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## **Another Win for Mandatory Arbitration Agreements**

Even in California, where the courts have resisted sending employee claims to arbitration, the tide is turning in favor of mandatory employment arbitration agreements. The California Court of Appeals for the Second Appellate District reversed the decision of Los Angeles Superior Court judge William Fahey denying the employer's petition to enforce its arbitration agreement.

The plaintiff, Erika Diaz, filed a complaint of discrimination against her employer, Sohnen Enterprises, who moved to have the case submitted to binding arbitration pursuant to the employer's arbitration agreement. Prior to the lawsuit, the employer had announced to its employees that it had implemented a mandatory arbitration agreement and that their continued employment constituted acceptance of the agreement.

In filing her lawsuit in Superior Court, Diaz argued that she was not bound by the agreement because she had not signed it, and because she had explicitly voiced her refusal to agree to arbitration. The Court of Appeal found that because the employer had made it clear that the arbitration agreement was mandatory and that continuing her employment constituted acceptance, Diaz was bound by the agreement to arbitrate. Specifically, the Court found in its decision that "California law in this area is settled: when an employee continues his or her employment after notification that an agreement to arbitration is a condition of continued employment, that employee has impliedly consented to the arbitration agreement."

While this case demonstrates that courts are increasingly willing to enforce mandatory arbitration agreements in the employment context, employers taking this route should carefully review their agreements to ensure that the agreement holds up against other claims of procedural or substantive unconscionability. For more information, contact your Stokes Wagner attorney!

Questions? Contact Stokes Wagner.