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LEGAL NOTICE

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Employment Law

**California Employers: Arbitration of PAGA Claims Upheld
In U.S. Supreme Court Case *Viking River Cruises v. Mariana***

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On June 15, 2022, the U.S. Supreme Court held in *Viking River Cruises, Inc. v. Moriana*, that a California court decision preventing arbitration of California Private Attorneys General Act (PAGA) claims is superseded, in part, by the Federal Arbitration Act (FAA).

What Does This Mean for You?

California employers may now compel arbitration of individual PAGA claims. This means that if an employee files suit alleging PAGA and the employer and employee have entered into a binding arbitration agreement, an employer can compel arbitration of the employee's individual PAGA claim. This has the added benefit of then depriving that employee of standing to bring a representative claim under PAGA on behalf of other employees.

How to Take Action Now

Given that this ruling will reduce the potential for significant liability exposure for employers with arbitration agreements, we highly recommend that California employers obtain the assistance of counsel to create binding arbitration agreements with PAGA provisions for its employees. To be valid, these agreements must be voluntary. For that reason, it is important to develop a script and a rollout procedure for these agreements. For employers in active class or PAGA litigation, a disclosure of the pending action must accompany the arbitration agreement.

Please feel free to contact Caitlin E. Kaufman, Esq. to assist in implementing arbitration agreements or revising existing agreements to cover PAGA claims.

The information provided in this issue of "Legal Notice" is general in nature and is not intended to answer every question that may arise under different fact situations and should not be relied on in the place of professional advice in a given case. If you have specific questions, please contact Caitlin E. Kaufman, Esq.

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SWEENEY MASON, LLP's philosophy is that by educating our clients and other businesses about their legal obligations, including changes in the law, we best serve our legal goal of minimizing or preventing expensive litigation.