



Arbitration Agreements - Excellent News for CA Employers!
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Good evening!

California employers know the majority of laws governing the employment relationship, and the cases that interpret those laws, favor employees. Not this time! In June, the United States Supreme Court issued a favorable decision for employers in [Viking River Cruises, Inc. v. Moriana](#) by finding that employers can enforce arbitration agreements requiring employees to arbitrate individual PAGA claims. The Court also held that once an employee's individual claims under PAGA are required to be arbitrated, the employee does not have standing to bring a representative claim under PAGA on behalf of other aggrieved employees. Previously, arbitration agreements were only permitted to compel arbitration of class actions. This is a very significant and beneficial decision for all California employers!

As a reminder, PAGA is California's Private Attorneys General Act, which allows a single employee to file a lawsuit and recover penalties on behalf of the employee for violations of the Labor Code the employee actually experienced, as well as Labor Code violations experienced by other employees. Unlike class actions, PAGA does not require the plaintiff to be similarly situated with the other aggrieved employees in order to assert claims on their behalf. PAGA penalties can be extremely expensive and can be recovered for technical violations of the Labor Code.

All employers should regularly audit their wage and hour practices to ensure they remain in compliance with the law. Additionally, as a result of the *Viking River Cruises* decision, all California employers should seriously consider implementing arbitration agreements in their operations. Arbitration agreements need to be carefully drafted by employment law counsel, as there are many procedural and substantive requirements for the agreements. Our Clients are welcome to contact either of us to discuss whether arbitration agreements are appropriate for their operations.

It's been a while since we were able to share some good news with you! Cheers to this excellent news!



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