

February 25, 2009

Over the past several years, our Access to Justice Campaign and Mandatory Arbitration Abuse Prevention Project have exposed and challenged the growing phenomenon of companies inserting unfair binding mandatory arbitration clauses into their contracts with consumers and employees. Among other abuses, we've investigated and litigated several cases involving the large number of credit card issuers and debt collection agencies that use the National Arbitration Forum (NAF), one of the nation's largest arbitration providers, to collect consumer debts. Five years ago, we even sued the NAF -- which has marketed itself to corporations as a way to limit their liability and avoid class actions -- for violating and refusing to comply with a new California statute that required it to disclose key information about its activities to consumers.



Based in part on information NAF disclosed in response to that statute, **Public Justice has just filed an important *amici curiae* brief in the California Court of Appeal documenting the myriad reasons to question the integrity of NAF arbitrations.** The plaintiff in *Komarova v. National Credit Acceptance, Inc.*, was hounded by debt collectors over a debt that did not belong to her. The debt collector obtained an arbitration award from NAF against a woman with a similar name and then attempted to confirm the award in court. Ms. Komarova sued the debt collector for violating California's Rosenthal Fair Debt Collections Practices Act and won a sizeable jury verdict. On appeal, the debt collector contends that it is immune from suit because its harassment of Ms. Komarova was related to a "quasi-judicial" proceeding -- that is, the NAF arbitration.

Pulling together a wide array of media reports, studies, and judicial decisions, our *amici* brief demonstrates that, because of the close relationship NAF has cultivated with banks and debt collectors, consumers will be seriously harmed if debt collectors are permitted to immunize themselves against liability merely by engaging in NAF arbitration. In particular, the brief establishes that (1) NAF's financial interests are strongly aligned with those of banks and debt collectors; (2) NAF markets itself to creditors as a way to save them money in the debt-collection process; (3) NAF funnels arbitrations to business-friendly arbitrators and allows those who rule in favor of consumers to be blackballed; (4) NAF routinely enters awards against consumers who are victims of identity theft, never agreed to arbitrate their disputes, or were never properly served; and (5) out of tens of thousands of awards entered by NAF arbitrators, all but a handful have been for corporations and against consumers.

To read our *amici* brief, filed on behalf of Public Justice and the National Consumer Law Center, [click here.](#)

Thanks to Brayton-Baron Fellow Melanie Hirsch and Staff Attorney Leslie Bailey for their great work on this brief. And thanks to you for making this important work possible. Together, we can and must preserve prevent mandatory arbitration abuses and preserve access to justice to all. - Arthur _____

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& the Public Justice Foundation

P.S. Please forward this email to friends and colleagues who'd be interested. (When you do so, delete the information below about unsubscribing, or they could unsubscribe you.) To make a special contribution, renew your membership, or join us, please [click here](#).

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