



NEW YORK STATE SENATOR

Luis R. Sepúlveda

Lawmakers Unveil Legislation to Ban Arbitration in Cases of Sexual Assault and a Measure to Warn Consumers about Losing their Right to Sue Uber & Lyft

SENATOR LUIS SEPULVEDA May 9, 2018

| ISSUE: **UBER & LYFT**, **SEXUAL ASSAULT**

ALBANY, NEW YORK (05/09/2018) – Today, State Senator Luis Sepúlveda, ranking member Senate Committee on Crime Victims, Crime and Corrections, and Assemblywoman Jaime Williams, member Assembly Women's Legislative Caucus, were joined by consumer protection advocate NYPIRG and the Chairwoman of the NYS Women's Equality Party (WEP) to unveil two pieces of legislation to protect New Yorkers from the proliferation of arbitration clauses used by private industry, specifically by companies like Uber and Lyft. These arbitration clauses are used in complex user agreements which consumers are ill equipped to understand and which the vast majority of Americans do not read.

The two proposed laws will:

1. Ban the use of arbitration clause when situation involves a sexual assault and assault of consumer and a civil action is initiated by victim; and
2. Requires the use of a warning message each time a consumer uses the mobile app and prior to registering to use the software.

“It is very clear that these arbitration clauses used in “user agreements” are designed to circumvent our constitutional right to trial by jury and are denying consumers due process in a court of law,” **stated Senator Luis Sepulveda**. “It is time that we ban the use of such arbitration for situations that involve both sexual assault and assaults on consumers. It is also time to inform consumers that rushing to accept a “user agreement” without fully understanding the legal ramifications can be a dangerous thing.”

Accord to Assemblywoman Jaime Williams, “There is not one person alive who would willingly agree to forego a trial by jury especially in a civil case involving sexual assault. This is exactly what is happening with sexual assault victims when the perpetrator is a driver for Uber and Lyft. This is a situation that must end and end this year.” She continued, “It is clear that technology is evolving even faster than our legal justice system. Both these bills are measures to protect consumers and ensure their right to settle a grievance in court.”

Arbitration clauses used in mobile application transportation network user agreements in companies like Uber, Lyft and others. Their “user agreements” are lengthy legal documents which consumers are overlooking in their rush to use these mobile applications.

NYPIRG General Counsel Russ Haven said, “When you step into an Uber, Lyft or other app-hail car, you shouldn’t leave your right to trial by jury behind at the curb. Forced arbitration clauses in ride-hail contracts surrender rights to go to court and allow companies to choose the decision maker and set the terms of the process. Without accountability, corporations not only skate free for their negligence or even criminal-level conduct, their incentives for safety and consumer protections are greatly reduced. This legislation takes an important stand on behalf of everyone who steps into an app-summoned car and more broadly against the efforts to strip all consumers’ rights to their day in court.”

According to Susan Zimet, Chairwoman of the Women's Equality Party and Executive Director of the Hunger Action Network of NYS, "Any obstacles to a trial by jury or attempts to circumvent our legal justice system via corporate contracts with consumers and employees should raise red flags. Lawmakers should aggressively protect the Constitutional rights they have taken an oath to protect. We need these two measures to pass both houses of the legislature this year."

Senator Sepulveda stated, "Uber's requires their customers to agree to a 6,000 word "user agreement" that defines the arbitration clause in 1,000 words of legal language. They are preying on consumer's behavior to diminish our legal rights and at the same time undoing guaranteed Constitutional rights."

"If you want to deny the user of your products their rights, then we as lawmakers must ensure that we protect those rights for victims of sexual assault and create a system of warnings that ensure consumers understand the problems they can face by simply clicking to "Agree" without fully understanding the consequences, **declared Assemblywoman Williams.**

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