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April 21, 2016

Hon. Bob Wieckowski
State Capitol
Room 3086
Sacramento, CA 95814-4900

Re: SB 1241

Dear Senator Wieckowski:

I write on behalf of the California Dispute Resolution Council (CDRC), of which I am a director at large and chair of the Legislative Committee. CDRC supports SB 1241 and the purpose of this letter is to explain why it has taken this position.

CDRC was organized in 1994 to advocate for fair, accessible, and effective alternate dispute resolution processes before the legislature, state administrative agencies, and the courts. The membership of CDRC consists of individual ADR neutrals, together with community dispute resolution organizations and providers of ADR services which, taken together, represent more than 15,000 mediators and arbitrators in California. CDRC positions do not represent the views of any individual member.

SB 1241 adds Section 1799.208 to the Civil Code. It would provide that a provision in a consumer contract that purports to designate the venue in which a controversy arising from the consumer contract is litigated, or the choice of law is to be applied, is voidable by the consumer, with respect to a controversy arising in California, if the provision would deprive the consumer of the protection of California law or require the consumer to litigate the controversy out of state.

The bill assures access to justice for consumers. If the consumer is forced to litigate or arbitrate a dispute outside of California because of a contract's choice of venue, the cost of travel out of state for the consumer, the witnesses for the consumer, and possibly the consumer's attorney may very well exceed the amount of the claim and make it impossible for the consumer to pursue the claim.

CDRC Administration

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We also note that California has a substantial legislative scheme that protects consumers. Not all jurisdictions follow this path and, on some occasions, consumer contracts provide for a venue whose laws are unfavorable to consumers.

SB 1241 addresses these problems and assures California consumers that they will be able to pursue their claims without being burdened by the cost of litigating or arbitrating in another jurisdiction and that they will retain the protections set forth in California law.

CDRC therefore supports SB 1241.

Very truly yours,

A handwritten signature in black ink that reads "Paul Dubow". The signature is written in a cursive, flowing style.

Paul J. Dubow
On behalf of the California Dispute Resolution Council