

**BLOGS**

Arbitration

Maine Federal Court Awards Attorneys' Fees and Costs Incurred in Arbitration

A federal district court in Maine recently relied on the express terms of the franchise agreement between the parties and awarded the franchisor the attorneys' fees and costs it incurred enforcing and collecting on an arbitration award and defending the franchisee's appeal of the judgment. *Toddle Inn Franchising, LLC v. KPJ Assocs. LLC*, 2021 WL 5828029 (D. Me. Dec. 8, 2021).

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In response to the motion, KPJ argued that Toddle Inn was not entitled to its fees and costs because (1) the arbitrator, and not the court, had sole jurisdiction to award attorneys' fees and costs under the terms of the franchise agreement; (2) Toddle Inn was not entitled to the fees and costs related to the writ of execution, which was quashed after being issued in error; (3) Toddle Inn was required to submit its request for fees and costs incurred in defending against KPJ's appeal to the First Circuit; and (4) Toddle Inn was limited to requesting the costs listed in the bill of costs previously filed with the First Circuit. The district court rejected KPJ's arguments and held that (1) although the franchise agreement permitted the arbitrator to award fees and costs, its authority to do so was not exclusive; (2) the nuanced nature of the writ of execution procedures, due to COVID-19, at the time the writ was issued made it reasonable to award Toddle Inn the attorneys' fees and costs it incurred related to the writ, except those incurred after the court specifically directed Toddle Inn not to take action on the writ; (3) because Toddle Inn sought attorneys' fees and costs under the franchise agreement, and not pursuant to a statute or rule, the appellate rules did not prevent the court from awarding attorneys' fees and costs; and (4) the clear and expansive language of the franchise agreement allowed the court to award all reasonable expenses, including those beyond a typical bill of costs.

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