

**BLOGS**  
Arbitration

## Court Vacates Award Because of Arbitrator's Bias

Despite the heavy presumption in favor of the enforceability of final arbitration awards, a federal court in Michigan recently vacated a final award upon finding that one member of the arbitration panel had displayed evident bias. In *The Thomas Kinkade Co. v. Lighthouse Galleries, LLC*, 2010 U.S. Dist. LEXIS 6443 (E.D. Mich. Jan. 27, 2010), the issue was whether an arbitrator's late disclosure of his conflicts of interest and law partners' association with the defendants prejudiced the parties' arbitration. At arbitration, one of the arbitrators disclosed that certain of his law partners had represented or were representing the defendants. Following this untimely disclosure, the arbitrators found in favor of the defendants on their counterclaims, awarding them substantial damages.

Thomas Kinkade filed a motion to vacate the award, arguing that the arbitrator had displayed evident partiality. The court agreed, finding that the untimely disclosure of potential conflicts raised an issue concerning the arbitrator's neutrality. While the conflicts alone were insufficient to vacate the award, the court found that those conflicts, along with what the court described as repeated "irregularities" in defendants' favor, cast a "dark shadow over the parties' arbitration proceeding."