

State Limitations on Arbitration with Class Action Waivers Again Before Supreme Court

The latest of a line of recent cases in which the U.S. Supreme Court has weighed the enforceability of class action waivers in arbitration agreements was before the court on Oct. 6, 2015, when the court heard oral argument in *DirectTV, Inc. v. Imburgia, et al.*, No. 14-462, reports **James A. McKenna** of Jackson Lewis.

“These decisions almost uniformly have favored arbitration, and many employers have adopted and successfully utilized arbitration agreements containing class action waivers,” **he explains.**

DirectTV’s customers signed agreements requiring claims relating to the agreement or to the company’s service to be decided by binding arbitration on an individual basis. “Arbitration on a class basis was specifically prohibited. At the time Amy Imburgia signed the agreement, the controlling California law was the “*Discover Bank* rule” announced by the California Supreme Court in 2005. Under the *Discover Bank* rule, almost all consumer arbitration agreements containing class action waivers were deemed unconscionable and, therefore, unenforceable,” according to the article.

Read the article.