

For Immediate Release

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California Senate Moves to Protect Workers Delayed and Denied Justice

SB 707 Can Stop Companies from Gaming the System by Stalling Forced Arbitration

SACRAMENTO – With mandatory arbitration under increased scrutiny, the California Senate today approved legislation that would prevent companies from delaying and denying justice to workers and consumers forced into arbitration.

Currently, employers wanting to avoid dealing with disputes can subject a worker to arbitration, then strategically refuse to pay required fees to the arbitration service provider – stalling the case before it starts.

SB 707 would give employees and consumers the power to go to court if a company fails to pay fees within 30 days of the process starting. The bill is known as the Forced Arbitration Accountability Act – by Senators Bob Wieckowski and Robert Hertzberg, co-sponsored by the **California Employment Lawyers Association (CELA)** and **Consumer Attorneys of California (CAOC)**.

Mandatory arbitration provisions have become an increasingly common aspect of employment relationships and consumer transactions. Over half of America's private-sector workforce has been forced to sign arbitration agreements as a condition of employment. Under these terms, workers and consumers whose rights have been violated cannot get their day in court, and instead must submit to secret arbitration proceedings that overwhelmingly favor employers and businesses.

“With so many working Americans forced to sign these agreements, companies should not be allowed to force their employees into arbitration while retaining the ability to game the system and manipulate the forum. By providing procedural options and deterrence mechanisms, The Forced Arbitration Accountability Act will allow consumers and employees to fully vindicate their rights,” says Mariko Yoshihara, Policy Director for CELA.

The bill also addresses an extreme lack of diversity in the arbitration industry – something even rapper Jay-Z has bemoaned – with over 90% white and 74% male arbitrators. A lack of diverse representation can pose problems in cases involving discrimination and sexual harassment. SB 707 requires arbitration companies to report the same kind of demographic information that our judiciary is required to report about judges (including gender, race, and ethnicity).

The bill now goes to the Assembly.

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About California Employment Lawyers Association: CELA exists to protect and expand the legal rights and opportunities of all California workers and to strengthen the community of lawyers who represent them.

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