If You Want the Benefits of an Arbitration Agreement, Say So

"Companies that utilize third-party staffing vendors should take stock of the Fifth Circuit's decision in *Hiser v. NZone Guidance, L.L.C*. The March 24, 2020 opinion, applying Texas law, reinforces that both contract language, and keeping such language up-to-date, is critical for navigating the legal landscape of company relationships with vendors, including enforcing arbitration provisions," write A. John Harper III and Paige A. Cantrellnin Littler's ***News & Analysis***.

"In this case, the defendant NZone contracted with the plaintiff and other workers as independent contractors via RigUp, Inc., a workforce bidding platform. The plaintiff brought class claims against the defendant for violations of the Fair Labor Standards Act (FLSA) on behalf of himself and other workers similarly situated. RigUp was not named as a defendant, but was alleged to be a joint employer with NZone."

"The workers entered into an agreement with RigUp allowing them to use RigUp's on-line platform, which contained an arbitration provision (the 'RigUp Agreement'). NZone moved to compel arbitration of the FLSA claims pursuant to that agreement. The RigUp Agreement stated that arbitration was to be used to 'resolv[e] disputes between you and RigUp,' and that '[a]ny arbitration between you and RigUp will be settled under the Federal Arbitration Act.' The RigUp Agreement further stated that either 'you or RigUp may commence an arbitration proceeding.'"

Read the article.