



James F. Ogorchock
Direct dial: 603.627.8233
Fax: 603.641.2355
jogorchock@sheehan.com

Practice Areas

Distressed Assets
Business Litigation
Construction Law
Family Law

Ask The Expert - Mass High Tech

Should I agree to a mandatory arbitration clause in a contract?

Thursday, November 30, 2006

Arbitration tends to be less expensive and more expedient than litigation, but that is not always the case. While discovery may be less expensive in arbitration, much of the benefit is eliminated because the parties must pay the fee of the arbitrator(s) and the often-steep administrative costs. If three arbitrators are to be utilized, scheduling difficulties and costs can be significant. Courts, in contrast, provide an essentially free decision maker.

The advantages of arbitration are more likely to materialize if a specialized decision maker would be helpful. Arbitration permits the parties to select the decision maker. A more informed decision maker could expedite resolution of complex issues. Arbitration is also private and not typically subject to public disclosure.