

ARIZONA

Are mandatory arbitration provisions recognized in your state? If so, are there any limitations to its enforcement?

Yes, with certain exceptions. The general rule is that an arbitration agreement is binding on parties to the agreement.ⁱ Generally, nonsignatory parties are not bound, unless dictated by the ordinary principles of contract and agency.ⁱⁱ For example, a third party which received benefits under the contract containing an arbitration agreement may be estopped from contesting arbitration.ⁱⁱⁱ

Exceptions to the general rule exist, for example, where “a ground exists at law or in equity for the revocation of a contract.” Legal or equitable grounds for revoking any contract include allegations that the contract is void for lack of mutual consent, consideration or capacity, or voidable for fraud, duress, lack of capacity, mistake or violation of a public purpose.^{iv} A matter in dispute may also avoid arbitration on a determination that the matter in dispute was outside the scope of the contract.

What is your state’s law, if any, regarding gift cards, subscription services and loyalty programs?

Gift Cards:

Arizona’s only law concerning gift cards, A.R.S. § 44-7402, prescribes:

- (1) that a gift card may not be subject to a fee over and above the amount of the gift purchased, and
- (2) that there can be no expiration date on the redemption of the gift. A gift card or a code or device associated with a gift card may contain an expiration date with respect to the gift card or the code or device, but not with respect to the underlying monies, if the gift card contains a clear and conspicuous disclosure that the underlying monies do not expire and that the consumer may contact the issuer for a replacement gift card or a replacement code or device associated with the gift card. If the gift card is an electronic gift card, the disclosure shall be in the message to the consumer that contains the card number or code.^v

However, the statute does not apply to:

- A gift card that is distributed to a consumer pursuant to a rewards, loyalty or promotional program when no money or other property with value has been given by the consumer in exchange for the gift card.

Arizona

- A gift card that is sold below face value to a nonprofit or charitable organization or that is donated to a nonprofit or charitable organization for fund raising purposes.
- A card for prepaid telecommunication services, an electronic funds transfer card, or a bank-issued debit or general purpose reloadable prepaid card not marketed or labeled as a gift card or gift certificate.

Subscription Services:

The only law in Arizona relative to the sale of subscription services, A.R.S. § 13-3710, relates to penalties for unlawful misappropriation of subscription television services. Civil remedies may be pursued in the form of injunctive relief and/or damages, and attorney's fees are recoverable.^{vi}

Loyalty Programs:

Arizona has no dedicated law as to loyalty programs.

ⁱ See, A.R.S. § 12-3006(A)

ⁱⁱ See, *Austin v. Austin*, 348 P.3d 897, 237 Ariz. 201, (Ct. App. Div. 2, 2015)

ⁱⁱⁱ See, *Schoneberger v. Oelze*, 96 P.3d 1078, 208 Ariz. 591 (Ct. App. Div. 1, 2004) (Superseded on other grounds)

^{iv} See, A.R.S. § 12-3006(A)

^v See, A.R.S. § 44-7402

^{vi} See, A.R.S. § 13-3710