Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

OXFORD HEALTH PLANS LLC *v.* SUTTER

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 12–135. Argued March 25, 2013—Decided June 10, 2013

Respondent Sutter, a pediatrician, provided medical services to petitioner Oxford Health Plans' insureds under a fee-for-services contract that required binding arbitration of contractual disputes. He nonetheless filed a proposed class action in New Jersey Superior Court, alleging that Oxford failed to fully and promptly pay him and other physicians with similar Oxford contracts. On Oxford's motion, the court compelled arbitration. The parties agreed that the arbitrator should decide whether their contract authorized class arbitration, and he concluded that it did. Oxford filed a motion in federal court to vacate the arbitrator's decision, claiming that he had "exceeded [his] powers" under §10(a)(4) of the Federal Arbitration Act (FAA), 9 U. S. C. §1 *et. seq.* The District Court denied the motion, and the Third Circuit affirmed.

After this Court decided *Stolt-Nielsen S. A.* v. *AnimalFeeds Int'l Corp.*, 559 U. S. 662—holding that an arbitrator may employ class procedures only if the parties have authorized them—the arbitrator reaffirmed his conclusion that the contract approves class arbitration. Oxford renewed its motion to vacate that decision under §10(a)(4). The District Court denied the motion, and the Third Circuit affirmed.

Held: The arbitrator's decision survives the limited judicial review allowed by §10(a)(4). Pp. 4–9.

(a) A party seeking relief under §10(a)(4) bears a heavy burden. "It is not enough . . . to show that the [arbitrator] committed an error—or even a serious error." *Stolt-Nielsen*, 559 U. S., at 671. Because the parties "bargained for the arbitrator's construction of their agreement," an arbitral decision "even arguably construing or applying the contract" must stand, regardless of a court's view of its (de)merits. *Eastern Associated Coal Corp.* v. *Mine Workers*, 531 U. S. 57, 62.

Syllabus

Thus, the sole question on judicial review is whether the arbitrator interpreted the parties' contract, not whether he construed it correctly. Here, the arbitrator twice did what the parties asked: He considered their contract and decided whether it reflected an agreement to permit class proceedings. That suffices to show that he did not exceed his powers under §10(a)(4). Pp. 4–6.

(b) *Stolt-Neilsen* does not support Oxford's contrary view. There, the parties stipulated that they had not reached an agreement on class arbitration, so the arbitrators did not construe the contract, and did not identify any agreement authorizing class proceedings. This Court thus found not that they had misinterpreted the contract but that they had abandoned their interpretive role. Here, in stark contrast, the arbitrator did construe the contract, and did find an agreement to permit class arbitration. So to overturn his decision, this Court would have to find that he misapprehended the parties' intent. But §10(a)(4) bars that course: It permits courts to vacate an arbitral decision only when the arbitrator strayed from his delegated task of interpreting a contract, not when he performed that task poorly. Oxford's remaining arguments go to the merits of the arbitrator's contract interpretation and are thus irrelevant under §10(a)(4). Pp. 6–9.

675 F. 3d 215, affirmed.

KAGAN, J., delivered the opinion for a unanimous Court. ALITO, J., filed a concurring opinion, in which THOMAS, J., joined.

SUPREME COURT OF THE UNITED STATES

No. 12–135

OXFORD HEALTH PLANS LLC, PETITIONER *v.*
JOHN IVAN SUTTER

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[June 10, 2013]

JUSTICE KAGAN delivered the opinion of the Court.

Class arbitration is a matter of consent: An arbitrator may employ class procedures only if the parties have authorized them. See *Stolt-Nielsen S. A.* v. *AnimalFeeds Int'l Corp.*, 559 U. S. 662, 684 (2010). In this case, an arbitrator found that the parties' contract provided for class arbitration. The question presented is whether in doing so he "exceeded [his] powers" under §10(a)(4) of the Federal Arbitration Act (FAA or Act), 9 U. S. C. §1 *et seq.* We conclude that the arbitrator's decision survives the limited judicial review §10(a)(4) allows.

I

Respondent John Sutter, a pediatrician, entered into a contract with petitioner Oxford Health Plans, a health insurance company. Sutter agreed to provide medical care to members of Oxford's network, and Oxford agreed to pay for those services at prescribed rates. Several years later, Sutter filed suit against Oxford in New Jersey Superior Court on behalf of himself and a proposed class of other New Jersey physicians under contract with Oxford. The complaint alleged that Oxford had failed to make full and

prompt payment to the doctors, in violation of their agreements and various state laws.

Oxford moved to compel arbitration of Sutter's claims, relying on the following clause in their contract:

> "No civil action concerning any dispute arising under this Agreement shall be instituted before any court, and all such disputes shall be submitted to final and binding arbitration in New Jersey, pursuant to the rules of the American Arbitration Association with one arbitrator." App. 15–16.

The state court granted Oxford's motion, thus referring the suit to arbitration.

The parties agreed that the arbitrator should decide whether their contract authorized class arbitration, and he determined that it did. Noting that the question turned on "construction of the parties' agreement," the arbitrator focused on the text of the arbitration clause quoted above. *Id.,* at 30. He reasoned that the clause sent to arbitration "the same universal class of disputes" that it barred the parties from bringing "as civil actions" in court: The "intent of the clause" was "to vest in the arbitration process everything that is prohibited from the court process." *Id.,* at 31. And a class action, the arbitrator continued, "is plainly one of the possible forms of civil action that could be brought in a court" absent the agreement. *Ibid.* Accordingly, he concluded that "on its face, the arbitration clause . . . expresses the parties' intent that class arbitration can be maintained." *Id.,* at 32.

Oxford filed a motion in federal court to vacate the arbitrator's decision on the ground that he had "exceeded [his] powers" under §10(a)(4) of the FAA. The District Court denied the motion, and the Court of Appeals for the Third Circuit affirmed. See 05–CV–2198, 2005 WL 6795061 (D NJ, Oct. 31, 2005), aff'd, 227 Fed. Appx. 135 (2007).

While the arbitration proceeded, this Court held in *Stolt-Nielsen* that "a party may not be compelled under the FAA to submit to class arbitration unless there is a contractual basis for concluding that the party *agreed* to do so." 559 U. S., at 684. The parties in *Stolt-Nielsen* had stipulated that they had never reached an agreement on class arbitration. Relying on §10(a)(4), we vacated the arbitrators' decision approving class proceedings because, in the absence of such an agreement, the arbitrators had "simply . . . imposed [their] own view of sound policy." *Id.,* at 672.

Oxford immediately asked the arbitrator to reconsider his decision on class arbitration in light of *Stolt-Nielsen*. The arbitrator issued a new opinion holding that *Stolt-Nielsen* had no effect on the case because this agreement authorized class arbitration. Unlike in *Stolt-Nielsen*, the arbitrator explained, the parties here disputed the meaning of their contract; he had therefore been required "to construe the arbitration clause in the ordinary way to glean the parties' intent." App. 72. And in performing that task, the arbitrator continued, he had "found that the arbitration clause unambiguously evinced an intention to allow class arbitration." *Id.,* at 70. The arbitrator concluded by reconfirming his reasons for so construing the clause.

Oxford then returned to federal court, renewing its effort to vacate the arbitrator's decision under §10(a)(4). Once again, the District Court denied the motion, and the Third Circuit affirmed. The Court of Appeals first underscored the limited scope of judicial review that §10(a)(4) allows: So long as an arbitrator "makes a good faith attempt" to interpret a contract, "even serious errors of law or fact will not subject his award to vacatur." 675 F. 3d 215, 220 (2012). Oxford could not prevail under that standard, the court held, because the arbitrator had "endeavored to give effect to the parties' intent" and "articu-

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