

## labor and employment lawflash

June 23, 2014

**California Supreme Court Rules on Class Waivers**

*The court holds that class action waivers in arbitration agreements are enforceable but PAGA waivers are not.*

On June 23, the California Supreme Court issued its much-anticipated decision in *Iskanian v. CLS Transportation Los Angeles, LLC*.<sup>1</sup> The court found that class action waivers in arbitration agreements are enforceable. The court rejected arguments made by the plaintiff that class action waivers are unlawful under the National Labor Relations Act. However, the court concluded that waivers to bring representative actions on behalf of the state under the Private Attorneys General Act (PAGA) are contrary to public policy. The court held that the Federal Arbitration Act does not preempt state law prohibiting waivers of PAGA representative actions in employment arbitration agreements.

Our upcoming LawFlash will provide more detailed discussion of the decision and its implications for employers.

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1. No. S204032 (Cal. June 23, 2014), available at <http://www.courts.ca.gov/opinions/documents/S204032.PDF>.

whistleblower, and individual employee litigation—has led *The American Lawyer* to recognize our practice as a winner or finalist in each of its last five Litigation Department of the Year awards for Labor and Employment. We also provide strategic advice and counseling on labor-management relations, workplace policies and practices at every stage of the employment relationship, occupational safety and health, workforce change, global workforce management, immigration, and workplace training. Our practice includes seven attorneys named Client Service All-Stars by BTI (2014), and our team is ranked in Band 1 for Nationwide Labor and Employment and Nationwide ERISA Litigation by *Chambers USA* (2013) and is ranked in the top tier by *The Legal 500* for ERISA Litigation, Labor and Employment Litigation, Labor-Management Relations, and Workplace and Employment Counseling (2013). Learn more about the firm's Labor and Employment Practice at [www.morganlewis.com/laborandemployment](http://www.morganlewis.com/laborandemployment).

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