



mandatory arbitration is on the ropes again in california

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Ninth Circuit Partially Upholds AB-51's Attack on Mandatory Arbitration

California's "AB-51" is a controversial law that limits employers' ability to enter into arbitration agreements with employees, and provides possible civil and criminal penalties for employers that make arbitration agreements a mandatory condition of employment. In February 2020, a District Court in California issued a preliminary injunction barring the enforcement of any part of AB-51 against arbitration agreements protected by the Federal Arbitration Act ("FAA") (which covers most employees, certain transportation workers being the largest exception). The Court reasoned that the law was preempted by the FAA because it impermissibly put arbitration agreements on unequal footing to other agreements in violation of the FAA's rule that arbitration agreements are enforceable except when invalidated by generally applicable rules of contract.

But on September 15, 2021, the federal Ninth Circuit Court of Appeals reversed part of the District Court's injunction...

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