



CONSUMER ATTORNEYS OF CALIFORNIA

Seeking Justice for All

Wells Fargo-inspired arbitration bill goes to governor

SB 33 opens courthouse doors to defrauded consumers and will help shine light when financial firms seek to hide systemic fraud and identity theft

SACRAMENTO (September 6, 2017) – A landmark bill inspired by Wells Fargo’s massive consumer fraud scandal is on its way to Gov. Jerry Brown after the state Senate gave final approval today to the Consumer Attorneys of California sponsored measure.

[Senate Bill 33](#) by Sen. Bill Dodd (D-Napa) will allow California consumers in the future to take disputes to court instead of being forced into unfair arbitration when big banks like Wells Fargo commit fraud or identity theft.

The bill is in response to the fraudulent behavior of Wells Fargo in creating at least 3.5 million unrequested bank accounts and credit cards in order to meet company sales goals. Those accounts harmed consumers by generating fees and damaging credit ratings.

SB 33 ensures that fraud and identity theft cases are heard in the public setting of a court instead of closed-door arbitration hearings that favor big businesses that hire the arbitrator. Consumers have been trying to sue Wells Fargo over the fraudulent accounts since at least 2013.

The bank has been able to successfully argue that arbitration agreements in legitimate accounts also applied to fraudulent accounts that customers didn’t even know existed. By forcing customers into secretive arbitration, Wells Fargo kept the scandal out of public view, allowing the fraud to mushroom while the bank evaded full accountability.

“This is a great outcome for consumers,” said Consumer Attorneys of California president Greg Bentley. “SB 33 makes it clear that, in California at least, consumers cannot be forced to give up their legal rights when a bank commits intentional fraud.”

The measure, which is also sponsored by California Treasurer John Chiang and the Consumer Federation of California, won final approval today on a largely party line vote in the state Senate, with Democrats in support and Republicans opposed. Gov. Brown will have until Sept. 15 to sign the bill, which would take effect Jan. 1, 2018.

Consumer Attorneys of California is a professional organization of plaintiffs’ attorneys representing consumers seeking accountability against wrongdoers in cases involving personal injury, product liability, environmental degradation and other causes.

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