



**Wisconsin
Association of
Home Inspectors, Inc.**

*Dispute
Resolution
Program*

Administered by Resolute Systems, Inc.

October 2015

Overview

The Wisconsin Association of Home Inspectors (WAHI) has contracted with Resolute Systems to administer an arbitration program designed to fairly, quickly and cost-effectively resolve disputes between homeowners (complainant) and WAHI affiliated home inspectors.

Resolute Systems, an independent national mediation, arbitration and consulting firm, is one of the largest private dispute resolution companies in America. Founded in 1988, Resolute Systems administers mediation and arbitration programs in all 50 states, Canada and Puerto Rico through its network of more than 2,000 mediators. Resolute Systems administers alternative dispute resolution programs for public and private organizations, including the U.S. Equal Employment Opportunity Commission (EEOC), property and casualty insurance companies, financial institutions, and city, county, and state governments.

Resolute Systems serves as an independent administrator to communicate, coordinate, schedule and administer arbitration with the concerned parties and their lawyers. Resolute Systems and its employees do not give legal advice to or act as advocates for any participants in the program.

All arbitration coordinated within this program will be conducted in accordance with Resolute Systems' WAHI home inspector arbitrator rules, as described below.

Procedures/Rules

We encourage the homeowner (complainant) and the home inspector to make every effort to resolve the dispute without outside help. Most home inspectors have an inspection agreement and complaint procedure that should be followed.

Disputes that cannot be resolved within that framework should be referred to this program.

The process starts when the complainant contacts Resolute Systems and submits a written complaint to the Resolute Systems administrator via mail, e-mail or through the website at www.resolute-systems.com.

Resolute responds with a letter outlining the arbitration process and requesting completion of a complaint form and payment of a \$1,300 fee. The arbitration process does not advance unless the complainant pays the fee.

After receiving the complaint form and fees, the administrator immediately provides the home inspector a written copy of the complaint and a request for response and payment of a \$1,300 fee. Failure of the home inspector to pay the fee and submit a complaint response within twenty (20) days may result in a default.

With the complaint, responses and fees received, Resolute contacts both parties and provides a list of qualified neutral arbitrators along with their hourly rate. The parties select a neutral arbitrator from the list, following

Each panel consists of three arbitrators: neutral arbitrator, home inspector arbitrator, and construction expert arbitrator.

Resolute's recommended process. If, after 14 days, the parties have not selected a mutually-acceptable arbitrator, Resolute will provide a panel of five potential arbitrators. Each party will have the right to strike up to two arbitrators from that panel. If all arbitrators are acceptable to a party, that party does not need to strike any of the arbitrators. The parties will return their list to Resolute within 7 days of

receipt of the panel. Resolute will then appoint the arbitrator. An arbitrator struck by at least one of the parties may not be appointed as the arbitrator.

The neutral arbitrator then selects a home inspector arbitrator and an independent construction expert arbitrator from an approved list of experienced professionals. This creates a panel of three arbitrators: neutral arbitrator, home inspector arbitrator, and construction expert arbitrator. Either party shall have three (3) business days after receipt of the names of the proposed arbitrators to object or request for their information; otherwise, said arbitrators shall be deemed acceptable. All potential arbitrators shall disclose to the parties and/or their counsel any conflicts of interest.

As an option, the complainant and the home inspector may sign a release allowing information about the case to be used in training materials for WAHI. In such a case, all identifying information about both parties will be removed.

Resolute's administrator coordinates a conference call with the complainant and the home inspector to select important dates in the arbitration process. The most important selection establishes the actual arbitration date and location. Scheduling of other dates in the process depends on the arbitration date. The Resolute administrator notifies all parties in writing of the agreed-upon dates for arbitration, site visit, and submission of arbitration statements, and of the overall time allowed.

The panel of three arbitrators first attempts to meet on site to investigate the situation. If the entire panel cannot coordinate a timely meeting on site, the WAHI home inspector arbitrator and the construction expert arbitrator will have seven days to visit the property and provide a written statement about the disputed situation to the neutral arbitrator.

The complainant and the home inspector will submit their arbitration complaint statements with summaries of all facts and expert reports.

The arbitration, if possible, shall take place at the home. If not, a panel of three (3) arbitrators shall simultaneously meet on the site to physically view the relevant sections of the home.

Costs/Fees

Each party will submit a deposit to Resolute Systems in the amount of \$1,300 before the arbitration process begins. Each party's deposit will be applied to the final arbitration fee. The neutral arbitrator is paid hourly according to the fee schedule included with the panel. Additionally, the following fees will be applied:

- \$300 Administrative Fee
- \$500 to the Home Inspector Arbitrator
- \$500 to Construction Expert Arbitrator

If the arbitrators are required to travel more than 50 miles round trip, travel expenses such as mileage, hotel and meals may also apply.

If the complainant and/or home inspector hire outside experts or legal counsel, they are responsible for paying these experts.

If the process extends beyond six hours for inspections and arbitration, the arbitrator will assess additional fees on the responsible party or parties.

Rules

1. The complainant must file a written or e-mail complaint, which shall include all claims, through Resolute Systems. The written arbitration request must include payment of \$1,300 to Resolute Systems.
2. Resolute will refer the complaint to the home

inspector via registered and/or certified mail, return receipt requested. The home inspector has 20 working days to respond to the complaint in the proper form and pay a fee of \$1,300 to Resolute Systems.

3. Each party must acknowledge in writing the arbitration agreement and acknowledgment of rules and must pay appropriate fees before the arbitration process begins. If Resolute does not receive payments and completed forms, the process will not proceed. If one party fails to submit the required acknowledgment and/or the \$1,000 fee, the opposing party may make a default motion to the selected neutral arbitrator.
4. The complainant agrees in the signed rules to a property inspection and arbitration in the subject home. If the required arbitrator inspection and arbitration cannot be completed in the home on the same day, the complainant agrees to an additional inspection date and understands that additional time and cost may be involved as assessed by the neutral arbitrators.
5. Resolute's administrator will establish a conference call date with the complainant and home inspector (or their legal representative) to establish important dates and meeting requirements to be coordinated by the neutral arbitrator. Dates will be established for the arbitration, inspection and submission of expert reports. Each party shall present a statement of arbitration outlining all claims, pertinent facts, and information contained in any expert reports. The arbitration will be scheduled at the home site, if possible, with the inspection of the site included in the arbitration. If the arbitration cannot be scheduled at the home, additional fees may be assessed to cover additional time

for all parties.

6. Additional inspection times may be required for independent experts of both parties and will be performed independently of the arbitration and arbitration inspections. The complainant must make the home available for these inspections.
7. Only issues listed in the complaint or response will be arbitrated. Additional issues may only be added with the agreement of both parties.
8. Only witnesses identified and documents exchanged seven (7) days in advance of the arbitration date will be admissible as evidence. Any expert reports must be received 10 working days prior to the arbitration date. There shall be no discovery. At the conclusion of the evidence, a party on motion may be allowed rebuttal evidence. The arbitrators may entertain requests for pre- or post-hearing legal briefs.
9. A panel of three arbitrators will conduct the arbitration. The complainant and the home inspector will select a neutral arbitrator according to Resolute's procedures. The neutral arbitrator then selects a home inspector arbitrator trained in arbitration and an independent construction expert arbitrator from Resolute's approved list of experienced professionals. The home inspector and construction expert arbitrators are selected for their relevant experience with the problems in the complaint.

Only issues listed in the complaint or response will be arbitrated. Additional issues may only be added with the agreement of both parties.

10. Both parties agree that the inspection and arbitration is limited to six (6) total hours. Each party will have two concurrent hours to inspect and four hours for the arbitration. If the total process takes longer than six hours, the arbitrators will assess additional fees to one or both parties as may be equitable. Deliberations will not begin until all outstanding arbitration fees are paid, and an additional deposit may be required to cover deliberation and decision writing time.

11. The subject property must be available for the arbitration meeting and for inspection by the arbitrators and expert witnesses who may be identified by either party.

12. The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence as the arbitrators may deem necessary to an understanding and determination of the dispute. Limited cross-examination shall be allowed as approved by the arbitrators.

The arbitrators shall be the judge of the relevance and materiality of the evidence offered, and conformity to legal rules of evidence shall not be necessary. The arbitrator may request offers of proof and may reject evidence deemed by the arbitrator to be cumulative, unreliable or unnecessary. All evidence shall be taken in the presence of all arbitrators and all parties, except where any of the parties is absent, is in default, or has waived the right to be present.

The arbitrators may receive and consider the evidence of witnesses by affidavit, but shall give it only such weight as the arbitrators deem it entitled to after considering any objection

made to its admission.

If the parties agree or the arbitrators direct that documents or other evidence be submitted to the arbitrator after the hearing, the documents or other evidence, unless otherwise agreed by

the parties and the arbitrator, shall be filed with Resolute for transmission to the arbitrator. All parties shall be afforded an opportunity to examine and respond to such documents or other evidence.

13. The arbitration decision will be based on majority decision and shall be binding on both parties.

All parties shall be afforded an opportunity to examine and respond to documents or other evidence.

Punitive damage shall not be available in this arbitration process; otherwise, the arbitrator's award shall be otherwise consistent with the law. Interest may be awarded at the legal rate of interest per Chapter 135 from the date of issuance until paid. In the event either party challenges the arbitration award in court, the prevailing party shall be entitled to its reasonable attorneys' fees and costs in said challenge.

14. Failure to comply with rules or deadlines may result in a default determination and assessment, including attorneys' fees and costs, to the responsible party, as determined by the arbitrators.

15. If the arbitration becomes complex or parties are not prepared and delay the process, the arbitrators can assess additional arbitration fees to one or both parties. These fees must be paid

prior to rendering final decision.

16. All parties agree to hold harmless Resolute and all arbitrators from all liability regardless of decision.
17. The complainant and the home inspector must complete and sign an evaluation form on the process after hearing and prior to decision.
18. The neutral arbitrator renders the final and binding written decision within 10 working days. The decision shall not be reasoned, and shall only provide the damages award, if applicable. Payment for the arbitration must be received in full prior to the release of the decision.
19. All information and decisions disclosed during the arbitration will be considered confidential and will not be disclosed to any outside party except where used for educational purposes with no specific reference to this arbitration or parties involved in the arbitration.
20. The arbitration is considered private and confidential, and except for legal or corporate representatives, expert witnesses, the arbitrators shall have the discretion to exclude from the hearing and the testimony of any witness or upon the request of any party, and person other than the parties, legal counsel, expert witness and a single corporate representative.
21. The substantially prevailing party may be awarded from the losing party as decided by the neutral arbitrator. This additional award will be fee only.

Arbitration Panel Requirements and Selection Procedures

Independent/Neutral Arbitrator

- Experienced in legal proceedings, arbitration, and mediation; preferably a retired judge or attorney; will assemble a panel of independent arbitrators.
- Must be available to schedule and complete arbitration within a reasonable time frame.
- Must have no conflict of interest with either party.
- Paid by an hourly rate.

Home Inspector Arbitrator

- Experienced in home inspection, with a minimum of 10 years experience and 2,500 completed inspections.
- Optional: experienced in construction, repair, home systems, real estate, engineering, and/or architecture.
- Must have knowledge of Wisconsin state home inspection standards.
- Must attend an arbitration training session.
- Must agree to the \$500.00 fee.
- Must be a WAHI member in good standing.
- Must have no conflict of interest with either party.

Construction Expert Arbitrator

- Experienced in specific trade, with a minimum of 10 years experience, including at least five years as a principal or manager.
- Must agree to the \$500.00 fee.
- Should have some experience in arbitration and legal issues.
- Must attend an arbitration training session.
- Must have no conflict of interest with either party.

Review of Arbitrators

All home inspection and construction expert arbitrators must complete an application form developed by WAHI and submit the information required. WAHI reserves the right to establish and

modify the requirements for arbitrators. The application will require the arbitrator to hold all information confidential. Applicants will be screened by a committee of WAHI and then submitted to Resolute Systems.

Resolute Systems will select Independent/Neutral arbitrators.

Arbitrator Resume Requirement

All arbitrators must submit a paragraph outlining their qualifications and experience relevant to arbitration and home inspections/construction. This will be used by Resolute to provide relevant information on each arbitrator.

Wisconsin Association of Home Inspectors, Inc.

4590 S. Raven Lane
New Berlin, WI 53151

Phone 414-299-9766
Toll-free 877-399-WAHI
Fax 262-785-6765

julie@wahigroup.com

www.WAHIgroup.com

“Leading our membership by providing education opportunities, advocacy and fellowship to develop professionalism in the home inspection industry.”

Resolute Systems

1661 N. Water St., Suite #501
Milwaukee, WI 53202.

Phone 414-276-4774
Toll-free 800-776-6060
Fax 414-270-0932

www.ResoluteSystems.com

“Dispute resolution worldwide.”