

# STATUTORY GROUNDS FOR VACATING ARBITRATION AWARDS

## NY Civil Practice Law and Rules

### **§7511. Vacating or modifying award**

#### *(b) Grounds for vacating.*

1. The award shall be vacated on the application of a party who either participated in the arbitration or was served with a notice of intention to arbitrate if the court finds that the rights of that party were prejudiced by:

- (i) corruption, fraud or misconduct in procuring the award; or
- (ii) partiality of an arbitrator appointed as a neutral, except where the award was by confession; or
- (iii) an arbitrator, or agency or person making the award exceeded his power or so imperfectly executed it that a final and definite award upon the subject matter submitted was not made; or
- (iv) failure to follow the procedure of this article, unless the party applying to vacate the award continued with the arbitration with notice of the defect and without objection.

2. The award shall be vacated on the application of a party who neither participated in the arbitration nor was served with a notice of intention to arbitrate if the court finds that:

- (i) the rights of that party were prejudiced by one of the grounds specified in paragraph one; or
- (ii) a valid agreement to arbitrate was not made; or
- (iii) the agreement to arbitrate had not been complied with; or
- (iv) the arbitrated claim was barred by limitation under subdivision (b) of section 7502

## Federal Arbitration Act (Title 9, U.S. Code)

### **Section 10. Same; vacation; grounds; rehearing**

a. In any of the following cases the United States court in and for the district wherein the award was made may make an order vacating the award upon the application of any party to the arbitration

- 1. Where the award was procured by corruption, fraud, or undue means.
- 2. Where there was evident partiality or corruption in the arbitrators, or either of them.
- 3. Where the arbitrators were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced.
- 4. Where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made.
- 5. Where an award is vacated and the time within which the agreement required the award to be made has not expired the court may, in its discretion, direct a rehearing by the arbitrators.