

The Supreme Court - April 24, 2019

The Supreme Court of the United States issued the following decision this morning:

Lamps Plus, Inc. v. Varela, No. 17-988: Respondent Frank Varela, an employee of petitioner Lamps Plus, brought a putative class action in federal court alleging claims stemming from the compromising of his tax information kept by the company as a result of a data hack. Lamps Plus moved to compel arbitration on an individual basis, relying on the parties' arbitration agreement. The District Court granted the motion, but found the arbitration could proceed on a class-wide basis. The Ninth Circuit affirmed, reasoning that the contract was ambiguous as to whether class arbitration was permitted, and followed California law requiring that ambiguity be construed against the drafter, Lamps Plus. Today, the Court reversed. After first affirming the Court's jurisdiction over the appeal, the Court held that under the Federal Arbitration Act, an ambiguous agreement cannot provide the necessary "contractual basis" for compelling class arbitration that the Court previously held was required in *Stolt-Nielsen S. A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662 (2010).

The Court's decision is available [here](#).

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