



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**UNIVERSITY VILLAGE, PLOT 91, NNAMDI AZIKWE EXPRESSWAY,**  
**JABI, ABUJA**  
**FACULTY OF LAW**  
**JULY 2017\_1 SEMESTER EXAMINATION**

**COURSE CODE: LAW 517**

**COURSE TITLE: ALTERNATIVE DISPUTE RESOLUTION 1.**

**COURSE UNIT: 4 UNITS**

**TIME ALLOWED: 2 1/2 HOURS**

**INSTRUCTION: ANSWER QUESTION 1 AND ANY OTHER 3 QUESTIONS.**

**QUESTION 1 CARRIES 25 MARKS. OTHERS CARRY 15 MARKS.**

1. The Kana community from the Asolga Local Government Area of Benaane State in Nigeria have recently, with the help of Justice 4ll, a legal Non-Governmental Organization been trained on community organizing in order to solve community problems and create better living conditions for all. During the training, in the brainstorming session on core problems facing the community, they severally cited the lack of access to justice infrastructure such as courts noting that the nearest court was one hundred miles away, and the court officials habitually demanded high bribes before serving people. They also observed that one main hindrance to the community coming together to solve common problems is that most people are preoccupied with the many family, clan, neighbourhood rivalries, endless disputes, enmities and antagonisms leading to a general sense of acrimony in the community. After some discussions, it emerged that the community is not well versed with ADR, and many of them have over the years exhausted their resources, sold land, crops, livestock and furniture and got into un-ending debt to raise funds to travel to the court miles to seek solutions to even minor disputes. Needless to say the court has got backlog of cases dating many years back.

You are the Legal Officer at Asolga, charged with the Legal Aid and Advice Program in the Community. You are now tasked with enlightening the Community members about the different types of ADR mechanisms available and advantages as well as the drawbacks of ADR. (25 marks)

2. a. It is because of the limitations of litigation that focus is now being placed on ADR in most contemporary jurisdictions as a means of resolving disputes. Discuss. (7.5 Marks)
- b. Discuss the sources of arbitration law in Nigeria. (7.5marks)

3. There are two partners in a small Beauty make over business, Tara Johnson and Amara Peter. Tara has been in the beauty make-over business for six years. Amara was a banker and a friend who knew nothing about beauty make-over business. Tara had asked Amara to be partners in the purchasing of designer makeup products and running a Beauty Salon. Amara agreed but only if she would be an equal partner. Tara agreed but on the condition that she could buy Amara out at any time at a fair market price.

The business has over a year grown so well and their products and services have become so popular with the crème de le crème of the society.

However, the two partners are now having serious problems and Tara wants to buy Amara out. Amara says according to the written partnership agreement, she is entitled to N4Million as her share. Tara thinks the agreement says that a partner's share is worth N2Million. At N4Million Tara cannot afford to buy Amara out, but Tara could buy Amara out for N2Million. Since they cannot resolve the dispute, Amara has brought a suit to dissolve the partnership and liquidate the Beauty Salon. Amara is happy to do this. Tara on the other hand does not want to sell the Beauty Salon to a third party because it was her dream to own a Beauty make over salon. Tara has responded to Amara's suit to dissolve the partnership by bringing a counterclaim for fraud and other related claims. The parties have decided to try to resolve their dispute through some alternative dispute resolution method.

Please list two methods that you would recommend, explaining the advantages and disadvantages of each method.

If you were advising Tara, which method would you recommend and why?

If you were representing Amara, which method would you recommend and why?

4. Jonah Oil Services Limited entered into a Contract with Peace Engineering Limited for a Civil Engineering services worth \$10M. The contract agreement contained a clause without specifically mentioning the word “arbitration” but specified that “*the decision of the Superintending Engineer shall be final conclusive and binding on all parties to the contract upon all questions relating to the meaning of the specifications, designs and drawings*”.

Can the above clause amount to an Arbitration Agreement? What are the components of an Arbitration Clause? Support your answers with statutory authorities. (15 MARKS)

5. Discuss the development of the Arbitration Legal frameworks and Rules in Nigeria. (15 Marks)
6. What are the legal requirements of an arbitration agreement under the laws of Nigeria? What other elements ought to be incorporated in an arbitration agreement? (15 marks).

