

Resolute Systems, LLC
Financial Services Arbitration Rules

1. Agreement of Parties

The following arbitration rules shall apply whenever parties sign a document or contract which states they will abide by them. These rules are applicable to voluntary arbitration procedures and contract-mandated arbitration. Parties may modify any provision, in writing, by mutual agreement. These rules and any amendment of them shall apply except for any such provision that may be inconsistent with applicable law or when modified in writing by the parties. Upon initiation of the arbitration process, each side will be invoiced a non-refundable administrative fee.

2. Initiation of Arbitration

A. Contractual Agreement

Any party wishing to initiate arbitration by prior contractual agreement under Resolute Systems' Financial Services Arbitration Rules will follow these procedures:

The initiating party shall serve written notice to the opposing party pursuant to the contractual agreement between the parties or via registered mail or overnight courier to the opposing party's last known address. This notice shall set forth the nature of the dispute, the dollar amount, if any, involved, and the remedy sought. A copy of this notice shall be sent to Resolute Systems at 6650 W. State Street, Suite D, No. 298, Milwaukee, WI 53213 or via email to info@resolutesystem.com. Upon such filing, the filing party will be billed the administrative fee.

The responding party must answer the filing party, in writing via registered mail or overnight courier, within 14 days. A copy of the answer must also be sent to Resolute Systems. Once Resolute is in receipt of the notice and answer, the case will be assigned to the appropriate ADR Consultant for coordination.

If the respondent intends to file a counterclaim, it must serve notice against the filing party setting forth the nature of the dispute, the dollar amount, if any, involved, and the remedy sought. Upon such filing of a counterclaim, the respondent will be billed the administrative fee.

If the respondent fails to answer the notice of arbitration, and/or if the filer fails to answer the counterclaim, it/they will be treated as a denial(s) of the claim(s). Such denial(s) will not delay the arbitration in any manner.

B. Voluntary Submission

In instances where the dispute is not subject to a contractual arbitration clause, but parties nonetheless wish to arbitrate, parties to any existing dispute may initiate an arbitration by contacting Resolute Systems, LLC's ADR Consulting Division at (800) 359-4222 and request that Resolute Systems, LLC contact all parties involved and invite them to participate in arbitration.

There will be no charge to the filing party unless Resolute Systems, Inc. is able to obtain agreement from the other parties to participate in arbitration.

3. Panel of Arbitrators

Resolute Systems, LLC shall establish and maintain a Panel of Neutrals from which parties select a neutral, or neutrals through a fair ranking system described in Rule 4.

4. Selection of Arbitrator

Unless applicable law or the agreement of the parties provides otherwise, the dispute shall be decided by one arbitrator, except as otherwise provided in this section. Resolute Systems, LLC will submit a Panel of five (5) Neutrals and ask the parties to rank the arbitrators in order of preference with 1 being most preferred and 5 being least preferred. Parties will have seven (7) calendar days to complete their rankings and submit them to Resolute Systems, LLC who will then tally the scores. The arbitrator with the lowest score will be invited to serve as the arbitrator. Any party has the right to strike an entire panel once. If they do so, Resolute Systems, LLC will submit another panel for the parties to rank. Parties may strike up to two (2) arbitrators they will not consider in the second panel.

A failure of a party to rank the arbitrators within the time permitted will be considered a lack of preference and Resolute Systems, LLC will solely consider the preference of the responding party. In the event neither party provides a ranked list or there is a tie between two equally ranked arbitrators, Resolute Systems, LLC will select which Neutral should be invited to serve as the arbitrator first.

5. Qualifications of Arbitrator

No person shall serve as an arbitrator in any arbitration in which that person has any financial or personal interest. An arbitrator shall disclose any circumstances likely to create a presumption of bias that might disqualify that arbitrator as an impartial arbitrator. If for any reason an appointed arbitrator should be unable to perform the duties of the office, Parties will have 2 days from when the original arbitrator disclosed his inability to perform to mutually agree on a replacement from among those names remaining on the list(s) submitted to the parties. If an appointment cannot be made from the list(s), Resolute Systems, LLC will appoint a replacement from among those names remaining on the list(s) submitted to the parties.

6. Jurisdiction

(a) The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement or to the arbitrability of any claim or counterclaim, without any need to refer such matters first to a court.

(b) The arbitrator shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.

(c) A party must object to the jurisdiction of the arbitrator or to the arbitrability of a claim or counterclaim no later than the filing of the answering statement to the claim or counterclaim that gives rise to the objection. The arbitrator may rule on such objections as a preliminary matter or as part of the final award.

7. Administrative Conference

Any party to the arbitration may request an administrative conference with **Resolute Systems** and the opposing party(s) to specify the issues to be resolved, guide discovery, stipulate any mutually agreed upon procedures or rules that may expedite the arbitration process, establish high/low parameters, and address any other concern by any party to the arbitration. Nothing discussed during the administrative conference will affect or amend the **Resolute** Arbitration Rules without the mutual consent of all participating parties, including **Resolute Systems**.

8. Conduct of Proceedings

(a) The claimant shall present evidence to support its claim. The respondent shall then present evidence to support its defense. Witnesses for each party shall also submit to questions from the arbitrator and the adverse party. The arbitrator, exercising his or her discretion, shall conduct the proceedings with a view to expediting the resolution of the dispute and ensuring fairness.

(b) The parties may agree, via contract or otherwise, to waive oral hearings in any case and may also agree to utilize the expedited procedures through Document Submission discussed in Rule 8 below.

9. Document Submission Only Proceedings

(a) Date, Time, Place, and Method of Submission: Except in extraordinary circumstances, Resolute Systems, Inc. or the arbitrator may grant a party no more than one seven (7) day extension of time to respond to the notice of arbitration or counterclaim as provided in Rule 2. Any other extension requests may be granted only after consideration of the 60-day limitation described below absent extraordinary circumstances.

Within ten (10) calendar days of confirmation of the arbitrator's appointment, the arbitrator may convene a preliminary management hearing, via conference call, video conference, or internet, to establish a fair and equitable procedure for the submission of documents, and, if the arbitrator deems appropriate, a schedule for one or more telephonic or electronic conferences. The arbitrator may also solicit a proposed scheduling order from each party within ten (10) calendar days of confirmation of the arbitrator's appointment. The arbitrator has the discretion to remove the case from the documents-only process if the arbitrator determines that an in-person hearing is necessary.

The arbitrator shall set the date, time, and method of document submission, to be concluded no more than 45 days after the preliminary hearing or execution of the scheduling order, unless otherwise agreed to by the parties. The final submission date shall operate to close the hearing and the time for the rendering of the award shall commence. Resolute Systems, Inc. will notify the parties in advance of the submission date(s). Unless the parties have agreed to a form of award other than that set forth in Rule 22, the arbitrator shall render the award within 14 calendar days from the date the hearing is closed.

(b) Serving of Notice: In addition to notice provided by Rule 2, the parties shall also accept notice by telephone or email designated by contract. Telephonic or email notices by Resolute Systems, Inc. shall subsequently be confirmed in writing to the parties. Should there be a failure to confirm in writing any oral or electronic notice, the proceeding shall nevertheless be valid if notice has, in fact, been given by telephone.

(c) Discovery and Conduct of the Proceeding: The parties shall be permitted a reasonable exchange of documents. No more than ten (10) document requests shall be permitted to any one party. No other discovery (such as interrogatories or depositions) shall be permitted except as allowed by the arbitrator for good cause shown. If the arbitrator allows additional discovery, Resolute Systems, Inc., in consultation with the arbitrator, may remove the case from the Document Submission Only Procedures. There shall be no motions except as allowed by the arbitrator for good cause shown. There shall be no electronic or oral hearings except as allowed by the arbitrator for good cause shown.

10. Hearing Date, Time and Location

The parties shall mutually agree upon the date, time and place for each hearing, subject to the limitations of Rule 9 if applicable. Absent agreement to the contrary, the hearing will be telephonic. Resolute Systems, Inc. shall mail and/or email to each party notice thereof, unless the parties by mutual agreement waive such notice or modify the terms thereof. Notices sent to parties must be signed and postmarked or received by Resolute Systems, LLC within seven days of being sent or Resolute shall have the right to cancel said hearing. If the parties are unable to agree upon a mutually acceptable date, time and place for each hearing within 5 days of a neutral being appointed, Resolute Systems, Inc. will specify the date, time and location of the hearing.

11. Representation

Any party may be represented by counsel or other authorized representative.

12. Stenographic Record

Any party wishing a stenographic record shall make arrangements directly with a stenographer and shall notify the other party, in writing, of such arrangements in advance of the hearing. The requesting party or parties shall pay the cost of the record if such transcript is agreed by the parties to be, or determined by the arbitrator to be, the official record of the proceeding, it must be made available to the arbitrator and to the other party for inspection at a time and place determined by the arbitrator.

13. Interpreters

Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume the costs of such service.

14. Attendance at Hearings

The arbitrator shall maintain the privacy of the hearings unless the law provides to the contrary. Any person having a direct interest in the arbitration is entitled to attend hearings. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.

15. Postponements or Abeyance

The arbitrator may, for good cause, postpone the hearing upon the request of a party or upon the arbitrator's own initiative. The arbitrator shall grant such postponement when all of the parties agree thereto. Any party requesting the postponement shall pay a \$300.00 processing fee to Resolute Systems, LLC.

At the request of both parties, or the filing party in the event of an absent party (see Rule 17), the arbitrator may place an arbitration into abeyance. Arbitrations may be held in abeyance by mutual agreement for one year at which time the parties will be assessed an annual abeyance fee of \$300, to be split equally among the parties. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the arbitration will be administratively closed. All filing requirements, including the payment of filing fees, must be met before a matter will be placed in abeyance.

16. Oaths

Before proceeding with the first hearing, each arbitrator may take an oath of office and, if required by law, shall do so. The arbitrator may require witnesses to testify under oath administered by any duly qualified person and, if required by law or requested by either party, shall do so.

17. Arbitration in the Absence of a Party or Counsel

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or counsel who, after due notice, fails to be present or fails to obtain an adjournment. An award shall not be made solely on the default of party. The arbitrator shall require the party who is present to submit such evidence as is deemed necessary for the making of an award.

18. Arbitration Hearings

All hearings may be conducted by the arbitrator in any manner which permits a fair presentation of the case by the parties. Care must be taken to avoid importing procedures from court systems, as such procedures may not be appropriate to the conduct of arbitrations as an alternative form of dispute resolution that is designed to be simpler, less expensive and more expeditious.

19. Evidence

The arbitrator shall be the judge of the relevance and materiality of the evidence offered and conformity to legal rules of evidence shall not be necessary.

20. Closing of Hearing

The arbitrator shall specifically inquire of all parties whether they have any further proofs to offer or witnesses to be heard in accordance with the Arbitration Agreement. The arbitrator shall declare the hearing closed upon determination that there are no further presentations.

21. Majority Decision

Whenever there is more than one arbitrator, all decisions of the arbitrators must be by at least a majority. The award must also be made by at least majority unless the concurrence of all is expressly required by the Arbitration Agreement or by law.

22. Arbitration Award

The arbitration award shall be in writing and shall be signed by the arbitrator. The arbitrator has discretion over the form of the award, unless the form of the award has been agreed to by the parties. The arbitrator shall render the award promptly and, unless otherwise agreed by the parties or specified by law, no later than fourteen days from the date of closing the hearing, or, if oral hearings have been waived, from the date of transmitting the final statements and proofs to the arbitrator.

The award of the arbitrator may include: i) interest at such rate and from such date as the arbitrator may deem appropriate; and ii) an award of arbitration costs, arbitrator compensation, attorneys' fees if all parties have requested such an award or it is authorized by law or the parties' arbitration agreement.

23. Waiver of Procedures

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with and who fails to state objection thereto in writing shall be deemed to have waived the right to object.

24. Extensions of Time

The parties may modify any period of time by written request to the Arbitrator. The Arbitrator may, for good cause, extend any period of time for making the award. Resolute Systems, LLC shall notify the parties of any such extension and its reason therefore.

25. Serving of Notice

(a) Each party shall be deemed to have consented that any papers, notices, or process necessary or proper for the initiation or continuation of an arbitration under these rules, for any court action in connection therewith; or for the entry of judgment on any award made under these rules may be served upon such party by mail addressed to such party or its attorney at the last known address or by personal service, provided that reasonable opportunity to be heard with regard thereto has been granted to such party.

(b) To facilitate communication between the parties and Resolute Systems, LLC, the parties agree that communications received from each other or Resolute Systems, LLC via email, or other written forms of electronic communication are valid and proper notice under these rules.

26. Scope of Award

The parties agree that any decision rendered by the arbitrator is conclusive only as to the matters being adjudicated in said arbitration, pertaining to the parties present.

27. Award upon Settlement

If the parties settle their dispute during the course of the arbitration, the arbitrator may, upon parties' request, set forth the terms of the agreed settlement in an award.

28. Delivery of Award to Parties

Parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail addressed to such party or its attorney at the last known address, by email, personal service of the award, or the filing of the award in any other manner that may be permitted by law.

29. Modification of Awards

(a) Within ten (10) days after the transmittal of any award, any party, upon notice to the other parties, may request that the arbitrator, through Resolute Systems, LLC, reconsider the award, clarify the award, or correct any clerical, typographical, or computational errors in the award. Such request must be supported by detail of some nature, a bare request to reconsider will not be entertained. The other parties shall be given seven (7) days to respond to the request. The arbitrator

shall dispose of the request within ten (10) calendar days after transmittal by Resolute Systems, LLC to the arbitrator of the request and any response thereto.

30. Expenses

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the arbitration, including required traveling and other expenses of the arbitrator and of Resolute Systems, LLC representatives, and the expenses of any witness and the cost of any proof produced at the direct request of the arbitrator, shall be borne equally by the parties, unless they agree otherwise.

31. Applications to Court and Exclusions of Liability

(a) No judicial proceeding by a party relating to the subject matter of the arbitration shall be deemed a waiver of the party's right to arbitrate.

(b) Neither Resolute Systems, LLC nor any arbitrator in a proceeding under these rules is a necessary party in judicial proceedings relating to the arbitration or mediation.

(c) Parties to these rules shall be deemed to have consented that judgement upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(d) Neither Resolute Systems, LLC nor any arbitrator shall be liable to any party for any act or omission in connection with any arbitration conducted under these rules.

32. Confidentiality

(a) Unless otherwise required by applicable law, court order, or the parties' agreement, Resolute Systems, LLC and the arbitrator shall keep confidential all matters relating to the arbitration or the award.

(b) Upon the agreement of the parties or the request of any party, the arbitrator may make orders concerning the confidentiality of the arbitration proceedings or of any other matters in connection with the arbitration and may take measures for protecting trade secrets and confidential information.

33. Release of Documents for Judicial Proceedings

Resolute Systems, Inc. shall, upon the written request of a party, furnish to such party, at its expense, certified copies of any papers in Resolute Systems, LLC's possession that may be required in judicial proceedings relating to the arbitration.

34. Interpretation and Application of Rules

The arbitrator shall interpret and apply these rules insofar as they relate to the arbitrator's powers and duties. When there is more than one arbitrator and a difference arises among them concerning the meaning or application of these rules, it shall be decided by a majority vote. If that is unobtainable, either an arbitrator or a party may refer the question to Resolute Systems, LLC for final decision. All other rules shall be interpreted and applied by Resolute Systems, LLC.

Sample Arbitration Clauses

The following commercial arbitration clauses may be inserted into any commercial contract at the discretion of any party contemplating such action:

Sample 1 Arbitration Only

Any and all disputes, demands, claims or controversies hereto arising out of or relating to this contract or the breach thereof, shall be settled by a **Resolute Systems'** binding arbitration in accordance with **Resolute Systems'** Arbitration Rules, and judgment upon the award rendered by the arbitrator may be entered into any court or administrative tribunal having jurisdiction thereof.

Sample 2 Mediation Prior to Binding Arbitration

Any and all disputes, demands, claims or controversies hereto arising out of or relating to this contract or the breach thereof, shall be settled through **Resolute Systems**, first by attempting voluntary settlement through a non-binding mediation conference administered by **Resolute Systems, LLC** within 60 days of the written request of any party, and absent a voluntary settlement through non-binding mediation, by a **Resolute Systems'** binding arbitration in accordance with **Resolute Systems'** Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrator may be entered into any court or administrative tribunal having jurisdiction thereof.