



CALIFORNIA GOVERNOR SIGNS ARBITRATION AGREEMENT AMENDMENT INTO LAW

The California Governor signed California S.B. No. 33 that amends Section 1281.2 of the California Code of Civil Procedure effective January 1, 2018 ("Law"). The Law adds a new section that prohibits a state or federally chartered depository institution from enforcing an agreement to arbitrate against a customer when the contract governing the customer's was fraudulently created by the financial institution without the customer's consent and by unlawfully using the customer's personal identifying information.

The Law was introduced in December 2016 in response to the Wells Fargo fraudulent accounts scandal. The goal of the Law was to prohibit Wells Fargo, headquartered in San Francisco, California, from forcing aggrieved customers of the scandal into arbitration.

The Law is among several recent developments affecting arbitration provisions that provide new restrictions businesses must consider when drafting consumer contracts. □

✧ *Mike Tomkies and Lindsay Valentine*

TRYING TO DECIDE HOW TO RESPOND TO THE NEW CFPB CONSUMER ARBITRATION PROVISIONS? INTERESTED IN AN ALTERNATIVE? We have created dispute resolution provisions that can be tailored to specific products and contracts that address resolving disputes quickly and avoiding costly litigation, including class actions. These provisions are designed so that they trigger neither the restrictions nor the reporting requirements in the new CFPB arbitration rule. See our ALERTS of July 12, 2017 and September 18, 2017. **Contact us for details.**

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