

that the arbitrators' decision was in "manifest disregard of the law." Respondents claim that the statute of limitations on the breach of contract and the payment bond actions unquestionably had expired by the time Aetna initiated arbitral proceedings. Although the arbitration panel did not expound upon its reasoning in reaching its decision, respondents contend that the statute of limitations issue was fully briefed, clearly presented, dispositive of this action, and was thus manifestly disregarded by the panel, as evidenced by their award in favor of Aetna. For reasons outlined below, I will grant plaintiff's Petition to Confirm the Arbitration Award and deny respondents' Cross-Motion to Vacate, Modify, or Correct the Arbitration Award.

A district court may set aside an arbitration award if the award was made "in manifest disregard of the law." Wilko v. Swan, 346 U.S. 427, 436 (1953); United Transportation Union Local 1589 v. Suburban Transit Corp., 51 F.3d 376, 380 (3d Cir. 1995); Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Jaros, 70 F.3d 418, 421 (6th Cir. 1995); Stroh Container Co. v. Delphi Industries, Inc., 783 F.2d 743, 750 (8th Cir. 1986). "Manifest disregard of the law" means more than error or misunderstanding with respect to the law. Merrill Lynch, Pierce, Fenner & Smith v. Bobker, 808 F.2d 930, 933 (2d Cir. 1986); cf. Wilko, 346 U.S. at 346-47 (error in interpretation or application insufficient grounds for vacating arbitration award); Exxon Shipping Co. v. Exxon Seamen's Union, 73 F.3d 1287, 1295 (3d Cir. 1996) (courts do not review arbitration awards for legal error). "Manifest disregard of the law"

encompasses situations in which it is evident from the record that the arbitrator recognized the applicable law, and yet chose to ignore it. Conntech Dev. Co. v. University of Connecticut Educ. Props., 102 F.3d 677, 687 (2d Cir. 1996); Merrill Lynch, Pierce, Fenner, & Smith v. Jaros, 70 F.3d 418, 421 (6th Cir. 1995); Advest, Inc. v. McCarthy, 914 F.2d 6, 9 (1st Cir. 1990); O.R. Securities, Inc. v. Professional Planning Assoc., Inc., 857 F.2d 742, 747 (11th Cir. 1988); Stroh Container, 783 F.2d at 750.

Arbitrators are not required to provide express reasons for an arbitration award. O.R. Securities, 857 F.2d at 747; Stroh Container, 783 F.2d at 750. Accordingly, the absence of an explanation does not signify that arbitrators acted in manifest disregard of the law. O.R. Securities, 857 F.2d at 747; Stroh Container, 783 F.2d at 750; Trustees of Lawrence Academy v. Merrill Lynch, Pierce, Fenner & Smith, 821 F. Supp. 59, 62 (D.N.H. 1993). When arbitrators do not state their reasons for an award, "it is nearly impossible for the court to determine whether they acted in disregard of the law." O.R. Securities, 857 F.2d at 747. A party seeking to vacate an arbitration award on the ground of manifest disregard of the law may not proceed merely by objecting to the results of the arbitration. Id. "There must be some showing, other than the result obtained, that the arbitrators knew the law and expressly disregarded it." Advest, 914 F.2d at 10 (quoting O.R. Securities, 857 F.2d at 747).

In this case, the record of the arbitration proceedings shows that the statute of limitations issues were clearly presented to

the arbitrators, see Resp't Mot. to Vacate at Exs. M, N, O, P, R, S (parties' briefs on statute of limitations issue), and the arbitrators declined to state the reasons for their conclusions. Id. at Ex. T. From this, I cannot conclude that the arbitrators clearly recognized and understood the law but chose to disregard it. "In certain circumstances, the governing law may have such widespread familiarity, pristine clarity, and irrefutable applicability that a court could assume the arbitrators knew the rule and, notwithstanding, swept it under the rug." Advest, 914 F.2d at 10. Despite respondents' assertions, this is not one such circumstance. Aetna provided the arbitrators with several equitable and legal arguments in support of its position that its claims were not time-barred. See Resp't Mot. to Vacate at Ex. O. Although respondents contend that Aetna's equitable and legal arguments were baseless and should not have survived their Motion to Dismiss before the arbitrators, see Reply Br. in Supp. of Mot. to Vacate at 11-14, it is not within my province to substitute my judgment for that of the arbitrators. United Steelworkers of Am. v. Enterprise Wheel & Car Corp., 363 U.S. 593, 597 (1960); see also Wall St. Assoc. v. Becker Paribas, Inc., 818 F. Supp. 679, 686 (S.D.N.Y. 1993) (burden of proving manifest disregard is extremely high especially where numerous legal theories are presented and award is rendered without opinion). Even if I were to concur that Aetna's statute of limitations had run at the time it initiated arbitration, respondents must demonstrate that the arbitrators clearly understood the law and reached a contrary conclusion in

spite of it before I can properly vacate the award. Respondents have not met this burden. I further note that my research has not uncovered any circuit court case that has vacated an arbitration award or affirmed a district court's vacation of an arbitration under the "manifest disregard of the law" standard, nor have the respondents provided such authority.¹ Accordingly, I will grant Aetna's Petition to Confirm the Arbitration Award and deny respondents' Motion to Vacate.

¹My research has revealed two (2) district court cases that have vacated arbitration awards on the basis that such were made in "manifest disregard of the law." One case was reversed on appeal. See Robbins v. Painewebber Inc., 761 F. Supp. 773 (N.D. Ala. 1991), rev'd, 954 F.2d 679 (11th Cir. 1992). The other case, Mangan v. Owens Truckmen, Inc., 715 F. Supp. 436 (E.D.N.Y. 1989), appears to be the only published case invoking the "manifest disregard" standard for vacation of an arbitral award. Unlike this case, however, in Mangan the arbitrator wrote a 104-page opinion from which the district court could find that he understood the applicable law but intentionally failed to apply it. See Id. at 438-39 (arbitrator purposefully disregarded flawed legal arguments that would have precluded arbitration in favor of "equitable considerations").

