

NOT FOR PUBLICATION

In the
United States Court of Appeals
For the Eleventh Circuit

No. 26-10124
Non-Argument Calendar

UNIVABS SOLUTIONS PRIVATE LIMITED,

Petitioner-Appellee,

versus

THE RADIOLOGY GROUP, LLC,

Respondent-Appellant.

Appeal from the United States District Court
for the Northern District of Georgia
D.C. Docket No. 1:25-cv-03932-VMC

Before LUCK, LAGOA, and ANDERSON, Circuit Judges.

PER CURIAM:

The Radiology Group, LLC, (“TRG”) appeals from the district court’s confirmation of the arbitration award in favor of Univabs Solutions Private Limited (“Univabs”) and the denial of its

motion to vacate the order. On appeal TRG argues that the arbitrator exceeded its authority by modifying the parties' operating agreement instead of interpreting it. It also argues that the case should have been decided under the Georgia Arbitration Act ("GAA") rather than the Federal Arbitration Act ("FAA").

Because we write only for the parties who are already familiar with the facts we include only so many as are necessary to understand our opinion.

I. FACTS

From 2012 to 2023, Univabs provided radiology services to TRG from India. They entered into a contract for those services in November 2011, when Vikas Verma invested in TRG and became one of the managers in charge of finances and all vendor payments. TRG's Operating Agreement contained a clause that recognized that Verma had other outside businesses. It read:

Managers Have No Exclusive Duty to Company. Except for Anand Lalaji and Robb Kolb, each of whose exclusive duty shall be with the Company, a Manager shall not be required to manage the Company as the Manager's sole and exclusive function and any Manager may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other in-

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vestments or activities of the Manager or to the income or proceeds derived therefrom. The Manager shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or ventures.

The arbitrator found that TRG was aware that Verma was the owner of Univabs, although TRG denies that and that alleged lack of knowledge supported its counterclaim when Univabs filed a demand for arbitration. Univabs alleged that TRG owed it for past services while TRG claimed that Verma used his insider knowledge at TRG to overcharge for Univabs' services. Examining the Operating Agreement, the arbitrator found that the agreement relieved Verma of his fiduciary duties to TRG. Therefore, it denied TRG's counterclaims and awarded Univabs on its claims.

Univabs then filed for confirmation of the arbitration award while TRG moved to vacate the award. The district court, after determining that the FAA applied, rejected TRG's argument that the award should be vacated because the arbitrator had modified, not interpreted, the Agreement. Instead, the district court examined the arbitrator's reasoning and found that it had all of the hallmarks of interpretation. TRG then appealed to this court. Univabs has moved for sanctions.

II. DISCUSSION

A. *Does the FAA apply?*

TRG argues that the district court ignored the Services Agreement's choice of law provision that called for the application of Georgia law, including the GAA. Specifically, TRG points to the following clause:

GOVERNING LAW. This Agreement and the construction and interpretation thereof shall be governed by the laws of the State of Georgia, U.S.A. This Agreement is made in Georgia and shall be governed and construed according to the laws of Georgia without regard to its conflicts of laws principles. All disputes, controversies or claims which relate in any way to this Agreement will be resolved by arbitration in Atlanta Georgia, by a single arbitrator appointed jointly in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall be knowledgeable in the area of information technology consulting. The arbitrator's award shall be final and binding, and judgment on the award may be entered in any court of competent jurisdiction but may only include damages consistent with the limitations in this Agreement.

The district court rejected this argument for three reasons: the case falls under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (i.e. the New York Convention) because one of the parties was foreign; courts around the country have recognized that domestic arbitration awards involving a foreign party fall under the New York Convention; and precedent from the Eleventh Circuit recognizes that a mere reference

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to Georgia law in a choice of law provision does not incorporate the GAA.

We note that the arbitrator held a preliminary hearing on July 11, 2023, and then issued an order two days later. This order set forth the parties' understandings and agreements regarding the arbitration. Included in that order was the statement that the American Arbitration Association rules would apply and that the FAA would apply. There is nothing in the record that TRG objected to this statement at arbitration and thus it has waived the argument.

Regardless, our precedent holds that unless the request for an alternative to the FAA is explicitly in the contract, the FAA applies. In *Gulfstream Aerospace v. Oceltip Aviation PTY Ltd.*, 31 F.4th 1323 (11th Cir. 2022), this court held that the FAA applied to an arbitration despite a choice of law provision in the contract that specified Georgia law would apply. We pointed to three things in the contract. First, the contract stated that the laws of Georgia applied and that the U.N. Convention on Contracts for the International Sale of Goods ("CISG") did not, which cabined the use of Georgia law to contract issues. 31 F.4th at 1329. Second, because CISG does not cover arbitral awards, the comparison showed that specification of Georgia law was to cover contracts. *Id.* Finally, the agreement required arbitration by the American Arbitration Association in accordance with provisions of its Commercial Arbitration Rules, which shows that the parties implicitly chose not to have the Georgia Arbitration Code cover the arbitration. *Id.* In

fact, we noted that the contract never mentioned the Georgia Arbitration Code, despite specifying arbitration rules. *Id.* We noted “[g]iven that the parties specified arbitration rules—and those rules weren’t the Georgia Arbitration Code—it makes little sense that the parties would have intended and expected that the Georgia Arbitration Code nonetheless would govern review of any award resulting from arbitration.” *Id.*

Here, while we do not have the first two rationales that the *Gulfstream* court relied upon, we do have the third. The provision at issue, despite mentioning Georgia law in the first sentence, specifies that the Commercial Arbitration Rules of the American Arbitration Association should be used. It does not mention the Georgia Arbitration Rules at all, which it should have done if it had wanted the GAA to apply. *See id.* at 1325 (“Long story, short: if you want certain rules to apply to the handling of your arbitration, the contract must say so clearly and unmistakably. Otherwise, the Federal Arbitration Act (“FAA”) will apply.”). Therefore, we agree with the district court that the FAA applies here.

B. Did the arbitrator exceed his authority?

We have explained our review in arbitration award litigation as follows:

Under the FAA, federal courts have limited authority to vacate or modify an arbitration award. Vacatur is allowed “only in very unusual circumstances,” and those “very unusual circumstances” are

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described in the statute. *First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938, 942 (1995). The first three—corruption or fraud, bias, and procedural misconduct—are not at issue in this appeal. See 9 U.S.C. § 10(a)(1)–(3). [The provision at issue] permits vacatur if “the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made.” *Id.* § 10(a)(4).

Following Supreme Court precedent, we have interpreted § 10(a)(4)’s language narrowly—very narrowly. The essential principles of our review, though often recited, are worth repeating. Judicial review of arbitration decisions is “among the narrowest known to the law.” *Bamberger Rosenheim, Ltd. v. OA Dev., Inc.*, 862 F.3d 1284, 1286 (11th Cir. 2017) (quoting *AIG Baker Sterling Heights, LLC v. Am. Multi-Cinema, Inc.*, 508 F.3d 995, 1001 (11th Cir. 2007)). Arbitrators do not exceed their powers when they make errors, even “a serious error.” *Stolt-Nielsen S.A. v. AnimalFeeds Int’l Corp.*, 559 U.S. 662, 671 (2010). That means, however difficult it may be, “we must defer entirely to the arbitrator’s interpretation of the underlying contract no matter how wrong we think that interpretation is.” *Wiregrass*, 837 F.3d at 1087; see also *Inversiones y Procesadora Tropical INPROTSA, S.A. v. Del Monte Int’l GmbH*, 921 F.3d 1291, 1303 (11th Cir. 2019). In fact, under our current scheme, an arbitrator’s actual reasoning is of such little importance to our review that it need not be explained—the decision itself is

enough. See *O.R. Sec., Inc. v. Prof'l Planning Assocs., Inc.*, 857 F.2d 742, 747 (11th Cir. 1988).

Gherardi v. Citigroup Glob. Markets Inc., 975 F.3d 1232, 1236–37 (11th Cir. 2020).

We stated that “[v]acatur is permitted only when an arbitrator ‘strays from interpretation and application of the agreement and effectively dispenses his own brand of industrial justice.’” *Id.* at 1237 (quoting *Major League Baseball Players Ass’n v. Garvey*, 532 U.S. 504, 509 (2001) (citation and punctuation omitted)). Thus, “[a] traditional merits appeal is not available; the decision can be challenged ‘not on the ground that the arbitrators made a mistake but that they violated the agreement to arbitrate.’” *Id.* 1238 (quoting *Wise v. Wachovia Sec., LLC*, 450 F.3d 265, 269 (7th Cir. 2006)). Hence, “if an agreement assigns a dispute to arbitration, the arbitrators do not exceed their authority when they resolve that dispute—regardless of the outcome.” *Id.* Arbitrators also “may not ignore the plain language of the contract.” *Wiregrass*, 837 F.3d at 1088 (citations and quotations omitted).

In *Wiregrass*, the party that lost at arbitration argued that the arbitrator had modified, not interpreted, the contract. We explained that in such an instance, courts look at the arbitrator’s reasoning and then we listed things we might expect to see if the arbitrator engaged in interpretation. *Id.* at 1090. Specifically, we pointed to textual analysis of the relevant terms; attempts “to give meaning to express terms—or discover implied terms—based on extrinsic evidence of the parties’ intent;” characterization of the

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task as one of interpretation; and invocation of canons of construction. *Id.* at 1090-91.

Here, the district court found, and we agree, that the arbitrator engaged in interpretation, not modification. Before the arbitrator began his discussion of the provision of the Operating Agreement that discussed Verma’s duties, he found that TRG knew that Verma owed Univabs. Further, he found that TRG entered into the contract with Verma and Univabs in hopes that it would be as successful as the similar relationship Univabs had with Verma’s company Alpha. The arbitrator thus approached its analysis of the Operating Agreement from that vantage point.

The arbitrator noted first that it was required by Georgia law and Georgia public policy to give “maximum effect” to the parties’ freedom to contract. It then began its parsing of the language of the provision at issue, contrasting the obligations put on Lalaji and Kolb to those of the unnamed Verma. Throughout his analysis, the arbitrator referred to the Agreement reflecting the intent of the parties, based on what he had earlier found regarding the hope of emulating the success of Verma’s company Alpha. It is clear from this analysis that the arbitrator interpreted the contract—using the text and the parties’ intent. Therefore, because this was not a modification, the arbitrator did not exceed its power under 9 U.S.C. § 10(a)(4).¹

¹ We reiterate that our review is cabined to whether there was interpretation of the contract and does not extend to whether that interpretation was correct.

Because the arbitrator interpreted the contract, it did not exceed its authority and we affirm the district court's confirmation of the arbitration order.²

AFFIRMED.

² Appellee's motion for sanctions is DENIED.