

Separate Confidentiality Agreement Rendered Arbitration Agreement Unconscionable

California Employment Law on September 22, 2026

***Cluck v. GEO Secure Services, LLC*, 122 Cal. App. 5th 249 (2026)**

A former employee brought a putative wage-and-hour class action, and GEO sought to enforce an arbitration agreement signed during onboarding. The Court of Appeal held that the arbitration agreement had to be read together with a confidentiality agreement that was signed at the same time. Taken as a package, the documents required the employee to arbitrate the claims he was most likely to bring while allowing GEO to litigate its likely confidentiality, competition, and nonsolicitation claims in a Florida court. That one-sided structure made the arbitration arrangement substantively unconscionable. The agreement was also procedurally unconscionable because it was a standardized onboarding document, and its opt-out procedure required a new hire to obtain an employee number, prepare a separate statement, and send it to the legal department within 30 days.

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