

**Plaintiff is bound by the terms of stipulation limiting the amount of arbitrator's award.**

### FACTS AND PROCEDURAL POSTURE

Plaintiff Elsie Horath filed a personal injury action against defendant John Hess after she was injured when Hess's car struck the rear of her vehicle. On November 18, 2011, the parties' attorneys entered into a written stipulation to submit the dispute for a private binding arbitration. The stipulation contained a high-low provision and provided that either party to the arbitration could have the award confirmed as a judgment. The high-low provision specified that defendant would pay the award of the arbitrator or \$44,000, whichever is greater, and plaintiff would accept the award of the arbitrator or \$100,000, whichever is less but in no event less than \$44,000, plus any other costs.

On February 3, 2012, the arbitrator awarded plaintiff a total amount of \$366,527.22 in damages plus costs. On May 21, 2012, plaintiff filed a petition to confirm the award. On June 27, 2012, Hess filed a motion to limit the judgment to the amount of \$100,000 pursuant to the stipulation's limitations. Plaintiff opposed the motion, claiming Hess's motion to correct the award was not timely filed within the 100-day limit under *CCP* §§ 1288, 1288.2. The trial court granted plaintiff's petition to confirm the award and denied Hess's motion. Hess then filed a motion for reconsideration, which was also denied. Hess timely filed a notice of appeal challenging the judgment. On December 3, 2012, Hess filed a motion for acknowledgment of satisfaction of judgment, arguing that he had paid plaintiff \$100,000 plus costs and is entitled to an acknowledgment of full satisfaction pursuant to the terms of the stipulation and *CCP* § 724.050. Plaintiff opposed the motion and sought an award for attorney fees for opposing the motion. The trial court denied Hess's motion and awarded plaintiff \$5,000 for attorney fees. Hess timely filed a notice of appeal challenging the postjudgment order denying his § 724.050 motion.

The court of appeal affirmed the judgment, reversed the postjudgment order, and remanded on consideration of Hess's § 724.050 motion. The court also reversed the award of \$5,000 in attorney fees.

### DISCUSSION

The first issue the court of appeal addressed involved the proper interpretation of the stipulation. A written stipulation or other agreement to arbitrate a controversy is subject to the general rules of contract enforcement and interpretation. If the language is clear and explicit, it governs. If it is ambiguous, the court will construe the language to give effect to the mutual intention of the parties as it existed at the time of contracting. The court found the language of the stipulation clearly and explicitly stated that in the event the arbitration award exceeded \$100,000, plaintiff would accept a maximum amount of \$100,000 plus costs. The stipulation did not contain any language that required Hess to enforce the high-low provision, to file a motion to vacate or correct the award, or respond to a petition to confirm the award. Plaintiff did not cite any language in the stipulation or any extrinsic evidence that supported any reasonable interpretation demanding otherwise.

The second issue the court addressed was whether § 724.050 applied. That section provides the sole statutory procedure to require a judgment creditor to file an acknowledgment of satisfaction of judgment or, if he or she refuses, to obtain a satisfaction of judgment entered by the court clerk. Because plaintiff refused to file an acknowledgment of full satisfaction of judgment, Hess properly filed a § 724.050 motion to require her to do so or, if she refused, to obtain a court-entered satisfaction.