



mandatory arbitration is off the ropes in california!

Reversing Itself, Ninth Circuit Invalidates California's Ban on Mandatory Employment Arbitration Agreements

Stephen Rossi
MSK Client Alert

February 16, 2023

In 2018, California passed a controversial law called AB-51 (now Labor Code Section 432.6) that prohibited California employers from requiring arbitration agreements as a condition of employment – on pain of jail time and civil penalties. AB-51 was immediately challenged and preliminarily enjoined under the Federal Arbitration Act (“FAA”), which was passed almost 100 years ago to combat judicial “hostility” towards arbitration and preempts any law that discriminates against arbitration agreements.

In a surprise twist, however, in 2021 the Ninth Circuit held in a confusing 2-1 decision that AB-51 was at least partially enforceable, leaving employers wondering what the decision meant...

[View Full Alert](#)

attorneys

Stephen A. Rossi

practice areas

labor & employment