



**PRÓSPERA ARBITRATION CENTER (PAC)
RULES OF THE SPECIAL DIVISIONS AND SMALL CLAIMS (OTHER THAN SPECIAL
DIVISIONS)**

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Article 1: Scope of These Rules

Where the parties are subject to an action principally involving claims brought under the Próspera Landlord-Tenant Statute, §§2-3-29-0-0-0-1, et seq. (“eviction action”), the Próspera Mortgage Foreclosure Sale Statute, §§2-3-20-0-0-0-1, et seq., (“foreclosure action”), the Próspera Labor Statute, §§2-3-68-0-0-0-1, et seq., (“labor dispute”), the Próspera Hazard Precaution Statute, §§2-2-90-0-0-0-1, et seq., (“hazard dispute”), all such statutes being available at <https://pzgps.hn>, or otherwise principally involving claims no greater than \$10,000.00 USD in monetary value (“small claims action”), the public precedential arbitration shall take place in accordance with these Rules of the Small Claims and Special Divisions (“Rules”) pursuant to §2-3-68-0-0-0-5(c) and Próspera Arbitration Statute, §§2-1-37-1-0-0-1, et seq., as amended. The Próspera Arbitration Center (PAC) through its website designated process recipient, who is the CEO or his delegate, is the Administrator of these Rules. These Rules shall utilize the PAC Rules of Evidence for Minor and Special Division Claims. As contemplated by Próspera Arbitration Statute, §§2-1-37-4-0-0-29(2), (3), 48(6), 60(1), and 60(3), available at <https://pzgps.hn>, these Rules govern public precedential proceedings by default. To initiate and participate in a private non-precedential arbitration or mediation, the parties must have paid or caused to be paid the privacy surcharge as may be posted from time to time at <https://pzgps.hn> or <https://pac.hn/>; and any such private, non-precedential arbitration or mediation will be governed by the separate Private Alternative Dispute Resolution Rules unless otherwise agreed by the parties.

Article 2: Notice of Arbitration

1. The party initiating arbitration (Claimant) shall give written Notice of Arbitration to the Administrator and simultaneously to the party against whom a claim is being made (Respondent). The Claimant may also initiate the arbitration through the Administrator’s online filing system located at <https://pzgps.hn>. The arbitration shall be deemed to commence on the date on which the Administrator receives the Notice of Arbitration.
2. The Notice of Arbitration shall contain the following information and function as the equivalent of a complaint:
 - a. a demand that the dispute be referred to arbitration;
 - b. the names, addresses, telephone numbers, fax numbers, and email addresses of the parties and, if known, their representatives;
 - c. a copy of the entire arbitration clause or agreement being invoked, and, when claims are made under more than one arbitration agreement, a copy of the arbitration agreement under which each claim is made;
 - d. a reference to any contract out of or in relation to which the dispute arises;
 - e. a description of the claim and of the facts supporting it;
 - f. the relief or remedy sought, and any amount claimed; and
 - g. proposals as to the language(s) of the arbitration.
3. The Notice of Arbitration shall be accompanied by the appropriate filing fee.

4. Upon receipt of the Notice of Arbitration, the Administrator shall communicate with all parties with respect to the arbitration, confirm receipt of the Notice of Arbitration by each Respondent, and acknowledge the commencement of the arbitration.

Article 3: Answer and Counterclaim

1. Respondent shall submit to Claimant, to any other parties, and to the Administrator a written or electronic Answer, including all affirmative defenses, and Counterclaim to the Notice of Arbitration as follows:
 - a. In an eviction action or foreclosure action within two (2) days after the Administrator received the Notice of Arbitration; or
 - b. in a small claims action, labor dispute or hazard dispute, within fourteen (14) days after the Administrator received the Notice of Arbitration.
 - c. In a small claims action, labor dispute or hazard dispute, an Answer may include a Counterclaim, to which the Claimant shall submit a written or electronic Answer as if such counterparty were original Respondent under this Article, but without having any right to file a Counterclaim. However, Cross-Claims and Third Party Claims, and Counterclaims in any other type of proceeding, must be filed as separate arbitration proceedings. To avoid res judicata or collateral estoppel applying to bar a disallowed potential Counterclaim, Cross-Claim or Third Party Claim, any party who would have such a disallowed claim must file a notice of reservation of claims in the original proceeding at the same time as its Answer.
2. Failure of Respondent to submit an Answer shall not preclude the arbitration from proceeding.

Article 4: Hearing and Decision

1. Procedural Order or Default. If the Answer is timely filed, the Administrator shall establish a procedural order, including a timetable, to ensure that: (a) any eviction action or foreclosure action is finally decided within seven (7) days after the date the Administrator received the Notice of Arbitration; (b) any labor dispute is finally decided within thirty (30) days after the date the initial Answer was due to be submitted to the Administrator; (c) any hazard dispute is finally decided within sixty (60) days after the date the Administrator received the Notice of Arbitration; and (d) any small claims action is finally decided within one hundred eighty (180) days after the date the initial Answer was due to be submitted to the Administrator. If the Answer is not timely filed, the Administrator shall submit the matter to a sole Arbiter (including Senior Arbiter, Arbiter and Arbitral Officer, as applicable) of the Administrator's choice to consider whether to issue a default award in favor of the complainant and to issue such award within five (5) days after the submission.
2. Appointment and Qualifications of the Arbiter. If the parties timely file their initiating and responsive pleadings when due ("pleadings"), a sole Arbiter shall be appointed as follows.
 - a. Upon the completion of the filing of the parties' pleadings,
 - i. In an eviction action or foreclosure action, the Administrator shall make the appointment within three (3) days after the date the Administrator received the Notice of Arbitration; or
 - ii. in a small claims action, labor dispute or hazard dispute, the Administrator shall simultaneously submit to each party an identical list of five proposed Arbiters. The

parties may agree to an Arbiter from this list and shall so advise the Administrator within three (3) days after the submission of the list. If the parties are unable to timely agree upon an Arbiter, each party may strike two names from the list and return it to the Administrator within four (4) days from the transmittal date of the list to the parties. The parties are not required to exchange selection lists. If the parties fail to agree on any of the Arbiters or if acceptable Arbiters are unable or unavailable to act, or if for any other reason the appointment cannot be made from the submitted lists, the Administrator may make the appointment without the circulation of additional lists within five (5) days from the transmittal date of the list to the parties. The parties will be given notice by the Administrator of the appointment of the Arbiter, together with any disclosures.

3. Oral Hearing. The Administrator shall set the date, time, and location of the hearing in his procedural order. In an eviction action or foreclosure action, the oral hearing shall take place within six (6) days after the date the Administrator received the Notice of Arbitration. In a labor dispute, the oral hearing shall take place within fifteen (15) days of the date of the procedural order unless the Arbiter deems it necessary to extend that period. In a hazard action, the oral hearing shall take place within twenty (20) days of the date of the procedural order unless the Arbiter deems it necessary to extend that period. In a small claims action, the oral hearing shall take place within sixty (60) days of the date of the procedural order unless the Arbiter deems it necessary to extend that period. Hearings may take place in person or via video conference or other suitable means, at the discretion of the Arbiter. Generally, there will be no recording, transcript or stenographic record. Any party desiring a recording may pay the necessary fee and any party desiring a stenographic record may arrange for one. The oral hearing shall not exceed two hours unless the Arbiter determines otherwise. The Administrator will notify the parties in advance of the hearing date. Evidentiary determinations for all actions governed by these Rules shall be made in accordance with the PAC Rules of Evidence for Minor and Special Division Claims.
4. Awards shall be made in writing and shall be final and binding on the parties and without reconsideration, subject to right of appeal. Unless otherwise agreed by the parties, specified by law, or determined by the Administrator, the award shall be made not later than: (a) seven (7) days after the date the Administrator received the Notice of Arbitration in the case of an eviction action or foreclosure action; (b) thirty (30) days after the date the initial Answer was due to be submitted to the Administrator in the case of a labor dispute; or (c) sixty (60) days after the date the Administrator received the Notice of Arbitration in the case of a hazard dispute. The prevailing party may request a supplement to the award to require the losing party to pay its reasonable attorney fees, arbitration costs and litigation expenses, which supplemental award shall be granted by the Arbiter if the Arbiter agrees that the losing party's case was frivolous.
5. Either party may appeal an award to the arbitral tribunal of appeals by filing a Notice of Appeal from the Award with the Administrator, together with necessary fees and a detailed submission explaining the nature of the alleged error justifying appellate review and reversal or modification, within ten (10) days of the award date. All appeals from proceedings arising from small claims actions, eviction actions, foreclosure actions, labor disputes or hazard disputes shall thereafter be governed by the PAC Rules of Appellate Procedure for Minor and Special Division Claims, with the arbitral tribunal of appeals in all such cases to resolve the parties' dispute fully and finally by issuing a public precedential decision accordingly.