

# Paul Plevin & Sullivan LLP

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Recent  
Developments

## **California Assembly Passes Bill to Outlaw Arbitration** (June 8, 1999)

Unbeknownst to most sleeping employers, the California Assembly passed [AB 858](#) at 2:03 a.m. on Friday by a surprisingly easy 43-29 vote.

AB 858 would prohibit the use of mandatory arbitration provisions in the employment context. Under AB 858, any employer "or person" who requires an employee or prospective employee to sign an arbitration agreement "shall be subject to a civil penalty in the amount of five thousand dollars (\$5,000) per violation." Moreover, any such agreement "shall be deemed involuntary, beyond the reasonable expectations of the employee, and unconscionable." Arbitration agreements implemented as a part of a collective bargaining agreement are exempted from the bill.

The bill will now go to the California Senate for consideration. If you wish to express an interest in this legislation, you may wish to contact your State Senator.

The full text of AB 858 may be found at

[http://www.leginfo.ca.gov/pub/bill/asm/ab\\_08510900/ab\\_858\\_bill\\_19990602\\_amended\\_asm.html](http://www.leginfo.ca.gov/pub/bill/asm/ab_08510900/ab_858_bill_19990602_amended_asm.html)

The legislative summary of AB 858 may be found at

[http://www.leginfo.ca.gov/pub/bill/asm/ab\\_08510900/ab\\_858\\_cfa\\_19990603\\_021903\\_asm\\_floor.htm](http://www.leginfo.ca.gov/pub/bill/asm/ab_08510900/ab_858_cfa_19990603_021903_asm_floor.htm)

The email addresses for the State Senators may be found at:

<http://www.sen.ca.gov/~newsen/senators/senators.HTP>

If you would like any further information about this development, please feel free to call or e-mail Joe Connaughton ([jconnaughton@paulplevin.com](mailto:jconnaughton@paulplevin.com)), (619) 744-3645) or any of our other attorneys at (619) 237-5200.

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Send comments to [info@paulplevin.com](mailto:info@paulplevin.com). Last modified 06/28/99