually any type or size of dispute, a completely online platform offers affordability and ease of use making it especially practical for smaller business and consumer claims, such as those under \$50,000.
- **Will any of the parties, counsel, witnesses or the arbitrator need to travel?** A provider offering the option to eliminate in-person hearings is a good choice to avoid the cost and inconvenience of travel.
- **What are the fees associated with the entire process?** Many providers can be expensive and not cost-effective for smaller claims. It's important to work with a provider that's completely transparent about fees and offers lower cost options for smaller claims.
- **Is an attorney required?** The ADR process can be complex. However, with a complete online solution, the platform is designed to walk participants through the process, so they don't need an attorney if they chose not to be represented.

Traditional brick and mortar ADR providers are using technology to improve their services, but there are limits. For example, some ADR forums have an online filing system where parties can file, transfer and access all case-related documents as well as select neutrals and make payments. However, hearings are generally in-person and many communications are still done via email. FINRA has an online filing system where parties can file and access all case-related documents, rank and strike arbitrator and mediator lists, review neutrals' disclosure reports, collaborate on prospective hearing dates, and view the status and details of their cases. However, other aspects are handled outside the online platform, such as hearings.

Arbitration Resolution Services, Inc. (ARS) offers the only Complete Online Dispute Resolution (C-ODR) platform. From filing claims through appeals, the entire process can be completed in a secure cloud-based environment using ARS' proprietary technology. It's simple, fast and affordable.





Arbitration Resolution Services, Inc. (ARS) was created to revolutionize the way disputes are resolved throughout the country. By integrating state-of-the-art technology with experienced and knowledgeable professionals, ARS has developed the ideal environment to bring alternative dispute resolution, using mediation and binding arbitration, to virtually everyone, anywhere in the country.

A background image for the central text block shows a group of business professionals in an office setting. In the foreground, a man with a beard and glasses, wearing a white shirt, is pointing at a computer monitor. Another man with a beard, wearing a dark shirt, is looking at the screen. A woman is partially visible in the background. The image is slightly blurred and has a soft, professional feel.

**Disputes Are Stressful
Enough.. Resolving Them
Doesn't Have To Be**

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