

Email Alert – Opinion Issued Today - California Supreme Court Decision Broadens Employees' Arbitration Rights

Today in *Sonic-Calabasas A, Inc. v. Frank Moreno*, the California Supreme Court declared that mandatory employment arbitration agreement provisions that waive an employee's right to a "Berman" hearing are contrary to public policy and unconscionable. Additionally, the Court further stated that such a ruling is not preempted by the Federal Arbitration Act.

A "Berman" hearing occurs under California Labor Code section 98 et seq., when an employee with a claim for unpaid wages seeks his right to an informal hearing in front of the Labor Commissioner.

As a result of the Court's decision, an employee has the right to a Berman hearing despite the language in the arbitration agreement. The Court further concluded that such arbitration agreements may be enforced after a Berman hearing has taken place, i.e., the appeal from such a hearing may be made, pursuant to a valid arbitration agreement in front of an arbitrator rather than in court.

Employers with similar arbitration agreements should not petition the Court to compel arbitration of similar claims for unpaid wages brought before the Labor Commissioner.

For more detail regarding this decision, please click [HERE](#). If you have any questions, please do not hesitate to let me know.

Sincerely,

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