

# Enforcing Arbitration Awards in Maryland

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A Practice Note explaining how to enforce arbitral awards in Maryland state and federal courts. This Note explains the procedure for confirming an arbitration award in Maryland and the grounds on which a party may challenge enforcement under Maryland and federal law, including the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, Federal Arbitration Act (FAA), and Maryland Uniform Arbitration Act (MUAA). This Note also briefly explains the procedure for vacating, modifying, or correcting an arbitral award in Maryland.

## SCOPE OF THIS NOTE

The prevailing party in an arbitration may need to confirm the award to turn it into an enforceable judgment if the loser refuses to pay or voluntarily comply. In the arbitration context, enforcement generally refers to judicial confirmation, modification, or correction of an arbitration award and entry of a judgment on it.

This Note explains how a party may enforce an arbitration award in Maryland state or federal court. It describes the relevant state and federal statutes, including the Maryland Uniform Arbitration Act (MUAA), jurisdictional and venue considerations, the procedure for confirming an award in state and federal courts, and the potential challenges to enforcement. This Note also briefly explains the legal standards and procedure for vacating, modifying, correcting, or appealing an arbitration award in Maryland state or federal court.

This Note does not cover the mechanics of debt collection once a party obtains a judgment. For information about enforcing a federal

judgment, see Practice Note, Enforcing Federal Court Judgments: Basic Principles ([1-531-5966](#)).

For more information about enforcing or challenging arbitration awards generally, see Enforcing or Challenging Arbitration Awards in the US Toolkit ([w-002-9420](#)).

## STATUTORY FRAMEWORK

A party seeking to enforce an arbitration award in Maryland must determine which law governs the confirmation proceeding. There are two possibilities:

- The Federal Arbitration Act (FAA) (see Federal Arbitration Act).
- Maryland arbitration law (see Maryland Arbitration Law).

## FEDERAL ARBITRATION ACT

US arbitration law greatly favors the enforcement of arbitration awards, including those rendered outside US territory. The FAA is the federal statute that governs arbitration. The FAA:

- Governs domestic US arbitrations and applies to maritime disputes and contracts involving commerce, which is defined broadly (9 U.S.C. §§ 1 to 16) (Chapter 1).
- Implements the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), subject to reciprocity and commercial reservations (9 U.S.C. §§ 201 to 208) (Chapter 2).
- Implements the Inter-American Convention on International Commercial Arbitration (Panama Convention) (9 U.S.C. §§ 301 to 307) (Chapter 3).

The FAA applies to an exceedingly broad range of awards (see *Citizens Bank v. Alafabco, Inc.*, 539 U.S. 52, 56-58 (2003)). Together with the New York Convention, the FAA covers the enforcement of most arbitral awards in the US. The FAA applies to arbitrations even if the contract containing the arbitration clause also contains a choice of law provision specifying that state law governs that contract. Therefore, if the parties want Maryland procedural, statutory, or common law to govern enforcement of their arbitration agreement or award, they must expressly state so in the contract (see *Hall St. Assocs., L.L.C. v. Mattel, Inc.*, 552 U.S. 576, 590 (2008)).

For more information on the FAA, see Practice Note, Understanding the Federal Arbitration Act ([0-500-9284](#)).

### Domestic Arbitrations Under the FAA

Chapter 1 of the FAA applies to:

- Domestic US arbitrations and awards.
- Maritime arbitrations and awards.
- Arbitrations and awards that:
  - involve foreign or interstate commerce; and
  - the New York Convention does not govern.

For more information on enforcing domestic arbitration awards under Chapter 1 of the FAA, see Practice Note, Enforcing Arbitration Awards in the US: Enforcement of Arbitration Awards Under Chapter 1 of the FAA for Non-New York Convention Awards ([9-500-4550](#)).

### New York Convention

Chapter 2 of the FAA implements the New York Convention and provides federal court jurisdiction for the enforcement of international awards that are governed by the New York Convention (9 U.S.C. §§ 201 to 208). The New York Convention applies to arbitration agreements and awards arising out of a legal commercial relationship, whether or not contractual, including a transaction, contract, or agreement described in Chapter 1 of the FAA (9 U.S.C. § 2). The New York Convention applies to international disputes, meaning disputes that involve non-US parties or property, even if the arbitration is held in the US (see *Bergesen v. Joseph Muller Corp.*, 710 F.2d 928, 932 (2d Cir. 1983) and *Indus. Risk Insurers v. M.A.N. Gutehoffnungshutte GmbH*, 141 F.3d 1434, 1441–42 (11th Cir. 1998)).

The statute does not deem an agreement arising out of a relationship entirely between US citizens to fall under the New York Convention unless that relationship:

- Involves property located abroad.
- Contemplates performance or enforcement abroad.
- Has some other reasonable relation to one or more foreign states. (9 U.S.C. § 202.)

If there is a conflict between the New York Convention and the FAA, the New York Convention applies (9 U.S.C. § 208). An arbitration award issued in a country that is a signatory to the New York Convention is generally enforceable in the US, subject to the New York Convention's provisions for refusal of enforcement and recognition (see Article, Fifty Years of the New York Convention on Arbitral Awards: Success and Controversy ([3-384-4388](#))).

For more information on enforcing international arbitration awards under the New York Convention, see Practice Note, Enforcing Arbitration Awards in the US: Enforcement of Arbitration Awards Under Chapter 2 of the FAA Implementing the New York Convention ([9-500-4550](#)).

### Panama Convention

The Panama Convention applies to arbitrations arising from a commercial relationship between citizens of nations that have signed the Panama Convention if, with certain exceptions, the parties are not all US citizens (9 U.S.C. §§ 301 to 307). Chapter 3 of the FAA

incorporates the Panama Convention into US law (9 U.S.C. §§ 203 and 302). If both the Panama Convention and New York Convention apply to an international arbitration, the New York Convention controls unless:

- The parties expressly agree that the Panama Convention applies.
- A majority of the parties to the arbitration agreement are citizens of a nation or nations that:
  - have ratified or acceded to the Panama Convention; and
  - are member states of the Organization of American States. (9 U.S.C. § 305.)

Because parties most often enforce arbitration awards under the New York Convention or the FAA's domestic arbitration provisions, this Note does not provide a detailed analysis of the Panama Convention.

### MARYLAND ARBITRATION LAW

Maryland arbitration law consists of:

- The Maryland Uniform Arbitration Act (MUAA), codified in Md. Code Ann., Cts. & Jud. Proc. Sections 3-201 to 3-234.
- Maryland common law, where neither the MUAA nor the FAA applies.

### MUAA

The MUAA purposefully mirrors the FAA, which courts consider its analogue (see *Holmes v. Coverall N. Am.*, 649 A.2d 365, 368 (Md. 1994); *Regina v. Envirmech*, 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 FAA decisions 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' arbitration agreement contains a choice of law clause that provides for Maryland law to govern dispute resolution (see *Rourke v. Alchem Prods., Inc.*, 835 A.2d 193, 209 (Md. Ct. Spec. App. 2003) (noting dispute met the interstate commerce requirement for the 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)). The MUAA applies to arbitration agreements made after May 31, 1965 (Md. Code Ann., Cts. & Jud. Proc. § 3-231). However, the statute does not apply to an arbitration agreement between employers and employees or their representatives (such as a union) unless the agreement specifies that the MUAA applies (Md. Code Ann., Cts. & Jud. Proc. § 3-206(b)).

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

### Maryland Common Law Arbitration

If neither the MUAA nor the FAA applies to an arbitration (for example, if the parties' agreement predates May 31, 1965 and is solely intrastate), the courts apply common law standards in

reviewing the arbitration award. Under Maryland common law, the circuit court reviews and may vacate an arbitration award for:

- Fraud.
- Arbitrator misconduct or corruption.
- Procedural fairness.
- An award on issues outside the scope of matters the parties submitted to arbitration.
- Any palpable mistake of law or fact that is apparent on the face of the award.
- Any mistake that results in a manifest injustice.

(See *Baltimore County v. Balt. Cty. Deputy Sheriffs*, 2016 WL 687503, at \*4 (Md. Ct. Spec. App. Feb. 18, 2016); *Bd. of Educ. of Prince George's Cty. v. Prince George's Cty. Educators' Ass'n, Inc.*, 522 A.2d 931, 938 (Md. 1987); see also Vacating, Modifying, or Correcting Awards Under Maryland Common Law.)

### INTERPLAY BETWEEN FEDERAL AND MARYLAND ARBITRATION LAW

Federal law preempts conflicting state law only “to the extent that it 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)).

The FAA governs the construction of an arbitration agreement unless the agreement expressly provides that state law governs (see *Baltimore Cty. Deputy Sheriffs*, 2016 WL 687503, at \*4; *Porter Hayden Co. v. Century Indem. Co.*, 136 F.3d 380, 383-84 n.6 (4th Cir. 1998); *Walther*, 872 A.2d at 742 (applying § 3-207 of the MUAA to determine the validity of arbitration agreement)). Parties that wish Maryland arbitration law to govern both their agreement and enforcement proceedings must write their arbitration agreement to clearly require application of Maryland arbitration law and preclude application of the FAA (see *Mastrobuono v. Shearson Lehman Hutton, Inc.*, 514 U.S. 52, 60 (1995)).

Although the FAA's substantive provisions apply regardless of whether a party seeks enforcement in state or federal court, the FAA's procedural provisions do not preempt state procedures in Maryland courts (see *Addison v. Locheam Nursing Home, LLC*, 983 A.2d 138, 160 (Md. 2009); *Wells v. Chevy Chase Bank, F.S.B.*, 768 A.2d 620, 625 (Md. 2001) (concluding that Maryland procedural law is not preempted by the FAA); *Walther*, 872 A.2d at 742 (state courts are not bound by the federal procedural provisions of the FAA and may instead apply their own state procedures)). Counsel should therefore carefully consider the differences between state and federal procedure before filing a petition for confirmation.

### CONFIRMING AWARDS

To confirm an arbitration award under either the FAA or MUAA, a party must file a petition or motion to confirm the award. A confirmation action is intended to be a summary expedited proceeding and is usually faster than a regular lawsuit on the merits, particularly if no party challenges the award.

### CONFIRMING AWARDS UNDER THE FAA

Section 9 of the FAA governs the confirmation of arbitral awards. For the FAA to apply to the enforcement proceedings, the parties' agreement must state that a court may enter judgment on the award (9 U.S.C. § 9).

#### Standard for Confirmation Under the FAA

The court must confirm the award unless it finds grounds to vacate, modify, or correct the award (9 U.S.C. § 9). The scope of a district court's review of an arbitration award is severely circumscribed (see *Apex Plumbing Supply, Inc. v. U.S. Supply Co., Inc.*, 142 F.3d 188, 193 (4th Cir. 1998); *Patten v. Signator Ins. Agency, Inc.*, 441 F.3d 230, 235 (4th Cir. 2006)). As long as an arbitrator arguably construes or applies the parties' contract in rendering the award, the court may not vacate the award (see *Upshur Coals Corp. v. United Mine Workers of Am.*, Dist. 31, 933 F.2d 225, 229 (4th Cir. 1991)). A court's full scrutiny of an arbitration award would frustrate the purpose of arbitration in providing a speedy and inexpensive resolution of disputes (see *MCI Constructors, LLC v. City of Greensboro*, 610 F.3d 849, 857 (4th Cir. 2010)).

For awards governed by the New York Convention, the court must confirm an award unless it finds grounds for refusing to enforce it (9 U.S.C. § 207).

#### Federal Court Jurisdiction

Although the FAA creates federal substantive law that requires parties to honor arbitration agreements, Chapter 1 of the FAA does not create any independent federal subject matter jurisdiction (see *Southland Corp. v. Keating*, 465 U.S. 1, 16 n.9 (1984) (citing *Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1 (1983))). Before a federal court may enforce an award under Chapter 1 of the FAA, the petitioner must show that the court has either:

- Diversity jurisdiction.
- Federal question jurisdiction.

(See *Vaden v. Discover Bank*, 556 U.S. 49, 65-66 (2009).)

Courts are split on whether they may “look through” to the arbitration claims in determining subject matter jurisdiction for applications to confirm or vacate awards. Some courts have held that, in light of the reasoning in *Vaden*, courts may look through to the underlying arbitration claims to determine if a petition to confirm, vacate, or modify an arbitration award under Sections 9, 10, or 11 of the FAA presents a federal question (see *Doscher v. Sea Port Grp. Sec., LLC*, 832 F.3d 372, 388 (2d Cir. 2016)). In other courts, the fact that the underlying arbitration involved federal claims does not confer federal jurisdiction for the petition to confirm or vacate (see *Goldman v. Citigroup Global Markets, Inc.*, 2016 WL 4434401, at \*9-10 (3d Cir. Aug. 22, 2016); *Magruder v. Fid. Brokerage Servs. LLC*, 818 F.3d 285, 288 (7th Cir. 2016)). The US Court of Appeals for the Fourth Circuit has not yet ruled on this issue, but at least one district court in the circuit has held that the court may not determine whether it has federal question jurisdiction based on the claims asserted in the underlying arbitration (see *Crews v. S & S Serv. Ctr. Inc.*, 848 F. Supp. 2d 595, 599-600 (E.D. Va. 2012)).

The New York and Panama Conventions provide federal courts with subject matter jurisdiction to enforce foreign arbitration awards

to which these conventions apply (9 U.S.C. §§ 203 and 302). These conventions provide federal subject matter jurisdiction for international arbitrations even if the arbitrations occur in the United States (see *Indus. Risk Insurers v. M.A.N. Gutehoffnungshutte GmbH*, 141 F.3d 1434, 1441 (11th Cir. 1998)).

To establish jurisdiction over the defendant in cases involving foreign awards, the petitioner may invoke personal jurisdiction, *in rem jurisdiction*, or *quasi in rem jurisdiction*, as applicable, if their use under the circumstances also comports with due process standards. In the Fourth Circuit, courts will not exercise *quasi in rem* jurisdiction to enforce an arbitral award where there is no relationship between the seized property, the basis for asserting jurisdiction, and the action leading to arbitration (see *Base Metal Trading, Ltd. v. OJS Novokuznetsky Aluminum Factory*, 283 F.3d 208, 211 (4th Cir. 2002)).

Where applicable, a court also may base jurisdiction over the defendant on an aggregation of state or national contacts under Federal Rule of Civil Procedure (FRCP) 4(k)(2). The moving party must serve international parties under FRCP 4, because neither the FAA nor the New York Convention provides direction on how to properly serve international parties. For information on serving international parties, see Practice Note, International Litigation: US Laws Governing Cross-Border Service of Process ([9-531-3925](#)).

Under the FAA, once the moving party serves a notice of a petition for confirmation on all parties, the federal court has personal jurisdiction over those parties (9 U.S.C. § 9).

### Federal Venue

Arbitration agreements may contain forum selection clauses specifying the venue for an arbitration award's enforcement. The FAA, New York Convention, and Panama Convention generally give effect to the forum the parties specify (9 U.S.C. §§ 9, 204, and 302).

For domestic arbitrations under Chapter 1 of the FAA, a party seeking enforcement must file the application for judicial confirmation in either:

- The court the parties specified for entering judgment on the award in the arbitration agreement, if any.
- Any court in the district where the arbitrator issued the award, if the arbitration agreement does not identify a particular court for entry of judgment on the award.

(9 U.S.C. § 9.)

In the Fourth Circuit, courts deem parties to consent to the entry of judgment even if the arbitration agreement does not expressly provide for entry of judgment, if:

- The parties participate in the arbitration.
- The parties' agreement requires arbitration under institutional rules that provide for a final and binding award.

(See *Rainwater v. Nat'l Home Ins. Co.*, 944 F.2d 190, 192-94 (4th Cir. 1991); *Qorvis Commc'ns, LLC v. Wilson*, 549 F.3d 303 307-08 (4th Cir. 2008).)

Under the New York and Panama Conventions, a party may file a petition for judicial confirmation in any court either:

- Where the underlying dispute may have been brought if there had been no agreement to arbitrate.

- In the location designated for arbitration in the arbitration agreement if that location is within the US. (9 U.S.C. §§ 204 and 302.)

### Timing Under the FAA

A party to the arbitration may apply for an order confirming the award within one year after the arbitrator makes the award (9 U.S.C. § 9). The federal courts of appeals are split on whether this time limitation is mandatory. Some courts, including the US Court of Appeals for the Second Circuit, have interpreted Section 9 as a strictly enforced, one-year statute of limitations (see *Photopaint Techs., LLC v. Smartlens Corp.*, 335 F.3d 152 (2d Cir. 2003)). Other courts, including the US Court of Appeals for the Fourth Circuit, have relied on the ordinary meaning of "may" to conclude that the one-year limitations period is permissive (*Sverdrup Corp. v. WHC Constructors, Inc.*, 989 F.2d 148 (4th Cir. 1993); see also *Val-U Constr. Co. of S.D. v. Rosebud Sioux Tribe*, 146 F.3d 573 (8th Cir. 1998)).

For international arbitration awards, any party seeking confirmation of an award governed by the New York or Panama Conventions must apply within three years from the date the arbitrator makes the award (9 U.S.C. §§ 207 and 302).

### Confirmation Procedure in Federal Court

A party applies to confirm an arbitration award by serving and filing in the federal district court either:

- A petition to confirm. A party uses a petition if there is no lawsuit regarding the arbitration already pending. A petition to confirm an arbitration award allows the petitioner to request that the court confirm an award without first filing a complaint. When a party commences an action in federal court by filing a petition without an accompanying complaint, the court treats the petition as a motion to confirm an arbitration award. (9 U.S.C. § 6; *D.H. Blair & Co. v. Gottdiener*, 462 F.3d 95 (2d Cir. 2006).)
- A motion to confirm. If a lawsuit involving the arbitration is already pending (for example, because a party moved to compel or stay arbitration at the start of the case), a party seeking to confirm the arbitration award does not need to start a new proceeding by filing a petition to confirm. The party instead returns to the court where the case is already pending and files a motion to confirm the award.

The party seeking confirmation must also file with the petition or motion:

- The arbitration agreement, including the parties' agreement, if any, on:
  - selecting an arbitrator; and
  - extensions of time, such as an agreement extending the deadline for the arbitrator to issue the award.
- A copy of the award.
- Any documents a party submitted in connection with any application to modify or correct the award.

The moving party must serve notice of the confirmation application on the adverse party, at which point the court assumes jurisdiction over the adverse party as though the adverse party had appeared generally in the proceeding. If the adverse party is:

- A resident of the district in which the award was made, the moving party must serve either the party or the party's attorney in the same manner that a party must serve notice of a motion in that court.
- A non-resident of the district, the moving party must serve notice:
  - by the marshal of any district in which the adverse party is found; or
  - in the same way as it serves any other process of court. (9 U.S.C. § 9.)

An application to confirm an arbitration award is a summary proceeding. The court may hear argument but does not hold a hearing with witnesses, and the parties do not present evidence. The court confirms the arbitration award based on the parties' submissions and argument, if any. If no party challenges the enforcement and the court finds no grounds for modification or *vacatur*, the court confirms the award and enters judgment on it (see *Vacating, Modifying, or Correcting Awards Under the FAA*).

For more information on confirming an arbitration award in federal court, see Practice Note, *Enforcing Arbitration Awards in the US: General Confirmation Procedure: Application by Motion or Petition* ([9-500-4550](#)). For a sample petition to confirm an arbitration award in federal court with integrated notes and detailed drafting tips, see Standard Document, *Petition to Confirm Arbitration Award (Federal)* ([w-000-5309](#)). For a sample petition to enforce an international award under the New York Convention with integrated notes and detailed drafting tips, see Standard Document, *Petition to Confirm Foreign Arbitration Award (Federal)* ([w-000-7469](#)).

### CONFIRMING AWARDS UNDER THE MUAA

Like the FAA, the MUAA requires a party seeking to confirm an arbitration award in Maryland state court to file a petition (Md. Code Ann., Cts. & Jud. Proc. § 3-227; see *Maryland Confirmation Procedure*).

#### Standard for Confirmation Under the MUAA

Arbitration awards are presumptively confirmable under the MUAA. The court must grant a petition to confirm an arbitration award unless the adverse party has filed an application to vacate or modify the award, in which case the court determines that application first (Md. Code Ann., Cts. & Jud. Proc. §§ 3-226 and 3-227).

#### Maryland Court Jurisdiction

Parties that enter into an agreement providing for arbitration under Maryland law consent to the jurisdiction of Maryland courts to enforce the resulting arbitral award. The MUAA confers jurisdiction on the courts of Maryland to enforce agreements to arbitrate under the laws of Maryland (Md. Code Ann., Cts. & Jud. Proc. § 3-202).

#### Maryland Venue

Under the MUAA, a party must file a petition to confirm in the circuit court in either:

- The county where:
  - the arbitration hearing took place;
  - the parties provided for the arbitration hearing to take place (for example, if the agreement calls for a hearing in Annapolis but the parties decide to hold the hearing in Towson); or
  - the adverse party resides or has a place of business.

- Any Maryland county, if:
  - no adverse party resides or has a place of business in Maryland;
  - the hearing did not occur in Maryland; and
  - the parties' agreement does not specify a Maryland location for the hearing.

(Md. Code Ann., Cts. & Jud. Proc. § 3-203(b); see also *Gilman v. Wheat, First Sec., Inc.*, 692 A.2d 454, 462-63 (Md. 1997) (forum selection clauses are presumptively valid).)

### Maryland Confirmation Procedure

In a Maryland state court, a party files a petition to confirm an award in the circuit court and attaches certified copies of both the arbitration award and the arbitration agreement. The petition to confirm the award should:

- Establish the identity of the parties.
- Describe the arbitration agreement.
- Refer to the arbitration award.
- State the relief the petitioner seeks.

Under the MUAA, unless the other party has filed a timely application to vacate, modify, or correct the award (see *Vacating Awards Under the MUAA and Modifying or Correcting Awards Under the MUAA*), the court must grant the petition to confirm the award (Md. Code Ann., Cts. & Jud. Proc. § 3-227). If the court denies an application to vacate and there is no pending motion to modify or correct the award, the court must confirm the award (Md. Code Ann., Cts. & Jud. Proc. § 3-226).

Once the circuit court issues an order that confirms, modifies, or corrects an arbitration award under the MUAA, the court must enter judgment on the order. The judgment is as enforceable as any other judgment. (Md. Code Ann., Cts. & Jud. Proc. § 3-228.)

Maryland courts may also add interest on the award from the date of the award (see, for example, *Chillum-Adelphi Volunteer Fire Dep't, Inc. v. Button & Goode, Inc.*, 219 A.2d 801, 807 n.2 (Md. 1966)).

#### Timing Under the MUAA

Unlike the FAA, the MUAA does not impose a deadline by which a party must seek confirmation of an arbitration award.

### VACATING, MODIFYING, OR CORRECTING AWARDS

Both the FAA and the MUAA contain provisions that permit a party to challenge or request modification or correction of an arbitration award. A court may also vacate an award under Maryland common law.

#### VACATING, MODIFYING, OR CORRECTING AWARDS UNDER THE FAA

A party dissatisfied with an arbitration award may ask the court to vacate, modify, or correct the award.

For detailed information on vacating, modifying, or correcting arbitration awards in federal court, see Practice Note, *Vacating, Modifying, or Correcting an Arbitration Award in Federal*

Court ([w-000-6340](#)). For a sample petition to vacate an arbitration award in federal court, see Standard Document, Petition to Vacate, Modify, or Correct Arbitration Award (Federal) ([w-000-5608](#)).

### Standard for *Vacatur* Under the FAA

Under the FAA, a court may vacate an award if:

- The prevailing party obtained the award by corruption, fraud, or undue means.
- Any of the arbitrators were partial or corrupt.
- The arbitrators engaged in misconduct by:
  - refusing to postpone the hearing on sufficient cause shown;
  - refusing to hear evidence pertinent and material to the controversy; or
  - engaging in any other behavior that prejudiced the rights of any party.
- The arbitrators exceeded their powers or so imperfectly executed them that they did not make a mutual, final, and definite award on the matters the parties submitted to arbitration.

(9 U.S.C. § 10.)

Some US courts also have held that courts may vacate arbitral awards governed by the FAA on the common law ground of manifest disregard of the law. However, the continued viability of this holding as a ground for *vacatur* is uncertain after the US Supreme Court's decision in *Hall St. Assocs. LLC v. Mattel, Inc.*, which held that:

- The FAA lists the exclusive grounds for refusing to enforce an award, and it does not list manifest disregard of the law as one of the grounds.
- Parties may not agree to expand the scope of judicial review of arbitral awards.

(552 U.S. 576, 586 (2008).)

The federal courts of appeals are split on whether manifest disregard remains a proper ground for *vacatur* after *Hall Street*, but the US Court of Appeals for the Fourth Circuit continues to recognize manifest disregard of law as a ground for *vacatur* (see *Wachovia Sec., LLC v. Brand*, 671 F.3d 472, 478 (4th Cir. 2012)).

Although the New York Convention does not expressly provide for vacating awards, it provides grounds for opposing the enforcement of awards. These grounds include challenges to the validity of:

- The award.
- The arbitral panel.
- The arbitration agreement.
- The arbitration process.

(New York Convention, Art. V(1) and (2).)

For information on opposing enforcement of awards under the New York Convention, see Practice Note, Enforcing Arbitration Awards in the US: Defending Against Enforcement ([9-500-4550](#)).

### Procedure to Vacate Under the FAA

Under the FAA, a party seeking to vacate an arbitral award must serve a petition or motion to vacate on the adverse party or its attorney within three months after the filing or delivery of the award (9 U.S.C. § 12).

If a party previously filed a lawsuit relating to the arbitration, such as an application to compel arbitration or confirm the award, the party seeking to vacate the award must bring the *vacatur* application as a motion in the same court (see *IDS Life Ins. Co. v. Royal All. Assocs., Inc.*, 266 F.3d 645, 653 (7th Cir. 2001)).

If there is no lawsuit already pending involving the arbitration, a party seeking to vacate, modify, or correct an arbitration award must start an action by filing a petition (see Confirmation Procedure in Federal Court). The same rules about jurisdiction and venue for confirmation applications apply (see Federal Court Jurisdiction and Federal Venue).

The application to vacate is a summary proceeding. The court may hear oral argument but does not hold a hearing. The court decides the application on the parties' submissions and argument, if any. If the court finds sufficient grounds for *vacatur* and the time within which the agreement requires issuance of the award has not yet expired, the court may vacate the award and direct a rehearing by the same arbitrators (9 U.S.C. § 10(b)).

### Standard to Modify or Correct Under the FAA

A court may modify or correct an arbitration award under Chapter 1 of the FAA if either:

- The award contains an evident material miscalculation of figures or an evident material mistake in the description of any person, thing, or property.
- The arbitrators awarded on a matter not submitted to them, unless it is a matter not affecting the merits of the decision on the matter submitted.
- The award is imperfect in matter of form not affecting the merits of the controversy.

(9 U.S.C. § 11.)

The FAA also provides that the court may modify or correct an award to effect the intent of the award and promote justice between the parties (9 U.S.C. § 11).

Neither the New York Convention nor the Panama Convention identifies any grounds for modifying or correcting an award. One court noted that there may be some leeway to do so under the New York Convention but that leeway is "very small and is available only in limited circumstances so as not to interfere with the New York Convention's clear preference for confirmation of awards" (*Admart AG v. Stephen & Mary Birch Found., Inc.*, 457 F.3d 302, 309 (3d Cir. 2006)).

### Procedure to Modify or Correct Under the FAA

A party seeking to modify or correct an arbitration award must serve a petition or motion on the adverse party or its attorney within three months after the arbitrator or arbitral institution delivers or files the award (9 U.S.C. § 12).

### VACATING AWARDS UNDER THE MUAA

Under the MUAA, an arbitral party dissatisfied with the award may ask the court to vacate the award (Md. Code Ann., Cts. & Jud. Proc. § 3-224).

### Standard for *Vacatur* Under the MUAA

The grounds for *vacatur* under the MUAA largely mirror the grounds for *vacatur* under the FAA (see *Standard for Vacatur Under the FAA*). They are that:

- The prevailing party obtained the award by corruption, fraud, or undue means.
- Any of the arbitrators were partial or corrupt.
- The arbitrators were guilty of misconduct in:
  - refusing to postpone the hearing on sufficient cause shown;
  - refusing to hear evidence material to the controversy; or
  - engaging in any other behavior that prejudiced the rights of any party.
- The arbitrators exceeded their powers.
- There was no agreement to arbitrate, unless the party challenging the award participated in the arbitration without objection.

(Md. Code Ann., Cts. & Jud. Proc. § 3-224.)

Courts do not vacate an award based on an arbitrator's mere error of law or failure to understand or apply the law (see *Mandl v. Bailey*, 858 A.2d 508, 525 (Md. Ct. Spec. App. 2004); *Downey v. Sharp*, 51 A.3d 573, 583-84 (Md. 2012)).

### Procedure to Vacate Under the MUAA

A party that wishes to vacate an arbitration award under the MUAA must file in the circuit court an application to vacate within 30 days after the arbitrator delivers the award (Md. Code Ann., Cts. & Jud. Proc. § 3-224(a)(1)). However, if the grounds to vacate are corruption, fraud, or other undue means, the party challenging the award must file the petition within 30 days after the petitioner learns or should have learned of those grounds (Md. Code Ann., Cts. & Jud. Proc. § 3-224(a)(2)).

This 30-day period is a mandatory time restriction on bringing an application to vacate. If the party seeking *vacatur* does not file the application within 30 days, the circuit court must grant a petition to confirm. (*Blitz v. Beth Isaac Adas Israel Congregation*, 694 A.2d 107, 122 (Md. Ct. Spec. App. 1997), rev'd on other grounds, 720 A.2d 912 (Md. 1998).)

If the court denies the petition to vacate and there is no pending motion to modify or correct the award, the court must confirm the award (Md. Code Ann., Cts. & Jud. Proc. § 3-226).

If the court vacates the award on any ground other than that there is no arbitration agreement, the court may order a rehearing before:

- The same arbitrator (Md. Code Ann., Cts. & Jud. Proc. § 3-225(b)).
- A new arbitrator, if the court vacates the award on the grounds of arbitrator misconduct (Md. Code Ann., Cts. & Jud. Proc. § 3-225(a)).

Maryland courts have suggested that the statutory provision for a rehearing under Md. Code Ann., Cts. & Jud. Proc. Section 3-225(a) may provide an alternative path for a party seeking judicial review of an arbitration award that is contradictory, is uncertain, or requires clarification. Under this section of the MUAA, a court may vacate an arbitration award and order a rehearing before new arbitrators. (See *Downey v. Sharp*, 51 A.3d 573, 585 (Md. 2012) (reversing *vacatur* of arbitration award under Md. Code Ann., Cts. & Jud. Proc. § 3-224(b) but concluding instead that Md. Code Ann., Cts. & Jud. Proc.

§ 3-225(a) allowed remand for rehearing before arbitrator to address contradictions in the award.))

### MODIFYING OR CORRECTING AWARDS UNDER THE MUAA

The MUAA provides a mechanism for requesting modification or correction of an arbitration award either in court or before the arbitrator.

#### Procedure for Application to the Arbitrator Under the MUAA

Within 20 days of receiving the award, any party may ask the arbitrator to modify or correct it (Md. Code Ann., Cts. & Jud. Proc. § 3-222(a)). The requesting party must give notice of the application to the opposing party (Md. Code Ann., Cts. & Jud. Proc. § 3-222(b)).

An application to the arbitrator to modify or correct the award does not affect a party's ability to petition a court for modification or correction of an award (Md. Code Ann., Cts. & Jud. Proc. § 3-222(e)).

#### Procedure for Application to the Court Under the MUAA

A party who wishes to have the court modify or correct an arbitration award must file a petition to modify or correct in the circuit court within 90 days after the arbitrator delivers the award (Md. Code Ann., Cts. & Jud. Proc. § 3-223(a)). In the same filing, the party also may ask the court in the alternative to vacate the award (Md. Code Ann., Cts. & Jud. Proc. § 3-223(d); see *Vacating Awards Under the MUAA*).

If the court grants the petition to modify or correct, the court must modify or correct the award and confirm it as modified or corrected. If the court denies the petition, the court must confirm the uncorrected award. (Md. Code Ann., Cts. & Jud. Proc. § 3-223(b), (c).)

### Standard to Modify or Correct Under the MUAA

The MUAA mirrors the FAA's grounds for modifying or correcting an award (see *Standard to Modify or Correct Under the FAA*). A court or the arbitrator may modify or correct an arbitration award if:

- The award contains an evident mathematical miscalculation of figures or an evident mistake in the description of any person, thing, or property.
- The arbitrator awarded on a claim not submitted to the arbitrator, unless it is a matter not affecting the merits of the decision on the claim submitted.
- The award is imperfect in matter of form not affecting the merits of the claim the parties submitted to arbitration.

(Md. Code Ann., Cts. & Jud. Proc. § 3-223.)

### VACATING, MODIFYING, OR CORRECTING AWARDS UNDER MARYLAND COMMON LAW

When the MUAA does not govern a dispute, Maryland courts review arbitration awards under common law standards, which do not recognize mere errors of law or fact as grounds to vacate or refuse enforcement of an arbitration award (see *Bd. of Educ. of Prince George's Cty.*, 522 A.2d at 941). However, a court may vacate an arbitration award based on:

- The arbitrator's:
  - fraud;
  - misconduct;
  - bias;

- prejudice;
  - corruption;
  - lack of good faith; or
  - mistake so gross that it evidences misconduct, injustice, or fraud.
- The award:
- violating a clear public policy;
  - resolving matters outside the scope of the issues the parties submitted to arbitration; or
  - containing a palpable mistake of fact or law that is apparent on the face of the award.
- Procedural unfairness of the arbitration hearing.

(See *Chillum-Adelphi Volunteer Fire Dep't, Inc.*, 219 A.2d at 806-07; see also *Bd. of Educ. of Prince George's Cty.*, 522 A.2d at 938.)

### AWARDS AND ORDERS SUBJECT TO APPEAL

The FAA permits a party to appeal certain arbitration orders, including:

- An order:
- confirming an award or denying a summary action to confirm an award;

- modifying or correcting an award; or
  - vacating an award without directing a rehearing.
- A judgment or decree a court entered under the FAA. (9 U.S.C. § 16.)

Courts deem final a partial or interim award that finally and completely disposes of separate and independent claims, even if separate issues in the arbitration remain pending (see *Arrowhead Global Solutions, Inc. v. Datapath, Inc.*, 166 F. App'x 39, 43 (4th Cir. 2006) (holding preliminary injunction, as an interim award, finally and definitively disposed of a separate independent claim and could be confirmed notwithstanding absence of a final award disposing of all claims submitted to arbitration)).

The MUAA does not address appellate review of court orders relating to arbitration. However, the Maryland courts have held that an order from the circuit court confirming or vacating an arbitration award constitutes an appealable final order (see *Prince George's Cty. Police Civilian Emps. Ass'n v. Prince George's County*, 135 A.3d 347, 354 (Md. 2016)).

For information on filing an appeal in Maryland, see State Q&A: Initial Civil Appeals: Maryland ([w-000-1756](http://w-000-1756)).

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