

LITIGATION INFORMATION MEMO

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Appellate Division Affirms the Strength of Arbitration Awards

In a Nov. 12, 2021 decision, the Appellate Division, Fourth Department, affirmed the strength of arbitration awards by confirming the limited grounds upon which such awards can be reviewed. Historically, New York courts have held that judicial review of arbitration awards is extremely limited. In turn, courts routinely enact restrictive guidelines for reviewing arbitration awards. The Fourth Department's decision in *Gerber v. Goldberg Segalla LLP*, 199 A.D.3d 1354 (4th Dept. 2021) was no different. There, the Fourth Department held that an arbitration award can only be vacated for public policy concerns where the arbitration award violates public policy on its face. The petitioner bears the burden of establishing such a violation.

Gerber involved an arbitration resulting from the petitioners' withdrawal from the respondent law firm. Petitioners contended the respondent law firm's partnership agreement contained a restrictive withdrawal provision that violated both New York's "twin public policies" of attorney mobility and client choice as found in case law, as well as rule 5.6 of the New York Rules of Professional Conduct. The Fourth Department rejected petitioners' contentions outright, concluding the arbitration award did not create an explicit conflict with other laws and their attendant policy concerns. In other words, an arbitration award cannot be vacated under public policy grounds unless it violates New York law or its accompanying policy concerns *on its face*.

This exacting standard continues New York's strong policy of favoring arbitration and upholding arbitration awards to the greatest extent possible. Accordingly, not only can arbitration lead to quicker results and less onerous and burdensome litigation, but can also provide a significant degree of security that a final award will, in fact, be final.

If you have any questions about the information presented here, please contact [Kevin Cope](#), any attorney in Bond's [Litigation practice](#) or the attorney at the firm with whom you are regularly in contact.

