

## Washington, D.C.

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

In D.C., mandatory arbitration provisions are recognized, and courts have stated that there is a “strong preference favoring arbitration” within the city.<sup>i</sup> The arbitration provisions are governed by the Revised Uniform Arbitration Act (RUAA), which oversees all arbitration agreements in D.C.<sup>ii</sup> It requires that a mandatory arbitration provision in a contract be upheld as, “valid, enforceable, and irrevocable”.<sup>iii</sup>

A court cannot override a valid arbitration provision, and so will stay the court proceedings and order the parties to arbitrate if the court is told of an arbitration provision.<sup>iv</sup>

There are a couple of limitations to a mandatory arbitration provision under the RUAA. The first being if there are grounds that exist which would render the agreement itself revocable as a contract or not enforceable.<sup>v</sup> This includes instances such as “fraud in the inducement, illegality, duress, unconscionability, mutual mistake and the like,” or any other defenses that prevents the formation of a contract.<sup>vi</sup> As well as defenses to the enforcement of the agreement like “waiver, the statute of limitations and laches”.<sup>vii</sup>

Additionally, the second limitation applies to insurance agreements with consumers.<sup>viii</sup> The RUAA states that a binding arbitration provision in a consumer’s insurance policy is “void and unenforceable”.<sup>ix</sup> Yet, arbitration is still allowed in that circumstance if the parties agree to arbitration once there is a dispute, and there is no condition that the parties must arbitrate if they want the same policy coverage with comparable rates to continue.<sup>x</sup>

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

Under D.C.’s law, gift cards are protected by the laws governing personal property.<sup>xi</sup> There is a guarantee that the value of a gift card never expires, however the card itself may be deemed abandoned.<sup>xii</sup> Five years after its last use, a gift card is considered abandoned.<sup>xiii</sup>

Currently, neither D.C.’s court or legislature offers any guidance on the issues of subscription services or loyalty programs.

<sup>i</sup> *TRG Customer Sols., Inc. v. Smith*, 226 A.3d 751, 755 (D.C. 2020).

<sup>ii</sup> D.C. CODE ANN. § 16-4401–§ 16-4432 (West 2022); see *TRG Customer Sols., Inc.*, 226 A.3d at 755; see also *Stuart v. Walker*, 143 A.3d 761, 768 (D.C. 2016) (finding that the “RUAA does not specify that it only governs certain types of arbitration proceedings, so we consider it to govern

cases from the Attorney–Client Arbitration Board.”).

<sup>iii</sup> § 16-4403(e); § 16-4406(a).

<sup>iv</sup> *Giron v. Dodds*, 35 A.3d 433, 437 (D.C. 2012); § 16-4407(a), (e).

<sup>v</sup> § 16-4406(a), (c).

<sup>vi</sup> *Menna v. Plymouth Rock Assur. Corp.*, 987 A.2d 458, 465 (D.C. 2010); *TRG Customer Sols., Inc*, 226 A.3d at 755.

<sup>vii</sup> *Menna*, 987 A.2d at 465.

<sup>viii</sup> § 16-4403(c).

<sup>ix</sup> *Id.*

<sup>x</sup> § 16-4403(c)(2)(B).

<sup>xi</sup> § 41-151.06.

<sup>xii</sup> § 41-151.02(13)(A); § 41-151.07.

<sup>xiii</sup> § 41-151.07.