Employers: Make Sure You Are A Party To Your Own Arbitration Agreements

Labor & Employment Law Update

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With the dust settling on the U.S. Supreme Court's decision upholding the validity of class and collective action waivers in employee arbitration agreements, there is no better time to double-check that employee arbitration agreements are in proper form. A recent decision from the Seventh Circuit highlights one particular area for review: the employer's name.

In *Goplin v. WeConnect, Inc.*, the employee, Goplin, worked for WeConnect, and he signed an arbitration agreement at the beginning of his employment. Unfortunately for WeConnect, the arbitration agreement never once mentioned WeConnect. Instead, the agreement referred to an entity named "AEI"—which was not Goplin's employer.

When WeConnect attempted to enforce the arbitration agreement to compel Goplin to pursue his legal claims with an arbitrator, the court agreed with Goplin that WeConnect was not a party to the arbitration agreement, so WeConnect could not use the agreement to prevent Goplin from suing in court.

The bottom line is that employers must closely review employee arbitration agreements to ensure that all parties to the agreement are properly named—particularly when the employer has undergone a name change or merger in the time since the agreement was drafted. Doing so will help ensure that the agreement has a greater likelihood of enforceability if the agreement is challenged in court.