



CONSUMER ATTORNEYS OF CALIFORNIA

Seeking Justice for All

Assembly OKs Wells Fargo-inspired arbitration bill

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 5, 2017) – A landmark bill inspired by Wells Fargo’s massive consumer fraud scandal is a step away from going to Gov. Jerry Brown after the California Assembly approved 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.

“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,” said Consumer Attorneys of California president Greg Bentley. “If consumers had been allowed to take Wells Fargo to court over these bogus accounts, the bank’s bad behavior would have been made public sooner and thousands of victims would have been spared.”

The measure, which is also sponsored by California Treasurer John Chiang and the Consumer Federation of California, now moves back to the Senate for a concurrence vote on Assembly amendments, then onward to the desk of Gov. Jerry Brown.

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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