Practical Law

Compelling and Staying Arbitration in Maryland

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A Practice Note explaining how to request judicial assistance in Maryland state court to compel or stay arbitration. This Note describes what issues counsel must consider before seeking judicial assistance, and explains the steps counsel must take to obtain a court order compelling or staying arbitration in Maryland.

SCOPE OF THIS NOTE

When a party commences a lawsuit on an issue subject to an arbitration agreement, the opposing party may need to seek a court order to stay the litigation and compel arbitration. Likewise, when a party starts an arbitration proceeding in the absence of an arbitration agreement, the opposing party may need to seek a court order staying the arbitration. This Note describes the key issues counsel should consider when requesting a court to compel or stay arbitration in Maryland.

For information on compelling or staying arbitration in federal courts, see Practice Note, Compelling and Enjoining Arbitration in US Federal Courts (6-574-8707).

PRELIMINARY CONSIDERATIONS WHEN COMPELLING OR STAYING ARBITRATION

Before seeking judicial assistance to compel or stay arbitration, parties must determine whether the Federal Arbitration Act (FAA) or Maryland state law applies to the arbitration agreement (see Determine the Applicable Law). Parties must also consider:

- The threshold factual issues courts consider when evaluating a request to compel or stay arbitration (see Threshold Issues for the Court to Decide).
- The issues specific to requests to compel arbitration (see Considerations When Seeking to Compel Arbitration).
- The issues specific to requests to stay arbitration (see Considerations When Seeking to Stay Arbitration).

Whether to make an application for provisional remedies, such as an attachment or preliminary injunction, when seeking to compel or stay arbitration (see Considerations When Seeking Provisional Remedies).

DETERMINE THE APPLICABLE LAW

When evaluating a request for judicial assistance in arbitration proceedings, the court must determine whether the arbitration agreement is enforceable under the FAA or Maryland arbitration law.

The FAA

An arbitration agreement falls under the FAA if the agreement:

- Is in writing.
- Relates to interstate or international commerce or a maritime matter.
- States the parties' agreement to arbitrate a dispute.
- (9 U.S.C. §§ 1 and 2.)

The FAA applies to all arbitrations arising from maritime transactions or to any other contract involving interstate "commerce," a term the courts define broadly. Parties may, however, contemplate enforcement of their arbitration agreement under state law (see *Hall St. Assocs., L.L.C. v. Mattel, Inc.*, 552 U.S. 576, 590 (2008); *Rourke v. AmChem Prods., Inc.*, 835 A.2d 193, 209 (Md. Ct. Spec. App. 2003)).

If the agreement falls under federal law, state courts apply the FAA, which preempts conflicting state law only "to the extent that [state law] stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress" (*Volt Info. Scis., Inc. v. Bd. of Trs. of Leland Stanford Junior Univ.*, 489 U.S. 468, 476-77 (1989) (there is no federal policy favoring arbitration under a certain set of procedural rules; the federal policy behind the FAA is simply to ensure that arbitration agreements are enforceable); *Wells v. Chevy Chase Bank, F.S.B.*, 768 A.2d 620, 625 (Md. 2001) (concluding the FAA does not preempt Maryland procedural law)).

For more information on compelling arbitration when an arbitration agreement falls under the FAA, see Practice Note, Compelling and Enjoining Arbitration in US Federal Courts: Agreement Must Fall Under Federal Arbitration Act (<u>6-574-8707</u>).



Maryland State Law

The Maryland Uniform Arbitration Act (MUAA), codified at Md. Code Ann., Cts. & Jud. Proc. §§ 3-201 through 3-234, governs arbitration in Maryland, including applications to stay or compel arbitration. The MUAA is based on the Uniform Arbitration Act of 1956 (UAA), which the National Conference of Commissioners on Uniform State Laws revised in 2000 when it promulgated the Revised Uniform Arbitration Act (RUAA). To date, the Maryland legislature has not introduced legislation to conform the MUAA to the RUAA or to adopt the RUAA wholesale. For more information on the RUAA and a list of states that have adopted it, see Practice Note, Revised Uniform Arbitration Act: Overview (w-004-5167).

The UAA and the MUAA mirror the FAA, which Maryland courts consider an analogue to the MUAA (see *Holmes v. Coverall N. Am., Inc.,* 649 A.2d 365, 368 (Md. 1994); *Regina v. Envirmech Contracting Corp.,* 565 A.2d 693, 696 (Md. 1989)). Like the FAA, the MUAA promotes a policy favoring the enforcement of arbitration agreements (see *Gold Coast Mall, Inc. v. Lamar Corp.,* 468 A.2d 91, 95 (Md. 1993)). Maryland courts rely on federal and state court decisions interpreting the FAA when interpreting the MUAA (see *Holmes,* 649 A.2d at 368; *Walther v. Sovereign Bank,* 872 A.2d 735, 742 (Md. 2005)).

The MUAA applies:

- If the parties' agreement contains a choice of law clause that provides for Maryland law to govern dispute resolution (see *Rourke*, 835 A.2d at 209 (noting that the dispute met the interstate commerce requirement for applicability of the FAA but applying the MUAA as dictated by the arbitration agreement choice of law provision); see also C & L Enters., Inc. v. Citizen Band Potawatomi Indian Tribe of Okla., 532 U.S. 411, 419 (2001)).
- To arbitration agreements made after May 31, 1965 (Md. Code Ann., Cts & Jud. Proc. § 3-231).

The MUAA does not apply to an arbitration agreement between employers and employees or their representatives unless the agreement specifies that the MUAA applies (Md. Code Ann., Cts. & Jud. Proc. § 3-206(b)). Courts construe this section as exempting collective bargaining agreements from application of the MUAA unless specified in the agreement, but not individual employment agreements (see *Wilson v. McGrow, Pridgeon & Co., P.A.*, 467 A.2d 1025, 1031 (Md. 1983)).

Under the MUAA, any provision in a consumer's insurance contract that requires arbitration is void and unenforceable, except for contracts establishing an appraisal process to determine the value of property (Md. Code Ann., Cts. & Jud. Proc. § 3-206.1(b)).

INTERSECTION OF THE FAA AND MARYLAND LAW

Because the FAA only preempts state law to the extent that state law contradicts federal law, the FAA does not prevent Maryland state courts from, among other things, applying state contract law to determine whether the parties have entered into an arbitration agreement (see *Walther*, 872 A.2d at 743; *Cheek v. United Healthcare of Mid-Atlantic, Inc.*, 835 A.2d 656, 661 (Md. 2003)).

If an agreement falls under the FAA, a Maryland state court applies the federal standard for arbitrability when determining whether to compel or stay arbitration, rather than evaluating these threshold questions under Maryland state law (see *Southland v. Keating Corp.*, 465 U.S. 1, 12-13 (1984); see also Practice Note, Compelling and Enjoining Arbitration in US Federal Courts: Arbitrability (6-574-8707)).

Maryland state courts apply state law to determine the enforceability of an arbitration agreement if, for example, the agreement:

- Does not affect interstate commerce (see *Mattingly v. Hughes Elec. Corp.*, 810 A.2d 498, 503 (Md. Ct. Spec. App. 2002); Practice Note, Compelling and Enjoining Arbitration in US Federal Courts: Agreements Covered by Chapter 1 of the FAA (<u>6-574-8707</u>)).
- Contains a choice of law provision specifying that Maryland law governs the agreement and its enforcement (see *Rourke*, 835 A.2d at 209).

For a further discussion of various states' procedural rules relating to arbitration, see Practice Note, Choosing an Arbitral Seat in the US (<u>1-501-0913</u>).

THRESHOLD ISSUES FOR THE COURT TO DECIDE

When deciding an application to stay or compel arbitration, the role of the court is limited to determining whether there is an agreement to arbitrate the subject matter of the dispute (see *Allstate Ins. Co. v. Stinebaugh*, 824 A.2d 87, 94 (Md. 2003)). The court determines only the validity and applicability of the arbitration clause itself, not the validity of the contract containing the arbitration clause (see *Holmes*, 649 A.2d at 370-71).

If the scope of the arbitration agreement is clear, the court determines whether the parties' dispute falls within the scope of the arbitration agreement. However, the court compels arbitration and defers to the arbitrator to decide arbitrability if any of the following apply:

- The scope of the arbitration agreement is unclear.
- The arbitration agreement broadly requires the parties to arbitrate disputes and does not expressly exclude the specific dispute at issue.
- The court cannot determine arbitrability without determining the merits of the dispute.

(See Allstate, 824 A.2d at 94; Gold Coast, 468 A.2d at 95; Baltimore Cty. Fraternal Order of Police Lodge No. 4, 57 A.3d at 439).)

The court may not rule on the merits of the claims underlying the arbitration (see *Baltimore Cty. Fraternal Order of Police Lodge No. 4 v. Baltimore Cty.*, 57 A.3d 425, 434-35 (Md. 2012)). Under the MUAA, a court may not refuse to issue an order compelling or staying arbitration on the ground that:

- The claim in issue lacks merit or bona fides.
- The moving party has not shown a valid basis for the claim.

(Md. Code. Ann., Cts. & Jud. Proc. § 3-210.)

Instead, the court plays a gatekeeping role that is limited to determining whether:

- There is a valid arbitration agreement (Md. Code Ann., Cts. & Jud. Proc. § 3-207; see also Valid Arbitration Agreement).
- A party waived its right to arbitrate (see Cain v. Midland Funding, LLC, 156 A.3d 807, 812-13 (Md. 2017); see also Waiver).

- The claims are time-barred (see Frederick Contractors, Inc. v. Bel Pre Med. Ctr., Inc., 334 A.2d 526, 530 (Md. 1975); see also Statute of Limitations).
- The arbitration may violate public policy (see *Cheek*, 835 A.2d at 660-62; see also Public Policy).

A party may raise any of these questions as a basis for an application to stay arbitration or as a defense in an opposition to an application to compel. Once the court rules on these issues, all remaining questions in the dispute are for the arbitrator to decide (see *Baltimore Cty. Fraternal Order of Police Lodge No. 4*, 57 A.3d at 434-35). The court must reach its determinations without the aid of a jury (Md. Code Ann., Cts. & Jud. Proc. § 3-204).

Because arbitration is a matter of contract, Maryland courts may not require:

- A party to submit to arbitration a dispute that the party has not agreed to arbitrate.
- Arbitration by non-parties to an arbitration agreement.

(See Curtis G. Testerman Co. v. Buck, 667 A.2d 649, 654 (Md. 1995).)

The court may stay arbitration proceedings that a party starts or threatens only if the court determines that the existence of the arbitration agreement is in substantial and bona fide dispute (Md. Code Ann., Cts. & Jud. Proc. \S 3-208(c)).

VALID ARBITRATION AGREEMENT

Under the MUAA, written arbitration agreements are valid, enforceable, and irrevocable, except where there are grounds at law or in equity for the revocation of a contract (Md. Code Ann., Cts. & Jud. Proc. § 3-206(a)). To enforce an arbitration agreement, the court must find that the parties validly formed the contract and supported it with consideration (see *Cheek*, 835 A.2d at 661).

A party may challenge an arbitration agreement on the same grounds as any other contract under Maryland law, such as:

- Waiver.
- Fraud.
- Duress.
- Unconscionability.

(See Cain, 156 A.3d at 814; Walther, 872 A.2d at 743.)

WAIVER

To find waiver of the right to arbitrate under Maryland law, the court must find that a party clearly and unequivocally acted inconsistently with the intention to arbitrate (see *Charles J. Frank, Inc. v. Assoc. Jewish Charities of Baltimore, Inc.,* 450 A.2d 1304, 1306-07 (Md. 1982); *Abramson v. Wildman,* 964 A.2d 703, 709-10 (Md. Ct. Spec. App. 2009)).

A court may treat a party's participation in a judicial proceeding involving arbitrable issues as a limited waiver of the party's right to arbitrate:

- Those issues litigated in the judicial proceeding, but not necessarily all other issues between the parties.
- Specific issues arising under a contract subject to the litigation, but not of the right to arbitrate other issues under the contract

if the party's participation in litigation is not inconsistent with an intention to enforce the right to arbitrate those issues

(See Frank, 294 Md. at 454, 450 A.2d at 1307.)

STATUTE OF LIMITATIONS

The court, not the arbitrator, decides the timeliness of a demand for arbitration. The court decides each case based on the language of the parties' contract and the equities of the case. (See *Frederick Contractors*, 334 A.2d at 530.)

A party's submission of a dispute to non-binding arbitration does not toll the statute of limitations applicable to the underlying claim. If a contract requires non-binding arbitration as a condition precedent to judicial action, counsel may avoid a timeliness challenge counsel if it files a lawsuit in the appropriate court and then moves to stay the lawsuit pending arbitration. (See *Shailendra Kumar, P.A. v. Dhanda*, 43 A.3d 1029, 1039-1040 (Md. 2012).)

PUBLIC POLICY

The MUAA expresses Maryland's strong policy favoring enforcement of arbitration agreements (see *Cheek*, 835 A.2d at 660; *Allstate Ins. Co.*, 824 A.2d at 93). However, Maryland courts may invalidate an arbitration agreement or otherwise refuse to enforce it if the agreement violates Maryland's public policy, for example on grounds that the agreement is:

- Illusory (see Cheek, 835 A.2d at 660-62).
- Unconscionable (see Walther, 872 A.2d at 743-44).

CONSIDERATIONS WHEN PREPARING THE APPLICATION

Before making an application to compel or stay arbitration in a Maryland court, counsel should take into account several factors.

CONSIDERATIONS WHEN SEEKING TO COMPEL ARBITRATION

A party may ask the court to compel arbitration when the opposing party commences a lawsuit or otherwise expresses the intention to avoid arbitration of a dispute even though the dispute is subject to a valid arbitration agreement.

Under the MUAA, a party may seek to compel arbitration by filing a petition, either:

- As a freestanding action to compel the other party to arbitrate, if there is no lawsuit already pending between the parties.
- In an action already pending between the parties (for example, if the other party starts a court action involving the dispute).

(See All State Home Mortg., Inc. v. Daniel, 977 A.2d 438, 445 (Md. Ct. Spec. App. 2009).)

The court must stay court proceedings involving an arbitrable dispute if either:

- A party files an application to compel arbitration.
- The court orders the parties to arbitrate the dispute.

(Md. Code Ann., Cts. & Jud. Proc. § 3-209.)

If any arbitrable issues are severable, the court may sever them and order a stay of the court proceedings limited to the arbitrable issues (Md. Code Ann., Cts. & Jud. Proc. \S 3-209(b)).

CONSIDERATIONS WHEN SEEKING TO STAY ARBITRATION

If an arbitration claimant threatens or demands arbitration against a party not bound to arbitrate the dispute (see Threshold Issues for the Court to Decide), the party may ask a court to stay arbitration by filing a petition either:

- In the action the other party started to compel arbitration (Md. Code Ann., Cts. & Jud. Proc. § 3-208(b)(1)).
- As a freestanding action to stay arbitration, if there is no court proceeding pending between the parties (Md. Code Ann., Cts. & Jud. Proc. § 3-208(b)(2)).

CONSIDERATIONS WHEN SEEKING PROVISIONAL REMEDIES

Along with a request to compel or stay arbitration, a party should consider whether to seek provisional remedies. Under the MUAA, a party may ask the court for injunctive relief on an arbitrable issue if necessary to preserve the status quo pending arbitration (see *The Redemptorists v. Coulthard Servs., Inc.,* 801 A.2d 1104, 1127 n.9 (Md. Ct. Spec. App. 2002)). The injunction may:

- Take the form of a temporary restraining order (TRO) or preliminary injunction.
- Require the requesting party to post a bond.

(Md. Rule 15-503.)

Although Maryland law permits a party to obtain a writ of attachment (Md. Rule 2-115), Maryland courts have not addressed whether writs of attachment are available pending arbitration. A contractor may obtain a mechanic's lien without waiving its right to arbitration (see *Brendsel v. Winchester Const. Co.*, 898 A.2d 472, 480-81 (Md. 2006)).

TRO

Maryland courts may grant a TRO without a full adversary hearing (Md. Rule 15-501(c)). A court grants a TRO only if the requesting party clearly shows by affidavit or other sworn statement that it is likely to suffer immediate, substantial, and irreparable harm before the court holds a full adversary hearing on the propriety of a preliminary or final injunction (Md. Rule 15-504(a)).

The court may grant a TRO ex parte if the requesting party certifies and the court finds that the requestor made "efforts commensurate with the circumstances" to give notice to the opposing party (Md. Rule 15-504(b)). A temporary restraining order may be effective for up to:

- Ten days from issuance for a Maryland resident.
- Thirty-five days from issuance for a non-resident.

(Md. Rule 15-504(c).)

Any party affected by a TRO may apply for modification or dissolution on two days' written notice (Md. Rule 15-504(f)).

Preliminary Injunction

A court may grant a preliminary injunction after giving the parties an opportunity for a full adversary hearing but before the court makes a determination of the action on the merits (Md. Rule 15-501(b)). A court may not issue a preliminary injunction without giving all parties notice and an opportunity for a full adversary hearing on the propriety of the requested injunction (Md. Rule 15-505(a)).

For more information on seeking interim relief in aid of arbitration, see Practice Note, Interim, Provisional, and Conservatory Measures in US Arbitration: Seeking Interim Relief before Courts and Arbitrators (0-587-9225).

ADDITIONAL PROCEDURAL CONSIDERATIONS

Before filing a lawsuit to related to an arbitrable dispute in a Maryland court, counsel should also consider other factors that may affect the contents of the request for judicial assistance, the manner in which to bring it, and the likelihood of obtaining the desired relief. These factors include:

- Whether the court has subject matter jurisdiction to hear the request and personal jurisdiction over the respondent (see Court Jurisdiction).
- The proper venue in which to bring the request (see Venue).
- Whether to seek discovery (see Disclosure When Seeking to Compel or Stay Arbitration).

Court Jurisdiction

Before commencing a special proceeding to compel or stay arbitration, the petitioner's counsel should confirm the court has subject matter jurisdiction to hear the application and there is a basis for the court to exercise personal jurisdiction over the other party. The MUAA expressly confers subject matter jurisdiction on a Maryland court of equity (that is, a Maryland circuit court) to enforce a written arbitration agreement (Md. Code Ann., Cts. & Jud. Proc. §§ 3-201, 3-202, and 1-501).

Proper bases of personal jurisdiction include:

- Specific jurisdiction, which arises when the claim is based on the defendant's contacts with Maryland.
- General jurisdiction, which arises when the claim is not necessarily based on the defendant's contacts with Maryland but the defendant has continuous and systematic contacts with Maryland so that the exercise of personal jurisdiction over the defendant is constitutionally reasonable.

(See CSR, Ltd. v. Taylor, 983 A.2d 492, 503-04 (Md. 2009).)

Venue

A party filing an initial petition to compel arbitration must file the petition in the circuit court for the jurisdiction (that is, a Maryland county or Baltimore City):

- That the parties specify in the arbitration agreement.
- Where the parties held the arbitration hearing.

(Md. Code Ann., Cts. & Jud. Proc. § 3-203(a).)

If the arbitration agreement does not specify a jurisdiction and no arbitration hearing has occurred, a party files a petition to compel or stay arbitration in:

- The circuit court for the jurisdiction where the adverse party either:
 - resides; or
 - has a place of business.
- Any Maryland circuit court if the adverse party has no residence or place of business in Maryland.

(Md. Code Ann., Cts. & Jud. Proc. § 3-203(b).)

If no party filed a petition to compel arbitration, a party filing an initial petition to stay arbitration may file it in the circuit court where:

- The other party either:
 - resides;
 - carries on a regular business;
 - is employed;
 - habitually engages in a vocation; or
 - maintains its principal offices, if a corporation.
- The filing party resides, if the other party is a corporation that does not maintain a principal place of business in Maryland.

(Md. Code Ann., Cts. & Jud. Proc. §§ 3-208(b)(2), 6-201(a), and 6-202(3).)

If there are multiple adverse parties and no single venue is applicable to all of them, the party seeking to stay arbitration may file the petition in the circuit court for the county where either:

Any single adverse party is amenable to suit.

The cause of action arose.

(Md. Code Ann., Cts. & Jud. Proc. § 6-201(b).)

Disclosure When Seeking to Compel or Stay Arbitration

A party seeking to compel or stay arbitration should consider whether it needs discovery to prove or disprove the existence of an arbitration agreement, as applicable. A party may be permitted to obtain discovery concerning the existence of an arbitration clause but the courts have clarified that the discovery must serve only that purpose and cannot go to the merits of the case (see *Nowak v. NAHB Research Ctr., Inc.,* 848 A.2d 705, 714 (Md. Ct. Spec. App. 2004) (assuming that discovery may be available concerning the existence of an arbitration clause)).

APPLICATION TO COMPEL OR STAY ARBITRATION

A party may ask a Maryland state court to compel or stay arbitration under the MUAA by filing:

- A petition to compel arbitration (Md. Code Ann., Cts. & Jud. Proc. § 3-207), if there is no lawsuit already pending between the parties.
- A petition to stay arbitration (Md. Code Ann., Cts. & Jud. Proc. § 3-208), if there is no lawsuit already pending between the parties.
- A motion to compel or stay arbitration, if there is a lawsuit already pending between the parties (Md. Rule 2-311).

When bringing an application to stay or compel arbitration, counsel should be familiar with:

- The procedural and formatting rules relevant to case-initiating documents (see Procedural, Pleading, and Formatting Rules for Petition).
- The procedural and formatting rules for motions (see Procedural and Formatting Rules for Motion).
- The documents necessary to bring the application to compel or stay arbitration (see Documents Required for the Application).
- How to file and serve the documents (see Filing and Serving the Petition).

PROCEDURAL, PLEADING, AND FORMATTING RULES FOR PETITION

Counsel should be familiar with applicable procedural and formatting rules for petitions in the Maryland courts.

Procedural Rules

Maryland's procedural rules governing the filing of a petition in a Maryland circuit court are codified in:

- Title 200 of the Maryland Rules, which governs civil actions in Maryland's circuit courts.
- The MUAA (Md. Code Ann., Cts. & Jud. Proc. §§ 3-203, 3-205, 3-207, and 3-208).

Pleading and Formatting Rules

Counsel should format an independent petition to compel or stay arbitration similarly to an initial complaint in a civil action, which requires:

- A caption that states:
 - the parties;
 - the name of the court;
 - the assigned docket reference; and
 - a brief descriptive title.
- If an original pleading, all parties':
 - names; and
 - addresses.

(Md. Rule 1-301(a).)

All allegations must be:

- In numbered paragraphs.
- Stated simply, concisely, and directly.

(Md. Rule 2-303(a) and (b).)

The pleading should state only the facts necessary to show the pleader's entitlement to relief, without:

- Argument.
- Unnecessary recitals of law.
- Evidence.
- Documents.
- Immaterial, impertinent, or scandalous matters.

(Md. Rule 2-303(b).)

The pleading must be on eight and one-half by eleven inch white paper with no cover or backing (Md. Rule 1-301(c)).

PROCEDURAL AND FORMATTING RULES FOR MOTION

If there is a lawsuit already pending between the parties, a party moves to compel or stay arbitration by filing a motion (Md. Rule 2-311). Counsel should be familiar with Rule 2-311, which requires a motion to:

- Be in writing.
- State:
 - the relief the movant seeks; and
 - the grounds and authorities in support of each claim with particularity.

Include relevant factual support in an affidavit and related papers for facts not contained in the record.

(Md. Rule 2-311(a), (c), and (d).)

Unless a party moves to shorten the time to respond under Rule 1-204, a party must respond to a motion within 15 days after service (Md. Rule 2-311(b)). Any party that wants a hearing on a motion must request the hearing in the title of the motion or response. The court decides whether to grant a request for a hearing. The court may not issue a decision that disposes of a claim or defense without a hearing if any party requested a hearing. (Md. Rule 2-311(f).)

DOCUMENTS REQUIRED FOR THE APPLICATION

A party seeking to compel or stay arbitration should include with the motion or petition:

- A copy of the parties' arbitration agreement.
- Any documents supporting the party's right to relief.
- A memorandum of law stating the grounds and authorities in support of the application.

A party filing an independent petition must file with it an information report, similar to the form civil cover sheet a party files in federal court (Md. Rule 2-311(a)). A form information report is available from the Maryland judiciary's website.

If a party files the application in an existing case based on facts or documents outside the record, the party must support the application with an affidavit and the additional documents (Md. Rule 2-311(d)).

FILING AND SERVING THE PETITION

Most Maryland circuit courts still require paper filing, although some circuit courts require electronic filing. Counsel should consult the relevant clerk's office for the applicable rules.

Unless the parties agree otherwise, a party that files a petition to compel or stay arbitration must serve it on the opponent in the same manner as a party serves a summons in a civil action (Md. Code Ann., Cts. & Jud. Proc. §3-205(b)). For technical service requirements, counsel should consult:

- The Maryland Rules, Title 200, Chapter 100.
- Title 6, Subtitle 3, Maryland Code, Courts and Judicial Proceedings Article.

A party has 30 days from service to respond to an original pleading (Md. Rule 2-321(a)).

FILING AND SERVING THE MOTION

A movant must file a motion with the clerk of the court and serve it on all other parties in the action:

- By either hand delivery or mail.
- To either the other party or its attorney.

(Md. Rule 1-321(a).).

Service by mail is complete on mailing (Md. Rule 1-321(a)). A party has 15 days from service to respond to a motion (Md. Rule 2-311(b)). Service by mail adds three days to the party's time to respond to the motion (Md. Rule 1-203(c)).

APPEALING AN ORDER TO COMPEL OR STAY ARBITRATION

In federal court, federal law, such as the prohibition on interlocutory appeals (28 U.S.C. § 1291), the final judgment rule (28 U.S.C. § 1292), and the FAA (see Practice Note, Compelling and Enjoining Arbitration in US Federal Courts: Appealing an Order to Compel or Enjoin Arbitration (<u>6-574-8707</u>)) limit appeals of orders compelling FAA-governed arbitration. An order granting or denying a request to compel arbitration is not considered a final judgment. Under the FAA, however, litigants may immediately appeal federal court orders denying arbitration. US appellate courts therefore have jurisdiction over orders:

- Denying requests to compel and stay litigation pending arbitration (9 U.S.C. § 16(a)(1)).
- Granting, continuing, or modifying an injunction against an arbitration (9 U.S.C. § 16(a)(2)).
- In Maryland state court, appealable arbitration orders include those:
- Compelling arbitration (see *Ford v. Antwerpen Motorcars, Ltd.*, 117 A.3d 21, 25 (Md. 2015)).
- Granting a petition to stay arbitration (Md. Code, Cts. & Jud. Proc. § 12-303(3)(ix)).
- Denying a petition to compel arbitration where the order puts the parties out of court with no recourse to prosecute or defend their rights regarding the underlying arbitration claim (see *Deer Automotive Group, LLC v. Brown,* 2017 WL 2774607, at *9 (Md. June 27, 2017) (citing *Litton Bionetics, Inc. v. Glen Const. Co., Inc.,* 437 A.2d 208, 212 (Md. 1981)).

A party may not appeal an order:

- Denying a request to compel arbitration filed in an existing action (see Am. Bank Hold., Inc. v. Kavanagh, 82 A.3d 867, 880 (Md. 2013)).
- Denying an independently filed petition to compel arbitration where there is a separate pending case involving the underlying arbitral claim (see *Deer Automotive Group*, 2017 WL 2774607, at *9).
- Staying litigation pending arbitration (see *The Redemptorists*, 801 A.2d at 1128-30).

The federal statutes related to appealing orders concerning compelling or staying arbitration do not preempt Maryland law on the appealability of these orders (see *Wells v. Chevy Chase Bank, F.S.B.,* 768 A.2d 620, 629 (Md. 2001)).

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