

# Arbitration agreements only work if signed in advance

Don't have an arbitration agreement in place? Don't expect to implement one after an employee has filed a class-action lawsuit.

**Recent case:** Anthony sued his former employer, Inter-Coast International Training, alleging it had violated wage-and-hour laws. He decided to act as his own attorney—and to make it a class-action lawsuit representing all other similarly situated employees of the company, past and present.

At the time Anthony filed the lawsuit, Inter-Coast had never asked employees to sign any kind of arbitration agreement.

After the court certified the lawsuit as a class action, the company called its employees into a series of meetings, where they were told to sign an agreement that they would submit all claims to arbitration instead of taking them to court. Many signed the agreement.

Inter-Coast then asked the court to have all claims sent to arbitration because the agreement said it applied to current as well as future claims.

The court said the move was unconscionable and refused to enforce the agreement. (*Nguyen v. Inter-Coast International Training*, Court of Appeal of California, 2018)

**Note:** The Supreme Court's recent decision on class-action waivers would not have affected this case at all. It only applies to otherwise valid arbitration agreements.