KNOW YOUR RIGHTS!

MANDATORY ARBITRATION

Many common transactions involve contracts, which are increasingly beginning to include arbitration clauses. Arbitration is a method of handling a dispute that includes a third-party decision-maker, instead of a judge or jury. By signing a document with a mandatory arbitration clause, you are agreeing to resolve any potential disputes that may arise under the contract without using the court system. An arbitrator will issue a final, binding decision about a disagreement in these types of cases.

GEORGIA LAW PERMITS MANDATORY ARBITRATION IN CERTAIN SITUATIONS

ALLOWED
- Employment
- Home Building
- Car Loans & Leases
- Service Contracts
  - Cell Phone
  - Cable
- Online Agreements
  - iTunes
  - Netflix
- Credit Cards
- Retirement, Investment & Checking Accounts
- Nursing Facilities

BE AWARE
- Arbitration agreements that place the cost of arbitration on the consumer
- Entities that attempt to pressure you into signing an optional arbitration agreement
- Arbitration clauses hidden in fine print or as an addendum to the contract
- Companies changing terms of a contract after an agreement is signed
- An agreement that allows the company to choose the arbitrator or location for arbitration

CONSIDER BEFORE SIGNING
- NO RIGHT TO A JURY TRIAL OR AN APPEAL Arbitration clauses typically deprive consumers the right to a jury trial and the right to appeal. The arbitrator's decision is usually final and the results are often confidential.
- REDUCED COMPENSATION & CLAIM Arbitration generally results in lower compensation to the harmed consumer than jury trials. When a claim is won, the award may not cover the cost of the original harm and arbitration.
- PREVENTION OF CLASS ACTION SUITS A class action is formed when a large group of consumers combine claims. Businesses can legally prevent class action arbitration.
- INCREASED CHANCE OF CONSUMER LOSS Arbitrators are more likely than juries to rule in their favor of a company. The chance of a business winning is increased further if allowed to choose the arbitrator.
- ARBITRATION CAN BE OPTIONAL Some contracts allow consumers to opt out of arbitration. Contract can typically be negotiated as well. Don't hesitate to refuse terms or language to which you do not agree.

NOT ALLOWED
- Consumer Goods Purchases
  - Cars
- Insurance Contracts
- Provisions Related to Injuries Resulting from Medical Care
  - Medical Malpractice
- Provisions Related to Personal Bodily Injury or Wrongful Death
- Loans Where the Debt Amount is $25,000 or Less at the Time of Signature

FOR MORE INFORMATION

Consumer Financial Protection Bureau
http://www.consumerfinance.gov
(855) 411-2372

National Association of Consumer Advocates
https://www.consumeradvocates.org/
(202) 452-1989

National Consumer Law Center
http://www.nclc.org/
(617) 542-8010

Public Citizen
http://www.citizen.org
(202) 588-1000