2018 IL App (1st) 172448-U

FIFTH DIVISION
August 24, 2018

No. 1-17-2448

IN THE APPELLATE COURT
OF ILLINOIS
FIRST JUDICIAL DISTRICT

PEOPLE ex rel. ILLINOIS DEPARTMENT OF LABOR,	)	Appeal from the Circuit Court of Cook County
Plaintiff-Appellee,	)	
v.	)	No. 16 L 4381
ATRIUM, INC.,	)	
Defendant-Appellant.	)	Honorable Thomas R. Mulroy, Jr., Judge Presiding.

PRESIDING JUSTICE REYES delivered the judgment of the court.
Justices Hall and Lampkin concurred in the judgment.

ORDER

¶ 1 *Held*: Where defendant failed to timely reject the arbitration award, the circuit court properly entered judgment on the award.

¶ 2 Defendant Atrium, Inc. appeals from an order of the circuit court of Cook County entering an arbitration award in favor of plaintiff the Illinois Department of Labor (Department). On appeal, defendant contends in his two-and-a-half page argument that the circuit court erred when it (1) "ignored" defendant's preemption defense; (2) allowed the Department to proceed

without fulfilling the statutory requirements; (3) awarded an amount that contradicted the Department's agreement to reduce its claim; and (4) "ignored" the unconstitutional vagueness of the statute. For the following reasons, we affirm.

¶ 3 BACKGROUND

¶ 4 Plaintiff initially filed its complaint in the law division of the circuit court of Cook County to recover underpayments of amounts due to defendant's employees under the Illinois Prevailing Wage Act (Act) (820 ILCS 130/2 (West 2016)). Defendant answered the complaint, asserting as an affirmative defense that the five-year statute of limitations barred certain of plaintiff's claims. Thereafter, plaintiff requested and was granted leave to file an amended complaint. The amended complaint alleged that defendant performed construction on certain public works for a public body and was paid in whole or in part by public funds and thus defendant was required to pay its employees as provided under the Act. In nine counts, plaintiff set forth the nine different public works projects for which defendant was hired to provide construction services and the amounts defendant allegedly underpaid its employees, totaling $108,088.76. In its prayer for relief plaintiff requested additional penalties, costs, and any other relief the court deemed proper.

¶ 5 Thereafter, defendant filed its answer and six affirmative defenses. In its affirmative defenses, defendant alleged plaintiff lacked standing, its claims were time barred, it was denied due process, the Act was unconstitutionally vague, it was denied equal protection, and the Employment Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. § 1144 (2006)) preempted the Act. Subsequently, plaintiff filed its reply to defendant's affirmative defenses.

¶ 6 In March 2017, the circuit court set the case for mandatory arbitration approximately three months later. The arbitration occurred on July 20, 2017. The next day, the arbitrator

entered its award. The arbitrator's award stated that, "All parties did not participate in good faith due to non-compliance with Rule 25.8(b, e, f, g & h)." The arbitrator ultimately found in favor of plaintiff in the amount of $135,652.47. Thereafter neither party filed a notice of rejection of the arbitrator's award and as a result the circuit court entered judgment on the arbitration award on September 7, 2017. This appeal followed.

¶ 7 ANALYSIS

¶ 8 On appeal, defendant contends that the circuit court erred when it (1) "ignored" defendant's preemption defense; (2) allowed the Department to proceed without fulfilling the statutory requirements; (3) awarded an amount that contradicted the Department's agreement to reduce its claim; and (4) "ignored" the unconstitutional vagueness of the statute. None of these contentions, however are controlling issues in this appeal due to the fact this cause was subjected to mandatory arbitration and judgment was entered on that award with no party filing a notice of rejection.

¶ 9 "[T]he clear intent of the mandatory arbitration program is to maximize judicial efficiency, minimize litigation costs, and deliver swift results in low-level monetary disputes." *Babcock v. Wallace*, 2012 IL App (1st) 111090, ¶ 27. Mandatory arbitration is neither a supplement to trial nor a means of resolving some issues while proceeding to trial on other issues. *Hinkle v. Womack*, 303 Ill. App. 3d 105, 110 (1999) (citing *Kolar v. Arlington Toyota, Inc.*, 286 Ill. App. 3d 43, 46 (1996), *aff'd*, 179 Ill. 2d 271, 281 (1997)). Instead, mandatory arbitration is "an alternative to trial where all issues raised by the parties are decided by the [arbitrator]." *Id.* The arbitrators clearly have the authority to decide all the issues raised by the parties to an action. Illinois Supreme Court Rule 90(a), which governs arbitration hearings, explicitly vests the arbitrator with "the power to administer oaths and affirmations to witnesses,

to determine the admissibility of evidence and to decide the law and the facts of the case." Ill. S. Ct. R. 90(a) (eff. July 1, 2017). After conducting an arbitration hearing, the arbitrators must promptly make a determination, termed an "award," in favor of one party or the other and must file the award with the clerk of the circuit court. Ill. S. Ct. R. 92(a), (b) (eff. Jan. 1, 2017). The arbitration award "shall dispose of all claims for relief." Ill. S. Ct. R. 92(b) (eff. Jan. 1, 2017). In the mandatory-arbitration context, "[t]he circuit court plays no role in adjudicating the merits of the case." *Cruz v. Northwestern Chrysler Plymouth Sales, Inc.*, 179 Ill. 2d 271, 279 (1997).

¶ 10 Once the arbitration panel has made its award, "the award is deemed an all-or-nothing proposition and the parties must accept or reject the award in its entirety." *Magee v. Garreau*, 332 Ill. App. 3d 1070, 1074-75 (2002). A party unwilling to accept the arbitration award has 30 days in which to file with the circuit clerk a written notice of rejection of the award and request to proceed to trial. Ill. S. Ct. R. 93(a) (eff. Jan. 1, 1997); see *Stemple v. Pickerill*, 377 Ill. App. 3d 788, 790-91 (2007). A party's rejection of the arbitration award is "the sole intended remedy from an award. [Citation.]" (Internal quotation marks omitted.) *Hinkle*, 303 Ill. App. 3d at 115. If no party files a timely rejection of the award, any party may move the court to enter judgment on the award. Ill. S. Ct. R. 92(c) (eff. Jan. 1, 2017). Indeed, at that point in the mandatory-arbitration process, "the circuit court has no real function beyond entering judgment on the award." *Cruz*, 179 Ill. 2d at 279. The circuit court "cannot modify the substantive provisions of the award or grant any monetary relief in addition to the sums awarded by the arbitrators." *Id.*

¶ 11 Due to the mandatory-arbitration context of this cause, the controlling issue in this appeal is actually whether either party filed a timely notice of rejection of the arbitration award. As stated, the role of the circuit court in such a proceeding is limited, and, once the arbitrator has made his or her award, the award is deemed an all-or-nothing proposition and the parties must

accept or reject the award in its entirety. In this case, the circuit court had no choice but to enter judgment on the award because neither party filed a notice of rejection. Pursuant to our supreme court rules, due to this fact neither party may challenge the award or any portion thereof and thus each party must accept and be bound by the ward in its entirety. See *Zellers v. Hernandez*, 406 Ill. App. 3d 124, 130 (2010); *Cruz*, 179 Ill. 2d at 279 ("If none of the parties file a notice of rejection of the award and request to proceed to trial within the time specified under the rules, the circuit court has no real function beyond entering judgment on the award" except to "correct obvious and unambiguous error in mathematics or language."); Ill. S. Ct. R. 92(c) (eff. Jan. 1, 2017). Accordingly, neither the circuit court nor this court can modify the substantive provisions of the award and the circuit court's entry of the judgment on the arbitration award is thus affirmed. See *Magee v. Garreau*, 332 Ill. App. 3d 1070, 1074-75 (2002); *Mrugala v. Fairfield Ford, Inc.*, 325 Ill. App. 3d 484, 492 (2001); Ill. S. Ct. R. 92 (Jan. 1, 2017).

¶ 12 CONCLUSION

¶ 13 For the foregoing reasons, the judgment of the circuit court, entered on the arbitration award, is affirmed.

¶ 14 Affirmed.