Court Rules Law Firm's Arbitration Provision Unconscionable

A California appellate panel determined that a law firm's arbitration agreement with a partner was unconscionable, reversing a trial court's grant of a motion to compel arbitration in an employment dispute, according to a **post on the website** of Manatt, Phelps & Phillips.

In the case, a litigator who had been employed at Winston & Strawn sued the firm, asserting claims of discrimination, retaliation and wrongful termination. A trial court granted the firm's motion to compel arbitration.

> "The arbitration provision in the employment agreement signed by [the plaintiff] failed to meet the standard of *Armendariz v. Foundation Health Psychcare Services, Inc*., the court said, and was unconscionable. Further, the taint of illegality could not be removed by severing the unlawful provisions without altering the nature of the parties' agreement, leading the panel to void the entire agreement and send the case back to Superior Court."

Read the article.