SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT

Matter of NRD GP LLC v. McCarthy

2026 NY Slip Op 02457 · No. Index No. 654694/22; Appeal No. 6027; Case No. 2024-06457 · Decided April 23, 2026

SUMMARY

The Appellate Division, First Department unanimously affirmed a judgment confirming a partial final arbitration award and awarding the respondent $1,123,644.48. The court held that the petitioners failed to show that the arbitrator exceeded her authority, violated public policy, acted irrationally, or manifestly disregarded governing law, and upheld the arbitrator’s interpretation of contractual advancement rights.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Renwick, P.J.; Kennedy, J.; Friedman, J.; Mendez, J.; Hagler, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	April 23, 2026
DOCKET	Index No. 654694/22; Appeal No. 6027; Case No. 2024-06457
DISPOSITION	affirmed
PROCEDURAL POSTURE	Petitioners appealed from a judgment awarding respondent $1,123,644.48 and from an order denying their petition to vacate a partial final arbitration award and granting respondent's cross-petition to confirm the award.
STANDARD OF REVIEW	Judicial review of arbitration awards is extremely limited. Under CPLR 7511(b), an award may be vacated when the arbitrator exceeded her power, the award violates strong public policy, is irrational, or clearly exceeds a specifically enumerated limitation on the arbitrator's power. A court may not review the merits or substitute its own contractual interpretation merely because it would interpret the agreement differently.
PRECEDENTIAL VALUE	Published; precedential decision of the Appellate Division, First Department, subject to revision before publication in the Official

	Reports.
PARTIES	NRD GP LLC, et al. v. Colin McCarthy

TOPICS

arbitration · contract interpretation · appellate procedure · standard of review · commercial litigation

PRACTICE AREAS

arbitration · commercial litigation · contracts · appellate procedure

QUESTIONS PRESENTED

1. Whether the partial final arbitration award should be vacated because the arbitrator exceeded her authority, violated strong public policy, was irrational, or clearly exceeded a specifically enumerated limitation on arbitral power.
2. Whether the arbitrator's interpretation of the parties' agreements concerning advancement of litigation fees was subject to judicial review or reversal under the manifest-disregard standard.
3. Whether JAMS Rule 19(d) authorized the arbitrator to issue a partial final award as an interim measure.

HOLDINGS

1. The award was properly upheld because petitioners failed to establish that the arbitrator exceeded her power, violated strong public policy, rendered an irrational award, or clearly exceeded a specifically enumerated limitation on arbitral power.
2. The arbitrator's interpretation of the agreements was rational and within her province; the court could not substitute its own interpretation or overturn the award merely because it might interpret the agreements differently.
3. The arbitrator did not exceed her authority because JAMS Rule 19(d) authorized her to grant necessary interim measures, including a partial final award.
4. The record did not establish manifest disregard because the arbitrator considered and extensively analyzed the contract language and applicable JAMS Rules rather than knowingly refusing to apply or ignoring a governing legal principle.

KEY QUOTATIONS

> *“Judicial review of arbitration awards is extremely limited”* (*1)

> *“a court is bound by an arbitrator's factual findings and interpretation of a contract and cannot examine the merits of an arbitration award or substitute its own contractual interpretation.”* (*1)

> *“the "manifest disregard" standard does not permit review of the arbitrator's interpretation of the parties' contracts even if we were to disagree with the interpretation”* (*2)

FACTUAL BACKGROUND

The parties' operative agreements provided for advancement of litigation fees, while an employment agreement was alleged to affect that advancement right. The arbitrator determined that the employment agreement did not preempt the advancement provisions and that respondent was entitled to advancement of fees incurred in the arbitration. The arbitrator treated advancement as distinct from indemnification, leaving any ultimate indemnification determination for the end of the arbitration, and issued a partial final award.

PROCEDURAL HISTORY

The arbitrator issued a partial final award concerning respondent's right to advancement of litigation fees incurred in the arbitration. Supreme Court, New York County, denied petitioners' application to vacate the award, granted respondent's cross-petition to confirm it, and entered a judgment awarding respondent $1,123,644.48. The Appellate Division unanimously affirmed.

DISPOSITION

affirmed

CASES CITED

- American Intl. Specialty Lines Ins. Co. v Allied Capital Corp., 35 NY3d 64, 70 (2020)
- Matter of Falzone [New York Cent. Mut. Fire Ins. Co.], 15 NY3d 530, 534 (2010)
- Wien & Malkin LLP v Helmsley-Spear, Inc., 6 NY3d 471, 479, 481 (2006), cert dismissed, 548 US 940 (2006)
- Azrielant v Azrielant, 301 AD2d 269, 275 (1st Dept 2002), lv denied, 99 NY2d 509 (2003)
- Kudler v Truffelman, 93 AD3d 549, 550 (1st Dept 2012), lv denied, 19 NY3d 815 (2012)
- Cantor Fitzgerald Sec. v Refco Sec., LLC, 83 AD3d 592, 593 (1st Dept 2011)
- Matter of Nexia Health Tech., Inc. v Miratech, Inc., 176 AD3d 589, 591-592 (1st Dept 2019)