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Does an Arbitration Agreement Require the Employer's Signature? Read the Fine Print

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The California Court of Appeal recently reminded employers in an unpublished (but nonetheless chastening) opinion of the importance of carefully drafting arbitration agreements. In *Pich v. LaserAway, LLC et al*, the court affirmed the trial court's denial of the employer's motion to compel a former employee's representative wage-and-hour suit to arbitration because the arbitration agreement in question was signed only by the employee—not the employer.

While acknowledging that California courts have recognized that arbitration agreements bearing only the employee's signature without a corresponding signature from the employer can still be valid, the Court found that, in this case, the plain text of the arbitration agreement required a signature from both parties to be effective.

For example, the arbitration agreement contained lines such as: "The Company and I understand and agree that, *by signing this Agreement*, we are expressly waiving any and all rights to a trial before a judge and/or a jury," and "[t]he parties acknowledge and agree that each has read this agreement carefully and understand that *by signing it*, each is waiving all rights to a trial or hearing before a judge or jury of any and all disputes and claims subject to arbitration under this agreement." (Italics added.)

Therefore, the Court found that the agreement by its own terms required a signature from the employer to be valid and, lacking one, never took effect and never became a valid agreement to arbitrate.

Although this decision is unpublished and therefore noncitable, it is still an important reminder to employers to think carefully when drafting arbitration agreements. As we have covered, California courts are often eager to find weak spots that can provide an excuse to deny arbitration.

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