On June 15, 2022, the U.S. Supreme Court ruled in *Viking River Cruises, Inc. v. Moriana* that bilateral arbitration agreements governed by the Federal Arbitration Act (FAA) may require arbitration of California Private Attorneys General Act (PAGA) claims on an individual basis only.

In early July, Moriana, the named plaintiff-employee at the center of *Viking River*
Cruises, filed a petition for rehearing with the Court. Moriana argued that the Court’s opinion went beyond the federal question presented and involved the unbriefed issue of state-law contract interpretation and statutory construction that exceeded the Court’s authority.

On August 22, 2022, the high court denied the request for rehearing and issued a final judgment, leaving intact the Court’s analysis of the severability language in Viking River Cruise’s arbitration agreement, as well as the Court’s analysis of statutory standing under PAGA.

While the U.S. Supreme Court’s opinion is now final, the California Supreme Court has granted review in several cases pertaining to employment arbitration agreements and PAGA. Through these cases, the California Supreme Court may shed additional light on when a plaintiff maintains statutory standing under PAGA.

The enforceability of arbitration agreements in California continues to evolve in other areas as well. Notably, recently the Ninth Circuit withdrew its opinion pertaining to Assembly Bill (AB) 51 and granted a panel rehearing of the appeal. AB 51 is California’s law that purports to prohibit employers in California from requiring employees to sign as a condition of employment or employment-related benefits arbitration agreements concerning disputes arising under the California Fair Employment and Housing Act or California Labor Code. The Ninth Circuit’s move may indicate a likelihood that the Court will conclude the FAA preempts AB 51 in its entirety, potentially giving employers in California the green light to condition employment or employment-related benefits upon an employee’s signing an arbitration agreement.

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