



## SECURITIES INVESTOR DISPUTE ARBITRATION RULES

### 1. Agreement of Parties

- (a) The parties shall be deemed to have made these rules (the “Rules”) a part of their arbitration agreement whenever they have provided for arbitration by Resolute Systems, LLC (“Resolute”) and the filed demand for arbitration involves a Securities Investor Dispute.<sup>1</sup>
- (b) In addition, parties to any existing dispute who have not previously agreed to use these Rules may jointly agree to arbitrate their dispute via arbitration by Resolute.
- (c) Unless the parties agree or Resolute determines otherwise, the Expedited Procedures of the Rules shall apply in any case in which the Claimant requests that those procedures apply.
- (d) After the arbitrator is appointed, the parties may vary the procedures set forth in the Rules only with the arbitrator’s approval.

### 2. Resolute As Administrator of the Arbitration

When parties agree to arbitrate under these Rules, they hereby authorize Resolute to administer the arbitration. The authority and duties of Resolute are prescribed in the agreement of the parties and in these Rules and may be carried out through such of Resolute’s representatives as it may direct. Arbitrations administered under these Rules shall only be administered by Resolute or by an individual or organization authorized by Resolute to do so.

### 3. Filing Requirements and Procedures

- (a) Arbitration of any existing dispute between or among parties who have not previously agreed to use these Rules but who have jointly agreed to request arbitration under these Rules shall be initiated by the initiating party (“Claimant”) filing a written Submission Agreement, a Demand for Arbitration, the administrative filing fee, and a statement of claim. To the extent that the parties’ Submission Agreement contains any variances from these Rules, such variances should be clearly stated in the Submission Agreement. The filing fee must be paid before the matter is considered properly filed.

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<sup>1</sup> A “Securities Investor Dispute” is a dispute between a customer of a financial services firm (or any associated person, representative, employee, or agent thereof) that involves any securities product, investment, cryptocurrency or digital asset, or investment strategy that is purchased, sold, or implemented through or recommended by the financial services firm, or any associated person, representative, employee, or agent thereof.

(b) Arbitration under an arbitration provision in a contract that provides for arbitration under these Rules shall be initiated by the Claimant filing with Resolute a Demand for Arbitration, the administrative filing fee, a statement of claim, and a copy of the applicable arbitration agreement from the parties' contract which provides for arbitration. The filing fee must be paid before a matter is considered properly filed.

(c) The Claimant may file or submit a dispute to Resolute by filing the documents listed above with any Resolute office, regardless of the intended locale of hearing.

(d) The Claimant shall simultaneously provide a copy of the Demand and any supporting documents to the opposing party ("Respondent").

Any papers, notices, or process necessary or proper for the initiation of an arbitration under this Rule may be served on a party:

- a) by mail addressed to the party or its authorized representative at their last known address;
- b) by electronic service/email, with the prior agreement of the party being served;
- c) by personal service; or
- d) by any other service methods provided for under the applicable procedures of the courts of the state where the party to be served is located.

(e) Any decision made by Resolute regarding filing requirements and procedures shall not interfere with the arbitrator's authority to determine jurisdiction.

#### **4. Answers and Counterclaims**

(a) A Respondent must file an answering statement with Resolute within twenty-one (21) days after notice of filing of the Demand is sent by Resolute. The Respondent shall, at the time of any such filing, send a copy of any answering statement to the Claimant and to all other parties to the arbitration.

(b) A Respondent may file a counterclaim at any time after notice of the filing of the Demand is sent by Resolute, subject to the limitations set forth in Rule 6. The Respondent shall send a copy of the counterclaim to the Claimant and all other parties to the arbitration. If a counterclaim is asserted, it shall include a statement setting forth the nature of the counterclaim including the relief sought and the amount involved. The filing fee as specified in the applicable Resolute Fee Schedule must be paid at the time of filing. The Claimant may file an answering statement or reply in response to the counterclaim with Resolute within fourteen (14) calendar days after notice of the filing of the counterclaim is sent by Resolute.

- (c) If a Respondent or third-party Respondent does not file an answering statement within the time specified in this section, the arbitrator(s) may, upon motion, bar that party from presenting any defenses or facts at the hearing, unless the time to answer was extended in accordance with these Rules.

## **5. Form of Filings**

The form of any filing under these Rules shall not be subject to technical pleading requirements found in either state or federal rules of civil procedure.

## **6. Changes to Claims**

Any new or different claim or counterclaim shall be made in writing and filed with Resolute, and a copy shall be provided to all other parties to the arbitration, who shall have twenty-one (21) calendar days from the date of such transmittal within which to file an answer to the proposed change of claim or counterclaim with Resolute. After the arbitrator is appointed, however, no new or different claim or counterclaim may be submitted except with the arbitrator's consent.

## **7. Jurisdiction**

(a) The arbitrator shall have the power to rule on their 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, subject to Rule 1.

(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.

## **8. 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 not possible, either an arbitrator or a party may refer the question to Resolute for final decision. All other rules shall be interpreted and applied by Resolute.

## **9. Qualifications of Neutral Arbitrators**

- (a) Neutral arbitrators serving under these Rules shall have no personal or financial interest in the results of the proceeding in which they are appointed and shall have no relation to the underlying dispute or to the parties or their counsel that may create an appearance of bias.
- (b) The roster of available arbitrators will be established on a non-discriminatory basis, diverse by gender, ethnicity, background, and qualifications.
- (c) In a single arbitrator case, the sole arbitrator shall have a law degree and be a member of a bar of at least one jurisdiction.
- (d) In a three-arbitrator case, the chairperson of the arbitration panel shall have the following minimum qualifications: (a) have a law degree and be a member of a bar of at least one jurisdiction; or (b) have served as an arbitrator through award on at least one arbitration.
- (e) Disqualification based on an arbitrator's activities.
  - i. An arbitrator will not qualify to serve as an arbitrator under these Rules if the arbitrator was ever associated with:
    - a) a broker or a dealer (including a government securities broker or dealer or a municipal securities broker or dealer); or
    - b) the Commodity Exchange Act or the Commodity Future Trading Commission, or a member of the National Futures Association or the Municipal Securities Rulemaking Board; or
    - c) an entity that is organized under or registered pursuant to the Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisers Act of 1940; or

- d) a mutual fund or a hedge fund;
- e) an investment adviser; or
- f) is an attorney that currently devotes more than 20% of his or her professional time annually representing financial industry entities or professionals or an attorney that has devoted more than 20% of his or her professional time annually representing financial industry entities or professionals for a period of ten years or more.

#### **10. Number and Appointment of Neutral Arbitrators; Chairperson**

- a. 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 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 3 being least preferred. Claimants will be permitted to strike up to two (2) arbitrators, collectively, from the list of five (5) names. Respondents will be permitted to strike up to two (2) arbitrators, collectively, from the list of five (5) names. Parties will have fourteen (14) calendar days to complete their rankings and submit them to Resolute who will then tally the scores. The arbitrator with the lowest score will be invited to serve as the arbitrator.
- b. Where there is a panel of three or more arbitrators, one arbitrator will be designated as the panel chairperson. In the event multiple arbitrators serve, appointment of arbitrators shall follow the ranking process described in 10.a., with five names of arbitrators generated for each arbitrator to be assigned, and with each side collectively being permitted two strikes per five names. However, if the parties' arbitration agreement does not specify how the chairperson is to be selected, the chairperson can be designated, at Resolute's discretion, by the party-appointed arbitrators, the parties, the panel, or Resolute.
- c. If the arbitration agreement specifies a period of time for appointment of the chairperson and no appointment is made within that period or any agreed extension, Resolute may appoint the chairperson. If no period of time is specified for appointment of the chairperson, and the party-appointed arbitrators or the parties do not make the appointment within fourteen (14) calendar days from the date of the appointment of the last party-appointed arbitrator, Resolute may appoint the chairperson.
- d. Absent the agreement of the parties, the chairperson shall be appointed from Resolute's Roster of Arbitrators, and Resolute shall furnish to the party-appointed arbitrators, , a list selected from the National Roster, and the appointment of the chairperson shall be made as provided in that Rule.

## **11. Disclosure**

- a. Any person appointed or to be appointed as an arbitrator as well as the parties and their representatives, shall disclose to Resolute any circumstance likely to give rise to justifiable doubt as to the arbitrator's impartiality or independence, including any bias or any financial or personal interest in the result of the arbitration any past or present relationship with the parties or their representatives, or any prior awards or appointments as arbitrators in which any party was involved. Such obligation shall remain in effect throughout the arbitration. Failure on the part of a party or a representative to timely raise an objection to the appointment of any arbitrator may result in the waiver of the right to object to an arbitrator..
- b. Upon receipt of such information from the arbitrator or another source, Resolute shall communicate the information to the parties and, if it deems it appropriate to do so, to the arbitrator and others.
- c. Disclosure of information pursuant to this Rule is not an indication that the arbitrator considers the disclosed circumstance likely to affect impartiality or independence.

## **12. Disqualification of Arbitrator**

- a. Any arbitrator shall be impartial and independent and shall perform his or her duties with diligence and in good faith, and shall be subject to disqualification for:
  - i. partiality or lack of independence,
  - ii. inability or refusal to perform his or her duties with diligence and in good faith, and
  - iii. any grounds for disqualification provided by applicable law.
- b. Upon objection of a party to the continued service of an arbitrator, or on its own initiative, Resolute shall determine whether the arbitrator should be disqualified under the grounds set out above, and shall inform the parties of its decision, which decision shall be conclusive.

## **13. Communication with Arbitrator**

No party and no one acting on behalf of any party shall communicate *ex parte* with an arbitrator or a candidate for arbitrator concerning the arbitration.

Unless otherwise instructed by Resolute, in the Rules, or by the arbitrator, any documents submitted by any party to Resolute or to the arbitrator shall simultaneously be provided to the other party or parties to the arbitration.

#### **14. Vacancies**

- a. If for any reason an arbitrator is unable to perform the duties of the office, Resolute may, on proof satisfactory to it, declare the office vacant. Vacancies shall be filled in accordance with the applicable provisions of these Rules.
- b. In the event of a vacancy in a panel of neutral arbitrators after the evidentiary hearings have commenced, the remaining arbitrator or arbitrators may continue with the hearing on agreement of the parties, or if the parties do not so agree, a substitute arbitrator will be appointed to the panel in the manner set forth in Rule 10 or as otherwise agreed by the parties.
- c. In the event of the appointment of a substitute arbitrator, the panel of arbitrators shall determine in its sole discretion whether it is necessary to repeat all or part of any prior hearings.

#### **15. Representation**

Any party may participate without representation (pro se), or by counsel or any other representative of the party's choosing, unless such choice is prohibited by applicable law. A party intending to be so represented shall notify the other party and Resolute of the name, telephone number and address, and email address if available, of the representative at least seven (7) calendar days prior to the date set for the hearing at which that person is first to appear. When such a representative initiates an arbitration or responds for a party, notice is deemed to have been given. Except for services provided by registered Law School Legal Clinics, non-attorney representatives are forbidden under these Rules.

#### **16. Documents-only Arbitration**

Unless the parties agree or Resolute determines otherwise, any case in which no disclosed claim or counterclaim exceeds \$50,000, exclusive of interest, expenses, attorneys' fees, costs, or punitive damages, shall be resolved by submission of documents unless the Claimant requests an oral hearing. Except as otherwise provided for in this Rule, all other Rules apply to such arbitrations.

#### **17. Pre-Hearing Exchange and Production of Information**

- a) The arbitrator shall manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute, while at the same time promoting equality of treatment and safeguarding each party's opportunity to fairly present its claims and defenses.

- b) Unless otherwise agreed to by the parties or ordered by the arbitrator, within forty-five (45) days of the date the answering statement is due, or, for parties added by amendment or third-party claim, within forty-five (45) days of the date that their answering statement is due, for documents set forth on the applicable Securities Investor Document Exchange Lists parties shall:
  - i. Produce to all other parties all documents in their possession, custody, or control;
  - ii. If the party cannot produce one or more of the documents within the required time, identify and explain the reason the party cannot produce the documents and state when the documents will be produced; or
  - iii. Object to producing one or more documents, setting forth a substantive justification for each objection.

## **18. Additional Party Discovery**

- a) The parties may conduct additional discovery, but the arbitrator may place such limitations on discovery as the arbitrator deems appropriate.
- b) The arbitrator shall have the authority to order additional discovery as the arbitrator considers necessary for a fundamentally fair process, consistent with the expedited nature of arbitration.
- c) Unless otherwise agreed to by the parties or ordered by the arbitrator, the party receiving any additional discovery request must respond within forty-five (45) days of receipt of the requests.
- d) Notwithstanding the foregoing, the time period for Claimant to respond to any additional discovery request shall not begin to run until the date on which the party issuing the additional discovery has served its answering statement.

## **19. Motions to Compel**

- a) If a discovery dispute arises, the parties may file motions to compel discovery. Regarding such motions to compel, the following rules shall apply.
  - i. For cases involving 3-member arbitration panels, unless otherwise requested by a party, the Chairperson shall decide motions to compel through a written order.

- ii. Before the filing of any motion to compel, the filing party shall first meet and confer with the other party and make an effort to resolve the matter that is the subject of the motion.
- iii. All motions to compel must include a description of the efforts made by the moving party to resolve the matter before making the motion.
- iv. Parties shall have ten (10) business days from the receipt of a motion to oppose and the initiating party shall have five (5) business days from the receipt of the opposition to reply.

## **20. Depositions**

- (a) As a general matter, absent an agreement among the parties, the parties shall not be entitled to take any depositions. In exceptional cases, however, at the discretion of the arbitrator(s), upon good cause shown and consistent with the expedited nature of arbitration, the arbitrator(s) may order depositions to obtain the testimony of a person who may possess information determined by the arbitrator(s) to be relevant and material to the outcome of the case, including:
  - i. To preserve the testimony of ill or dying witnesses; and
  - ii. If the arbitrator determines that extraordinary circumstances exist.
- (b) To the extent allowed by governing law, the arbitrator may issue a subpoena for a witness to give a de bene esse deposition for use at a hearing when such witness cannot be subpoenaed to appear at a hearing or is otherwise unavailable to attend a hearing.
- (c) The arbitrator(s) may allocate the cost of taking such a deposition.

## **21. Pre-Hearing Exchange of Documents and Witness Lists**

- a. Documents and Other Materials. At least twenty-one (21) days before the start of the hearing, each party must provide all other parties with copies of all documents and other materials they intend to use at the hearing that have not already been produced.
- b. Witness Lists. At least twenty-one (21) days before the start of the hearing, each party must provide each party with the names and business affiliations of all witnesses they intend to present at the hearing.
- c. Exclusion of Documents or Witnesses. Parties may not present any documents or other materials not produced and or any witnesses not identified in accordance with this Rule at

the hearing, unless the arbitrator determines that good cause exists for the failure to produce the document or identify the witness. Good cause includes the need to use documents or call witnesses for rebuttal or impeachment purposes based on developments during the hearing. Documents and lists of witnesses in defense of a claim are not considered rebuttal or impeachment information and, therefore, must be exchanged by the parties.

## **22. Enforcement Powers of Arbitrator**

The arbitrator shall have the authority to issue any orders necessary to enforce the provisions of Rules 17 through 21 and any other rule or procedure and to otherwise achieve a fair, efficient, and economical resolution of the case, including, without limitation:

- v. conditioning any exchange or production of confidential documents and information, and the admission of confidential evidence at the hearing, on appropriate orders to preserve such confidentiality;
- vi. imposing reasonable search parameters for electronic and other documents if the parties are unable to agree;
- vii. allocating costs of producing documentation, including electronically stored documentation;
- viii. in the case of willful non-compliance with any order issued by the arbitrator, drawing adverse inferences, excluding evidence and other submissions;
- ix. making special allocations of costs or an interim award of costs arising from such non-compliance; and/or,
- x. issuing any other enforcement orders, including injunctive relief, which the arbitrator is empowered to issue under applicable law.

## **23. Dispositive Motions**

- a) Dispositive motions are discouraged, and the Claimant is presumptively entitled to a hearing.
- b) The following requirements govern dispositive motions made prior to the completion of the presentation of evidence by the Claimant(s) at the final hearing:
  - i. Dispositive Motions may be made by a Respondent only in two circumstances:

- 1 The misidentification of a Respondent; or,

2 A claim at issue has been previously settled, released, or adjudicated.

- ii. A dispositive motion must be filed, in writing, at least ninety (90) days prior to the start of the hearing, and a response to the motion is due thirty (30) days thereafter. The arbitrator shall hear oral argument on the motion either in person, virtually, telephonically or otherwise, and the Motion will be decided by the arbitrator(s) prior to the final evidentiary hearing.
- iii. An order or award granting a dispositive motion must be unanimous if there is a panel of three arbitrators, and the order or award shall be a reasoned order or award.
- iv. Arbitrator compensation related to the dispositive motion shall be borne by the moving party.
- v. The arbitrator may award reasonable attorneys' fees if the arbitrator determines that the dispositive motion was filed frivolously or in bad faith.

#### **24. Date, Time, Place and Method of Hearing**

- a) The parties may agree to hold the hearing in-person, virtually (via video, audio or other electronic means) or a hybrid of those methods. If the parties cannot agree, the arbitrator shall set the method of hearing after determining if an in-person hearing is necessary for a fundamentally fair process.
- b) The arbitrator shall set the date, time, and place for the hearing. The arbitrator shall schedule the hearing for the number of days agreed to by the parties or, if there is no party agreement, reasonably requested by the Claimant.
- c) The parties shall respond to requests for hearing dates in a timely manner, be cooperative in scheduling the earliest practicable date, and adhere to the established hearing schedule. Resolute shall send a notice of hearing to the parties at least ten (10) days in advance of the hearing date, unless otherwise agreed by the parties.
- d) Any party may procure, at its own expense, appropriate services to record a hearing or any other proceeding. The arbitrator shall have the discretion to require the parties to retain the appropriate services to record a hearing or any other proceeding, the cost of which will be paid by the parties as determined by the arbitrator.
- e) Continuances of a hearing and all other proceedings shall be granted by the arbitrator for good cause.

## **25. Attendance at Hearing**

- a) The parties and their representatives are entitled to attend the hearings. Absent good cause shown, expert witnesses shall be permitted to attend the hearing. The arbitrator shall have the authority to exclude any witness, other than a party or expert witness, from the hearing during the testimony of any other witness. The arbitrator also shall have the authority to decide whether any person who is not a party, party representative, or a witness may attend the hearing.
- b) An attorney for a non-party witness may attend a hearing while that non-party witness is testifying. Unless otherwise authorized by the arbitrator, the attorney's role is limited to the assertion of recognized privileges, such as attorney-client and work-product privileges, and the privilege against self-incrimination.

## **26. Evidence**

- a) The arbitrator shall determine the admissibility, relevance, and materiality of the evidence offered and may exclude evidence deemed by the arbitrator to be cumulative or irrelevant. Conformity to legal rules of evidence shall not be necessary.

## **27. Closing of Hearing**

- a) The arbitrator shall specifically inquire of all parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies or if satisfied that the record is complete, the arbitrator shall declare the hearing closed.
- b) Absent the agreement of all parties or the arbitrator's finding of good cause shown, there shall be no post-hearing briefs or submissions. If the parties agree or the arbitrator orders or allows post-hearing briefs or submissions, the hearing shall be declared closed as of the date the arbitrator is satisfied that the record is complete, and such date shall occur no later than seven (7) days from the date of receipt of the last such submission or hearing transcript.

## **28. Reopening of Hearing**

The hearing may be reopened on the arbitrator's initiative, or by the direction of the arbitration upon application of a party for good cause shown, at any time before the award is made. If reopening the hearing would prevent the making of the award within the specific time agreed on by the parties in the applicable arbitration agreement, the matter may not be reopened unless the parties agree to an extension of time. When no specific date is fixed by agreement of the parties, the arbitrator may reopen the hearing and shall have thirty (30) days from the closing of the reopened hearing within which to make an award.

## **29. The Award**

- a) The award shall be made promptly by the arbitrator and, unless otherwise agreed by the parties or specified by law, no later than thirty (30) days from the date of closing of the hearing or, if oral hearings have been waived, from the due date set for receipt of the parties' final statements and proofs.
- b) The award shall be in writing and shall be signed by a majority (or all if the award is unanimous) of the arbitrators when more than one arbitrator is appointed. Signatures may be executed in electronic or digital form. The award shall be executed in the form and manner required by law. The arbitrator need not render a reasoned award unless all parties agree to such an award or the arbitrator determines that a reasoned award is appropriate.
- c) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of the agreement of the parties or that would have been available to the parties had the matter been heard in court including attorney's fees and costs if authorized by the applicable law.
- d) In the final award or any order disposing of all of the case, the arbitrator shall assess the fees, expenses, and compensation in accordance with Rules 34-36. The arbitrator may also assess such fees, expenses, and compensation in any order or award disposing of part of the case. The arbitrator may apportion such fees, expenses, and compensation among the parties in such amounts as the arbitrator determines is appropriate.
- e) If the parties settle their dispute during the course of the arbitration and if the parties so request, the arbitrator may set forth the terms of the settlement in a consent award. The consent award shall not be released to the parties until all administrative fees and all arbitrator compensation have been paid in full.
- (f) Unless otherwise required by applicable law, court order, or the parties' agreement, Resolute and the arbitrator shall keep confidential all matters relating to the arbitration or the award.

## **30. Delivery of Award to Parties**

Parties shall accept as notice and delivery of the award the placing of the award or a true copy thereof in the mail addressed to the parties or their representative at their last known addresses, personal or electronic service of the award, or the filing of the award in any other manner that is permitted by law.

## **31. Modification of Award**

- a) Within twenty (20) days after the transmittal of an award, any party, upon notice to the other parties, may request the arbitrator, through Resolute, to correct any clerical, typographical, technical, or computational errors in the award. The arbitrator is not

empowered to redetermine the merits of any claim already decided. The other parties shall be given ten (10) days to respond to the request.

- b) The arbitrator shall dispose of the request within twenty (20) days after transmittal by Resolute to the arbitrator of the request and any response thereto. If applicable law requires or the arbitrator has established a different time frame or schedule for such requests, responses, and disposition, that law or schedule shall be followed.

### **32. Release of Documents for Judicial Proceedings**

Resolute shall, upon the written request of a party to the arbitration, furnish to the party, at its expense, copies or certified copies of any papers in Resolute's possession that are not determined by Resolute to be privileged or confidential.

### **33. Applications to Court and Exclusion 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 nor any arbitrator in a proceeding under these Rules is a necessary or proper party in any judicial proceedings relating to the arbitration.
- (c) Parties to an arbitration under these Rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.
- (d) Parties to an arbitration under these Rules shall be deemed to have consented that Resolute shall not be liable to any party in any action for damages, or injunctive or other relief, for any act or omission in connection with any arbitration administered in whole or in part by Resolute or conducted under these Rules. Parties shall also be deemed to have consented that the arbitrator shall not be liable to any party in any action for damages, or injunctive or other relief, for an act or omission in connection with any arbitration administered in whole or in part by Resolute.
- (e) Parties to an arbitration under these Rules may not subpoena or otherwise call the arbitrator, Resolute, or Resolute employees as a witness or subpoena them to produce any files, documents, or materials pertaining to the arbitration in any judicial, regulatory, or administrative proceedings. The arbitrator, Resolute and Resolute employees are not competent to testify as witnesses in any such proceeding.
- (f) If any person or entity files a suit or otherwise makes a claim, or seeks a subpoena or other legal process in violation of this Rule, such person or entity shall be responsible for all reasonable attorneys' fees and costs incurred by the arbitrator and/or Resolute in responding to and prevailing against any such actions.

### **34. Administrative Fees**

Resolute shall prescribe administrative fees to compensate it for the cost of providing administrative services. The fee schedule in effect when the Demand for Arbitration is filed will apply throughout the pendency of the case. The administrative fees shall be paid in accordance with the applicable fee schedule. Resolute may, in the event of extreme hardship on the part of any party, defer or reduce the administrative fees. (To ensure that you have the most current information, see our website at [www.resolutesystems.com](http://www.resolutesystems.com)).

### **35. Expenses**

(a) Unless otherwise agreed by the parties or as provided under applicable law, the expenses of witnesses for either side shall be borne by the party producing such witnesses.

(b) All expenses of the arbitrator, including required travel and other expenses, and any Resolute expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne in accordance with the Resolute Securities Investor Dispute Fee Schedule.

### **36. Neutral Arbitrator's Compensation**

Arbitrators shall be compensated at a rate consistent with the arbitrator's stated rate of compensation at the time their Resolute resume is presented to the parties for consideration pursuant to Rule 10, unless otherwise determined by Resolute. Such compensation will be consistent with the provisions of the arbitrator's executed Notice of Compensation Arrangements. If there is disagreement concerning the terms of compensation, an appropriate rate shall be established with the arbitrator by Resolute and confirmed to the parties. Any arrangement for the compensation of a neutral arbitrator shall be made through Resolute and not directly between the parties and the arbitrator. Payment of the arbitrator's fees and expenses shall be made by Resolute from the fees collected by Resolute for this purpose. Arbitrator compensation shall be borne in accordance with the Costs of Arbitration section and borne by Respondent absent the initial filing fee paid by the Claimant.

### **37. Deposits**

Resolute will request the Respondent to deposit in advance of any hearings such sums of money as it deems necessary to cover the expenses of the arbitration, including the arbitrator's compensation and expenses, if any, and shall render an accounting to the parties and return any unexpended balance at the conclusion of the case. Resolute will allocate the deposits requested and will establish due dates for the collection of those deposits. A party's failure to make the requested deposits by the date established by Resolute may result in Resolute's or the arbitrator's taking any appropriate steps.

### **38. Remedies for Non-Payment**

- (a) If arbitrators have been appointed, and the arbitrator compensation or administrative charges have not been paid in full, then the Respondent shall be in default, and Claimant may move for entry of a default award against Respondent. Prior to ruling on default, the Claimant must ensure its motion for entry of default award is served upon Respondent, providing Respondent with fourteen (14) days to pay all outstanding arbitrator compensation or administrative charges owed, thus curing the default. After a default award has been executed, Claimant must serve the default award upon Respondent and provide them fourteen (14) days to cure. If Respondent fails to pay the arbitrator compensation or administrative charges owed, then Claimant may seek to enforce the default arbitration award as a judgment, pursuant to applicable law.
- (b) If Respondent fails to pay an initial deposit charged by Resolute to begin the administration of the arbitration proceeding, then Claimant may pay the charge which Respondent will be ordered to pay upon appearance.

### **39. Expedited Procedures.**

In the event Claimant requests Expedited Procedures as applicable under Rule 1(c), the following procedures shall apply:

- (a) There shall be a single arbitrator;
- (b) The Arbitrator shall schedule the hearing to start within six months of the initial preliminary hearing; and,
- (c) The Arbitrator shall have the authority to revise any deadline set forth in these Rules as necessary.

### **40. Hedge Clauses and Choice of Law Clauses**

Hedge clauses (including any contractual language that attempts to limit or avoid the Respondent's liability for various types of conduct or omissions) and choice of law clauses are prohibited and shall not be enforced.

### **41. Multiple Claimants**

One or more Claimants may consolidate their claims in the same arbitration if the claims contain common questions of law or fact and: (a) the claims assert any right to relief jointly and severally; or (b) the claims arise out of the same transaction, investment or occurrence, or series of transactions or occurrences.

## **42. Sanctions**

(a) The arbitrator may, upon party's request, order appropriate sanctions where a party fails to comply with its obligations under these Rules or with an order of the arbitrator. In the event that the arbitrator enters a sanction that limits any party's participation in the arbitration or results in an adverse determination of an issue or issues, the arbitrator shall explain that order in writing and shall require the submission of evidence and legal argument prior to making of an award. The arbitrator may not enter a default award as a sanction.

(b) The arbitrator must provide a party that is subject to a sanction request with the opportunity to respond prior to making any determination regarding the sanctions application.