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AB 51 On Pause Indefinitely as the District Court Grants Preliminary Injunction

AB 51, the law that would prohibit California employers from requiring arbitration agreements as a condition of employment, remains on pause indefinitely. On January 31, 2020, after receiving supplemental briefing from both sides, the Eastern District of California issued an order granting preliminary injunction and indefinitely extending the injunction that prevents AB 51 from taking effect. This means that the State of California may not enforce AB 51 until the legal challenges to AB 51 are heard on the merits.

Employers should stay tuned for more updates as the Court will eventually determine whether the State of California should be permanently enjoined from enforcing AB 51. For now, the status quo remains and employers need not make any changes to arbitration agreements that are covered by the Federal Arbitration Act.

Questions? Contact Stokes Wagner.