

UNIFORM
LAWS
ANNOTATED

BUSINESS
AND
FINANCIAL
LAWS

MASTER EDITION

UNIFORM LAWS ANNOTATED

Business and Financial Laws

With
Annotations From State and Federal Courts

ST. PAUL, MINN.
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EXPLANATION

New Volumes 7 and 7A of the Master Edition of Uniform Laws Annotated contain the text of the following Uniform Acts:

Volume 7

Arbitration Act
Common Trust Fund Act
Condominium Act
Consumer Credit Code (1968 Act)
Consumer Credit Code (1974 Act)

Volume 7A

Consumer Sales Practices Act
Deceptive Trade Practices Act (1966 Act)
Deceptive Trade Practices Act (1964 Act)
Division of Income for Tax Purposes Act
Federal Tax Lien Registration Act
Fiduciaries Act
Fraudulent Conveyance Act
Land Sales Practices Act
Management of Institutional Funds Act
Principal and Income Act (1962 Act)
Principal and Income Act (1931 Act)
Residential Landlord and Tenant Act
Securities Act
Simplification of Fiduciary Security Transfers, Act for
State Antitrust Act
Supervision of Trustees for Charitable Purposes Act
Trustees' Powers Act

These acts were drafted by the National Conference of Commissioners on Uniform State Laws and recommended for adoption in all states. These new volumes combine the Uniform Acts relating to business and financial topics for convenient reference to the text of such statutes and the up-to-date judicial constructions thereof in all of the adopting jurisdictions.

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM LAWS

The National Conference of Commissioners on Uniform State Laws is composed of Commissioners from each of the states, the

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District of Columbia and Puerto Rico. In thirty-three of these jurisdictions the Commissioners are appointed by the chief executive acting under express legislative authority. In the other jurisdictions the appointments are made by general executive authority. There are usually three representatives from each jurisdiction. The term of appointment varies, but three years is the usual period. The Commissioners are chosen from the legal profession, being lawyers and judges of standing and experience, and teachers of law in some of the leading law schools. They are united in a permanent organization, under a constitution and by-laws, and meet in Annual Conference in the same vicinity as the American Bar Association, usually for five or six days immediately preceding the meeting of that Association. The record of the activities of the National Conference, the reports of its committees, and its approved acts are printed in the Annual Proceedings.

The object of the National Conference, as stated in its constitution, is "to promote uniformity in state laws on all subjects where uniformity is deemed desirable and practicable." The National Conference works through standing and special committees. In recent years all proposals of subjects for legislation are referred to a standing Committee on Scope and Program. After due investigation, and sometimes a hearing of parties interested, this committee reports whether the subject is one upon which it is desirable and feasible to draft a uniform law. If the National Conference decides to take up the subject, it refers the same to a special committee with instructions to report a draft of an act. With respect to some of the more important acts, it has been customary to employ an expert draftsman. Tentative drafts of acts are submitted from year to year and are discussed section by section. Each uniform act is thus the result of one or more tentative drafts subjected to the criticism, correction, and emendation of the Commissioners, who represent the experience and judgment of a select body of lawyers chosen from every part of the United States. When finally approved by the National Conference, the uniform acts are recommended for general adoption throughout the jurisdiction of the United States and are submitted to the American Bar Association for its approval.

OFFICIAL COMMENTS

The notes or comments prepared by the Commissioners on Uniform State Laws in explanation of a particular Act appear under the Commissioners' Prefatory Note preceding the text of

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such Act while the notes and comments prepared in explanation of specific sections of an Act are carried under the relevant sections thereof.

ACTION IN ADOPTING JURISDICTIONS

Variations that occur between an Official Uniform Act text section and the corresponding text section of an adopting jurisdiction are carried under the heading "Action in Adopting Jurisdictions". Under this heading in the sections affected will be found an alphabetical listing of the relevant jurisdictions with an explanatory note pointing out the differences between the texts.

In many jurisdictions, additional provisions that are not contained in the Official Text have been enacted. These provisions are reflected in the general statutory notes preceding the text of the particular Act.

ANNOTATIONS OR NOTES OF DECISIONS

The annotations or constructions by the courts of the Uniform Acts herein are complete from earliest times to date. They cover all decisions of courts of record in the adopting jurisdictions, as well as those of the Supreme Court of the United States and other Federal Courts construing such Uniform Acts in the following reports:

<i>Reports</i>	<i>Abbreviations</i>
Atlantic Reporter	A.
Atlantic Reporter, Second Series	A.2d
California Reporter	Cal.Rptr.
New York Supplement	N.Y.S.
New York Supplement, Second Series	N.Y.S.2d
North Eastern Reporter	N.E.
North Eastern Reporter, Second Series	N.E.2d
North Western Reporter	N.W.
North Western Reporter, Second Series	N.W.2d
Pacific Reporter	P.
Pacific Reporter, Second Series	P.2d
South Eastern Reporter	S.E.
South Eastern Reporter, Second Series	S.E.2d
South Western Reporter	S.W.
South Western Reporter, Second Series	S.W.2d
Southern Reporter	So.
Southern Reporter, Second Series	So.2d
Federal Reporter	F.
Federal Reporter, Second Series	F.2d
Federal Supplement	F.Supp.

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Reports

Abbreviations

Federal Rules Decisions	F.R.D.
Supreme Court Reporter	S.Ct.
United States Reports	U.S.
Lawyers' Edition	L.Ed.
Lawyers' Edition, Second Series	L.Ed.2d
Other Standard Reports	

The annotations appear under numbered notes so that the user, by referring to the same numbered note in the Pocket Part, can readily locate the most recent decisions on the same point.

An alphabetical index to the annotations or constructions by the courts will be found preceding the annotations under each section.

LAW REVIEW COMMENTARIES

Copious references to informative articles and discussions in Law Reviews and other legal periodicals, relating to various aspects of the Uniform Acts herein, appear under the sections to which they are pertinent.

LIBRARY REFERENCES

Another helpful feature of this edition consists of the references keyed to topics in the American Digest System, wherein cases from all jurisdictions on related material are annotated, and to sections of Corpus Juris Secundum which discuss the prevailing authority on related subject matter.

INDEX TO TEXT

Separate alphabetical descriptive-word indices to the text of the individual Uniform Acts will be found at the end of the volume in which each Act is included, following the divider.

THE PUBLISHER

August, 1978

Acknowledgment

Official Text and Comments

Acknowledgment is gratefully made to The American Law Institute and to the National Conference of Commissioners on Uniform State Laws for permission to reproduce the official Text and Comments for the Acts included herein.

THE PUBLISHER

CITE THIS BOOK

Uniform _____ Act (U.L.A.) § ____.

Uniform Consumer Credit Code, 1968 Act,
(U.L.A.) § ____.

Uniform Consumer Credit Code, 1974 Act,
(U.L.A.) § ____.

†

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UNIFORM ARBITRATION ACT

Table of Jurisdictions Wherein Act Has Been Adopted

Jurisdiction	Laws	Effective date	Statutory Citation
Alaska	1968, c. 232	8-6-1968	AS 09.43.010 to 09.43.180.
Arizona	1962, c. 108	6-21-1962	A.R.S. §§ 12-1501 to 12-1518.
Arkansas	1969, No. 260		Ark.Stats. §§ 34-511 to 34.532.
Colorado	1975, p. 573	7-14-1975	C.R.S. '73, 13-22-201 to 13-22-223.
Delaware	1972, c. 382	4-30-1972	10 Del.C. §§ 5701 to 5725.
Dist. of Columbia	D.C.Laws.No. 1-117	4-7-1977	D.C.C.E. 16 App. §§ 1-21.
Idaho	1975, c. 117	7-1-1975	I.C. §§ 7-901 to 7-922.
Illinois	1961, p. 3844	8-24-1961	S.H.A. ch. 10, §§ 101 to 123.
Indiana	1969, c. 340	3-15-1969	I.C.1971, 34-4-2-1 to 34-4-2-22.
Kansas	1973, c. 24	7-1-1973	K.S.A. 5-401 to 5-422.
Maine	1967, c. 430	10-7-1967	14 M.R.S.A. §§ 5927 to 5949.
Maryland	1965, c. 231	6-1-1965	Code, Courts and Judicial Proceedings, §§ 3-201 to 3-234.
Massachusetts	1960, c. 374	12-31-1960	M.G.L.A. c. 251, §§ 1 to 19.
Michigan	1961, P.A. 236	1-1-1963	M.C.L.A. §§ 600.5001 to 600.5035.
Minnesota	1957, c. 633	4-25-1957	M.S.A. §§ 572.08 to 572.30.
Nevada	1969, c. 456	7-1-1969	N.R.S. 38.015 to 38.045.
New Mexico	1971, c. 168	7-1-1971	1953 Comp. §§ 22-3-9 to 22-3-31.
North Carolina	1973, c. 676	8-1-1973	G.S. §§ 1-567.1 to 1-567.20.
Oklahoma	1978, c. 308	10-1-1978	15 Okl.St.Ann. §§ 801-818.
South Dakota	1971, c. 157	7-1-1971	SDCL 21-25A-1 to 21-25A-38.
Texas	1965, c. 689	1-1-1966	Vernon's Ann.Civ.St. arts. 224 to 238-6.
Wyoming	1959, c. 116	2-19-1959	W.S.1977, §§ 1-36-101 to 1-36-119.

Historical Note

The Uniform Arbitration Act was approved by the National Conference of Commissioners on Uniform State Laws and the American Bar Association, in 1955. An amendment to section 12 was similarly approved in 1956.

The 1955 Act supersedes a prior Act approved in 1925, which had been adopted in Nevada, North Carolina, Pennsylvania, Utah, Wisconsin and Wyoming, and which was withdrawn by the Conference of Commissioners on Uniform State Laws, in 1943.

Commissioners' Prefatory Note

This Act covers voluntary written agreements to arbitrate. Its purpose is to validate arbitration agreements, make the arbitration process effective, provide necessary safeguards, and provide an efficient procedure when judicial assistance is necessary.

The Conference of Commissioners on Uniform State Laws promulgated a uniform arbitration act in the early 20's. It was adopted in a few states. It proved unsatisfactory and was later withdrawn by the Conference. With the growing interest in a number of states in enacting a modern arbitration statute, the Conference renewed its interest in the subject and approximately five years ago, appointed a committee to prepare a draft act for consideration by the Conference.

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The committee so appointed presented its first draft at the Conference of Commissioners in 1954. After revision, it was again presented to and adopted by the Conference on August 20, 1955.

In general, this act follows the pattern of the arbitration statutes of New York and of some fifteen other states. It validates written agreements to arbitrate disputes whether arising subsequent to the agreement or existing at the time it was made. It covers labor-management agreements to arbitrate unless the agreement otherwise provides. In view of the fact that some states, such as New York, extend the coverage of their act without exception, the clause at the end of the last sentence of Section 1 was bracketed.

The act provides that the motion procedure of the state shall be used when orders are desired to enforce the agreement to arbitrate, or for confirming, vacating or modifying an award, or for other purposes designated in the act. An award, once confirmed, may be reduced to judgment which is enforceable as is any other judgment.

Many of the provisions, are designed to meet problems not anticipated by the parties when the agreement was made and for which no provision exists in the agreement. Many of the sections are subject to the terms upon which the parties have agreed.

The grounds specified for confirming, vacating or modifying an award are for the most part the traditional ones recognized by statutes of many states. A provision not generally found permits arbitrators to correct minor errors in their award or to clarify the award when needed.

The section on Appeals is intended to remove doubts as to what orders are appealable and to limit appeals prior to judgment to those instances where the element of finality is present.

General Statutory Notes

Arizona. Adds section as follows:

"In the discretion of any state agency, board or commission or any political subdivision of the state of Arizona, the services of the American Arbitration Association, or any other similar body, may be used as provided by this article. Any agreement to make use of arbitration shall be made either at the time of entering into a contract or by written mutual agreement at a subsequent time prior to the filing of any civil action."

An additional Arizona section provides that the Act shall have no application to arbitration agreements between employers and employees or their respective representatives.

Delaware. The Delaware act is a substantial adoption of the major

provisions of the Uniform Act but it contains numerous variations, omissions and additional material, which cannot be clearly indicated by statutory notes.

Indiana. Adds section relating to the initiation of arbitration.

Maine. Adds section providing: "Nothing in this chapter shall be deemed to repeal or amend Title 26, Chapter 9-A, entitled Municipal Public Employees Labor Relations Law."

Maryland. The Maryland Act was repealed and reenacted by Acts 1973, 1st Special Session, c. 2. While the reenacted Maryland Act remains a substantial adoption of the Uniform Act, it now contains numerous variations, omissions and additional mat-

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ter which cannot be clearly indicated by statutory notes.

Massachusetts. Adds section as follows:

"Section 2A.

A party aggrieved by the failure or refusal of another to agree to consolidate one arbitration proceeding with another or others, for which the method of appointment of the arbitrator or arbitrators is the same, or to sever one arbitration proceeding from another or others, may apply to the superior court for an order for such consolidation or such severance. The court shall proceed summarily to the determination of the issue so raised. If a claimant under section twenty-nine of chapter one hundred and forty-nine applies for an order for consolidation or severance of such proceedings, the issue shall be decided under the applicable provisions of said section twenty-nine of said chapter one hundred and forty-nine governing consolidation or sever-

ance of such actions; otherwise the issue shall be decided under the Massachusetts Rules of Civil Procedure governing consolidation and severance of trials and the court shall issue an order accordingly. No provision in any arbitration agreement shall bar or prevent action by the court under this section."

Michigan. While the Michigan act contains the substance of certain parts of the Uniform Act, it also has numerous variations, omissions and additional matter which cannot be clearly indicated by variation notes.

Minnesota. Adds a section providing that "Minnesota Statutes 1953, Section 358.06, does not apply to an arbitration proceeding coming within the provisions of this act".

Nevada. Adds section defining terms used in the Act.

South Dakota. Adds section exempting insurance policies from the provisions of this act.

UNIFORM ARBITRATION ACT

1955 ACT

An Act relating to arbitration and to make uniform the law with reference thereto

Sec.

1. Validity of Arbitration Agreement.
2. Proceedings to Compel or Stay Arbitration.
3. Appointment of Arbitrators by Court.
4. Majority Action by Arbitrators.
5. Hearing.
6. Representation by Attorney.
7. Witnesses, Subpoenas, Depositions.
8. Award.
9. Change of Award by Arbitrators.
10. Fees and Expenses of Arbitration.
11. Confirmation of an Award.
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15. Judgment Roll, Docketing.
16. Applications to Court.
17. Court, Jurisdiction.
18. Venue.
19. Appeals.
20. Act Not Retroactive.
21. Uniformity of Interpretation.
22. Constitutionality.
23. Short Title.
24. Repeal.
25. Time of Taking Effect.

Be it enacted

§ 1. Validity of Arbitration Agreement

A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract. This act also applies to arbitration agreements between employers and employees or between their respective representatives [unless otherwise provided in the agreement].

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§ 1

Action in Adopting Jurisdictions

Variations from Official Text:

Alaska. Substitutes sentence reading: "However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute" for second sentence.

Arizona. Omits sentence beginning "This act also applies".

Arkansas. Section reads: "A written agreement to submit to arbitration any existing or future controversy arising out of a contract for construction and/or manufacture, is and shall be valid and enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract; provided, that this act [§§ 34-511-34-532] shall have no application to personal injury or tort matters, employer-employee disputes, nor to any insured or beneficiary under any insurance policy or annuity contract."

District of Columbia. Omits bracketed material.

Idaho. In last sentence, substitutes "does not apply" for "also applies".

Illinois. Section reads: "A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable save upon such grounds as exist for the revocation of any contract, except that any agreement between a patient and a hospital or health care provider to submit to binding arbitration a claim for damages arising out of (1) injuries alleged to have been received by a patient, or (2) death of a patient, due to hospital or health care provider negligence or other wrongful act, but not including intentional torts, is also subject to the Health Care Arbitration Act."

Indiana. Adds subdivision which reads as follows:

"(b) This act specifically exempts from its coverage all consumer leas-

es, sales, and loan contracts, as these terms are defined in the Uniform Consumer Credit Code."

Kansas. Section reads: "A written agreement to submit any existing controversy to arbitration or a provision in a written contract, other than a contract of insurance or a contract between an employer and employees or between their respective representatives, to submit to arbitration any controversy other than a claim in tort thereafter arising between the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract."

Maryland. Provides that act shall not apply to arbitration agreement between employers and employees or their respective representatives unless expressly provided in agreement that this act shall apply.

Massachusetts. Substitutes sentence which reads: "The provisions of this chapter shall not apply to collective bargaining agreements to arbitrate, which are subject to the provisions of chapter one hundred and fifty-C" for sentence beginning "This act also applies".

North Carolina. Section reads:

"(a) Two or more parties may agree in writing to submit to arbitration any controversy existing between them at the time of the agreement, or they may include in a written contract a provision for the settlement by arbitration of any controversy thereafter arising between them relating to such contract or the failure or refusal to perform the whole or any part thereof. Such agreement or provision shall be valid, enforceable, and irrevocable except with the consent of all the parties, without regard to the justiciable character of the controversy.

"(b) This Article shall not apply to:

"(1) Any agreement or provision to arbitrate in which it is stipulated that this Article shall not apply or to any arbitration or award thereunder;

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"(2) Arbitration agreements between employers and employees or between their respective representatives, unless the agreement provides that this Article shall apply."

South Dakota. Omits bracketed material.

Texas. Inserts "concluded upon the advice of counsel to both parties as evidenced by counsels' signature thereto" following "A written agreement" and following "a provision in a written contract", and excludes labor agreements, insurance contracts or

controversies and construction contracts or any document relating thereto from the application of the Act.

Wyoming. Section reads:

"A written agreement to submit any existing or future controversy to arbitration is valid, enforceable and irrevocable, save upon grounds as exist at law or in equity for the revocation of the contract. This includes arbitration agreements between employers and employees or between their respective representatives unless provided in the agreement."

Law Review Commentaries

Arbitration in Illinois; need for a change. Andre M. Saltoun and Bruce J. McWhirter. 49 Ill.Bar J. 330 (1961).

Arbitration modernized, the new California Arbitration Act. Eddy S. Feldman. 34 So.Cal.L.R. 413 (1961).

Commercial arbitration in Indiana and the proposed Uniform Act. 31 Ind.Law J. 401 (Spring 1956).

Kansas version of Uniform Arbitration Act. Robert Fowks, 43 J. Bar Kan. 9 (1974).

Minnesota Uniform Arbitration Act and the Lincoln Mills case. Maynard E. Pirsig. 42 Minn.Law Review 333 (1958).

Need for uniform laws of arbitration. Alfred B. Carb. 15 Bus.Law 37 (Nov. 1959); 15 Arb.J. 65 (1960).

New Uniform Arbitration Act. Maynard E. Pirsig. 11 Bus.Law. 44 (April 1956).

Notes on proposed revision of the New York arbitration law. Jack B. Weinstein. 16 Arb.J. 61 (1961).

Proposed arbitration act for Kentucky. Alvin L. Goldman. 22 Arb.J. 193 (1967).

Should Texas revise its arbitration statutes? J. Chrys Dougherty and Don Graf. 41 Texas L.Rev. 229 (1962).

State arbitration statutes applicable to labor disputes. Ross W. Lillard. 19 Mo.L.Rev. 280 (1954).

Toward a Uniform Arbitration Act. Maynard E. Pirsig. 9 Arb.J. 115 (1954).

Library References

Arbitration ⇨6, 6.1.

C.J.S. Arbitration §§ 7, 14, 15, 17 to 19, 21.

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§ 1 Note 2

For annotations relating to questions and issues for arbitrators, see Notes of Decisions under section 2, infra, note number 17. For questions and issues for the court, see Notes of Decisions under section 2, infra, note numbers 13 to 16.

1. Purpose of statute

Legislature intended Uniform Arbitration Act to replace older arbitration statute and to offer its exclusive procedures for obtaining grievance arbitration under all valid labor agreements and for enforcement of awards thus obtained. *Maine School Administrative Dist. No. 5 v. M.S.A. D. No. 5 Teachers Ass'n, Me.*1974, 324 A.2d 308.

Prime purpose of provision of Uniform Arbitration Act that executory agreements to arbitrate or to be deemed valid and enforceable and provision authorizing suits to compel arbitration or to stay court proceedings pending arbitration is to discourage litigation and to foster voluntary resolution of disputes in a forum created, controlled and administered according to the parties' agreement to arbitrate; suits to compel arbitration and suits to stay court action pending arbitration are to be viewed as "favored" actions. *Bel Pre Medical Center, Inc. v. Frederick Contractors, Inc.*, 1974, 320 A.2d 558, 21 Md.App. 307, remanded 334 A.2d 526, 274 Md. 307.

Basic intention of this Act is to discourage litigation and foster voluntary resolution of disputes in a forum created, controlled and administered by the agreement to arbitrate and by the Act. *Flood v. Country Mut. Ins. Co.*, 1967, 232 N.E.2d 32, 89 Ill.App.2d 358, reversed on other grounds 242 N.E.2d 149, 41 Ill.2d 91.

One of the fundamental objectives of the Uniform Arbitration Act is to encourage and facilitate settlement of disputes by providing speedy, informal, and relatively inexpensive procedure for resolving controversies arising out of commercial transactions, and even though resort to courts is authorized, basic intent of Act is to discourage litigation and to foster voluntary resolution of dis-

putes in forum created and controlled by written agreement of contracting parties. *Eric A. Carlstrom Const. Co. v. Independent School Dist. No. 77, Minn.*1977, 256 N.W.2d 479.

Statutory design of Uniform Arbitration Act was to encourage voluntary speedy, inexpensive, private and final out-of-court arbitration of commercial contractual disputes by commercial experts; though resort to courts is authorized, basic intent of Act is to discourage litigation. *Har-Mar, Inc. v. Thorsen & Thorshov, Inc.*, 1974, 218 N.W.2d 751, 300 Minn. 149.

Even though resort to courts is authorized, basic intent of this Act is to discourage litigation and foster voluntary resolution of disputes in a forum created, controlled, and administered by the written agreement. *Layne-Minnesota Co. v. Regents of University of Minn.*, 1963, 123 N.W.2d 371, 266 Minn. 284. See, also, *School Dist. No. 46, Kane, Cook and DuPage Counties v. Del Bianco*, 1966, 215 N.E.2d 25, 68 Ill.App.2d 145.

A fundamental objective of this Act is to encourage and facilitate arbitration of disputes by providing speedy, informal, and relatively inexpensive procedure for resolving controversies arising out of commercial transactions, including labor-management field. *Layne-Minnesota Co. v. Regents of University of Minn.*, 1963, 123 N.W.2d 371, 266 Minn. 284.

Arbitration laws and arbitration procedures are intended to expedite settlement of disputes and should not be used as means of furthering and extending delays. *Niazi v. St. Paul Mercury Ins. Co.*, 1963, 121 N.W.2d 349, 265 Minn. 222.

2. Common law

Arbitration made under contract providing that it should be specifically enforceable under prevailing arbitration law and containing no reference to this Act was common-law arbitration rather than statutory arbitration. *LaVale Plaza, Inc. v. R. S. Noonan, Inc.*, C.A.Pa.1967, 378 F.2d 569.

It is presumed that in not providing affirmatively for application of

§ 1

Note 2

this Act, the parties to an arbitration intend that the common-law principle prevail. *Id.*

At common law, an arbitration agreement would be enforced if it was performed by the parties and an arbitrator's award obtained; however, it was a general common-law rule that, in absence of legislative direction to the contrary, an executory agreement for arbitration of the ultimate rights of the parties, such as an agreement to arbitrate all future disputes, even though resort to arbitration was specified to a condition precedent to court action, was not enforceable and could not constitute a bar to legal or equitable redress in the courts, the theory being that such a contract, which ousted jurisdiction of the courts, was against public policy or affected only the remedies available and not substantive rights or was revocable at will. *Bel Pre Medical Center, Inc. v. Frederick Contractors, Inc.*, 1974, 320 A.2d 558, 21 Md.App. 307, remanded 334 A.2d 526, 274 Md. 307.

Rights of parties resulting from agreement to arbitrate rest on common-law rules relating to arbitration. *Murray v. U. S. Fidelity & Guaranty Co.*, Tex.Civ.App.1970, 460 S.W.2d 212.

3. Public policy

Policy of state is to encourage the settling of disputes, through arbitration rather than through resort to the courts. *P. R. Post Corp. v. Maryland Cas. Co.*, 1976, 242 N.W.2d 62, 68 Mich.App. 182.

It is policy of state to encourage arbitration. *Grover-Diamond Associates v. American Arbitration Ass'n*, 1973, 211 N.W.2d 787, 297 Minn. 324.

Public policy favors arbitration as a means of resolving disputes without court interference. *Arctic Contractors, Inc. v. State, Alaska* 1977, 564 P.2d 30.

Public policy strongly favors arbitration. *Consolidated Pac. Engineering, Inc. v. Greater Anchorage Area Borough for and on Behalf of Greater Area Borough School Dist.*, Alaska 1977, 563 P.2d 252.

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Strong public policy favors arbitration. *Modern Const., Inc. v. Barce, Inc.*, Alaska 1976, 556 P.2d 528.

In general, public policy favors arbitration as a means of settling controversy. *Snowberger v. Young*, 1975, 536 P.2d 1069, 24 Ariz.App. 177.

Public policy of Arizona favors arbitration as a means of disposing of controversies. *Jeanes v. Arrow Ins. Co.*, 1972, 494 P.2d 1334, 16 Ariz.App. 589; *Allstate Ins. Co. v. Cook*, 1974, 519 P.2d 66, 21 Ariz.App. 313.

4. Generally

Absent an express exception to arbitration, only most forceful evidence of purpose to exclude claim from arbitration can prevail. *Local 82, United Packinghouse, Food and Allied Workers, AFL-CIO v. U. S. Cold Storage Corp.*, C.A.Ill.1970, 430 F.2d 70.

Arbitration is desirable and should be encouraged. *Oil, Chemical and Atomic Workers Intern. Union v. Southern Union Gas Co.*, C.A.Tex. 1967, 379 F.2d 774.

Arbitration is looked on with favor by federal, state, and common law. *Reserve Min. Co. v. Mesabi Iron Co.*, D.C.Minn.1959, 172 F.Supp. 1, affirmed 270 F.2d 567. See, also, *Niazi v. St. Paul Mercury Ins. Co.*, 1963, 121 N.W.2d 349, 265 Minn. 222.

Arbitration is the process whereby parties voluntarily agree to substitute a private tribunal for the public tribunal otherwise available to them. *Bel Pre Medical Center, Inc. v. Frederick Contractors, Inc.*, 1974, 320 A.2d 558, 21 Md.App. 307, remanded 334 A.2d 526, 274 N.W.2d 307.

Once it is determined that an arbitrable issue exists the parties are not to be deprived by the courts of the benefits of arbitration for which they bargained—speed in the resolution of the dispute and the employment of the specialized knowledge and competency of the arbitrator. *Id.*

Arbitration, once undertaken, should continue freely without being subjected to a judicial restraint which would tend to render the pro-