

### Court Upholds Arbitrator's Decision, Despite the Arbitrator Making an Error

In SingerLewak LLP v. Gantman, a California appellate court upheld an arbitrator's decision, even though the arbitrator may have misinterpreted the law. In SingerLewak, defendant Gantman was a partner in the accounting firm of SingerLewak. He left the firm and took several clients with him. In accordance with the parties' non-compete agreement, the accounting firm demanded that Gantman pay the firm \$260,000. The parties agreed to arbitrate the dispute. At arbitration, the defendant argued that there was a general prohibition against restraints on competition for certain agreements made by partners. The arbitrator disagreed with Gantman's position, finding that Gantman was a partner within the meaning of the Business and Professions Code and that the non-compete clause was enforceable. SingerLewak filed a petition to confirm the arbitration award in Court. Gantman opposed the petition and filed a competing petition to vacate the award. He argued that the arbitration award was illegal and enforced an illegal restraint on trade in violation of public policy. The trial court vacated the award, finding that the non-compete agreement was in fact, unenforceable. The court of appeal reversed, holding that the trial court exceeded its authority in reviewing the arbitration agreement. The appellate court found that an "Arbitrator's decision is not generally reviewable for errors of fact, whether or not such error appears on the face of the award and causes substantial injustice to the parties." The logic for this decision is that the parties who enter into arbitration agreements are presumed to know that that arbitrator's decision will be final and binding. There are very limited exceptions to this rule, where an award would contravene the expression of public policy. However, such circumstances did not exist in this case.