



BUSINESS ARBITRATION PROGRAM FOR CONTRACTORS

As a subscriber to Business Consumer Alliance's Business Arbitration program, you may ask BCA to arbitrate disputes that may arise between you and your customers. To *require* your customer to arbitrate, you must include in your agreement with your customer a provision, signed by the customer, for arbitration of business disputes.

If you enter a contract for work on residential property with four or fewer units and want to include an arbitration provision, the law requires a specified title for the arbitration clause. It also requires inclusion of a specific notice and a specified size and color of type for both the clause and the notice. The suggested clause and required notice, shown below, embody the wording and placement requirements.

ARBITRATION OF DISPUTES

Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in accordance with the Uniform Rules for Binding Arbitration of the Business Consumer Alliance (published online at www.checkbca.org) in effect at the time of initiation of arbitration, and the judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL.

BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

initial

initial

The type size or color requirements vary depending upon whether your contract is printed or typed. If it is printed, the arbitration provision must be in at least 10-point roman **boldface** type, or in contrasting red print in at least 8-point roman **boldface** type. (continued on backpage) ►

(continued from front page)

If your contract is typed, the provision **must be** in CAPITAL letters.

Note that the “Notice” is in capital letters and must immediately follow the arbitration clause, and that the space for your initials and your customer’s initials must immediately follow the “Notice.”

If your contract is not for work on residential property or is for work on residential property with more than four units, the type size and color need not be as specified, and inclusion of the “Notice” is not required. In that case, you may use the arbitration clause by itself.

In either case, either of you may insist upon arbitration if this was in effect before the dispute arose. However, if your contract is subject to the legal requirements outlined above and you do not comply with them, you will not be able to require arbitration of your customer, but he or she can require it of you.

BCA offers arbitration of disputes involving marketplace transactions. We do not arbitrate disputes alleging criminal violations nor any dispute that, by law, may not be arbitrated. We do not arbitrate disputes seeking reimbursement of lost wages, damages for mental anguish, punitive damages or claiming personal injury unless these claims relate directly to the contract that is the basis of this dispute.

The Business Arbitration pamphlet in your membership kit explains the arbitration program in more detail. But remember: without the suggested clause above, and your customer’s initial and signature, we can arbitrate only if the two of you voluntarily agree to it.



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