

Cost-Effective Dispute Resolution – A FIRST Consideration in Your Dispute

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Small disputes can cost big bucks. Electing alternative dispute resolution (ADR) methods sooner rather than later allows the parties to contain costs and move forward.

No two disputes are alike and the good news is that ADR affords several non-litigation options to resolve any dispute. A few of the processes which are typically employed include Mediation, Arbitration and Med/Arb. American Settlement Centers (“ASC”) offers a neutral state-of-the-art setting and experienced ADR professionals to facilitate time and cost-effective ADR processes for any dispute.

Mediation: Parties frequently reach resolution, or not, within a few hours or less than a day. Regardless of the type or complexity of the dispute, it is generally acknowledged that a successful mediation can accelerate resolution by several weeks, months and possibly longer as opposed to protracted litigation. When considering that mediation may resolve a dispute in less than half a day, which typically may cost between \$1,000 and \$1,500, the cost of mediation is significantly more advantageous to the parties than deferring to prolonged litigation. The principle costs of mediation include the Mediator’s time in reviewing case summaries and documents which the parties may provide before the mediation and the time engaged in mediation with the parties. When considering that the costs of Mediation are typically divided equally among the parties, the cost-effectiveness of Mediation is even more evident. More complex disputes and those involving more than two parties will understandably take more time and increase the cost of the mediation, nevertheless, successful mediation is typically both time- and cost-effective for everyone involved. Perhaps the single greatest advantage to mediation is that the parties are able to decide their own destiny as the dispute is resolved.

Arbitration: Arbitration can be conducted by one or more neutral Arbitrators, which is a significant variable in assessing the costs of Arbitration. Needless to say, a single Arbitrator is less costly than multiple. In any event, it is either the parties themselves, or a previously signed agreement among the parties, that determine the number of Arbitrators. A single Arbitrator, uniquely qualified or experienced in the subject matter of the underlying dispute, is most commonly elected by the parties. ASC hosts a diverse panel of uniquely qualified and experienced Arbitrators. The Arbitration process may be designed by the parties through a pre-arbitration meeting or conference call at which time the parties agree on the scope of document exchanges and other procedural matters.

The costs of arbitration will be directly related to the length of time the parties require to put on their proofs and the complexity of the matters in dispute. Nonetheless, recognizing that Arbitration is generally a less formal process than conventional litigation, the time for arbitration is typically significantly less than the time expended in discovery and trial. Although the final costs of arbitration will vary in every case, a fairly typical commercial dispute involving two parties and one arbitrator may from the pre-arbitration conference through the Arbitrator’s award for approximately \$3,000 to \$5,000. Multiple Arbitrators, the complexity of the matters in dispute, extended testimony, voluminous exhibits and other variables will affect the final costs.

Today, ASC is seeing more parties elect voluntary arbitration, even if there is not an Arbitration provision or other contractual requirements to do so, because the process is appreciably less expensive and time consuming than litigation. The parties are able to establish their own rules, guidelines and timelines and move the process forward without unnecessary delays or expenses.

Med-Arb: Parties in dispute have control in electing the process to resolve their dispute. Med-Arb is a hybrid model of a resolution process where the parties wish to enjoy the flexibility of mediation with the certainty that the resolution will be definitively resolved through arbitration if necessary. With this method, the parties agree to try non-binding mediation and may set a time limit for attempting to resolve the dispute through facilitated negotiations. Before the mediation takes place, the parties prepare for Arbitration as though the matter is destined for Arbitration, however, they also select a Mediator from ASC's panel. The Mediator only participates in a final mediation prior to a scheduled Arbitration and does not disclose any information divulged during mediation to the subsequent Arbitrator who will ultimately render an Award in arbitration if the matter does not resolve during mediation. If the matter is not resolved through the parties' final efforts in mediation, the matter will immediately proceed to final binding arbitration, typically on the same day, which provides a seamless progression to definitively reach a final resolution.

Med-Arb provides mechanisms and assurances that regardless of the parties' success in resolving the matter through mediation, there will nevertheless be finality in the dispute. The costs of electing this more cooperative-yet-definitive process requires preparing for both a limited mediation and a potential arbitration. The fee for mediation would typically be anticipated to include a half-day for the Mediator as well as pre-arbitration preparation for the Arbitrator. If the dispute resolves during mediation without continuing to arbitration, the costs of the additional arbitration hearing is avoided. On the other hand, if the matter is not finalized among the parties during the mediation, then the additional costs of the arbitration hearing and rendering the award thereafter will increase the final cost of this resolution process.

ASC has several Mediators and Arbitrators who have expertise in a broad range of ADR practice areas, providing you with options as to who you would like to use as your Mediator and/or Arbitrator. You may visit our website (www.ASC-ADR.com) to view a complete list of our ADR professionals and their profiles. Of particular interest to parties in a dispute, as well as their attorneys, is that ASC does not charge additional rental charges or other charges for the administrative support regardless of the ADR process selected; the Mediator's or Arbitrator's typical and competitive hourly or day-rate is inclusive of all ASC's support to reach resolution.

Whether you decide your own destiny through mediation, utilize ASC's state-of-the-art courtroom and/or conference room facilities for your binding arbitration or a combination of both, taking a proactive approach to resolution will result in an appreciable savings of legal expenses and your valuable time and put an end to a difficult ordeal. Alternative Dispute Resolution has become the most popular, efficient and cost-effective way for parties to settle their differences. American Settlement Centers, Inc. provides near immediate scheduling at competitive pricing and with experienced professionals.



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