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December 1, 2025

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JAMS
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Ms. Bridget M. McCormack
CEO and President
American Arbitration Association
120 Broadway, Floor 21
New York, NY 10271

Mr. Mack Jones
Principal Chief Executive Officer
National Arbitration and Mediation
122 East 42nd Street, Suite 803
New York, NY 10168

Dear Ms. Taylor, Ms. McCormack, and Mr. Jones:

I am writing to express my serious concern over the treatment of consumers in the mass arbitrations administered by your organizations. Specifically, well-documented practices by certain law firms raise alarms about whether state consumer protection laws that my office enforces are being breached.

Mass arbitration involves the filing or threat to file of sometimes tens of thousands of identical requests for arbitration, purportedly on behalf of consumer-clients.¹ The results of these mass arbitrations for consumers range between dubious and debatable because these firms' tactics, to paraphrase a recent Ninth Circuit opinion, "appear[] to be geared more toward racking up

¹ J. Maria Glover, *Mass Arbitration*, 74 Stanford L. Rev. 1283 (2022).

procedural costs to the point of forcing [a company] to capitulate to a settlement than proving the allegations”²

Your organizations have made laudable strides to counteract some early abuses. Revisions to the fee schedules and the introduction of process arbitrators represent two such incremental improvements.³ Nonetheless, recent reports strongly suggest that problems relating to mass arbitration persist and more work remains to be done by your organizations. Among others, the abusive practices in mass arbitration include situations in which law firms that purport to represent consumers who:

- never retained them;⁴
- were dead or had dubious identities like Bluff Master, Vain Exp, Lornabridges Bridges, and Full Chck;⁵
- thought they were signing up for a class action, not an arbitration;⁶
- are already represented by another firm in a separate proceeding involving the very same claim;⁷
- are not even party to the underlying arbitration agreement and have not engaged in a transaction giving rise to the claim.⁸

² *Jones v. Starz Entmt. LLC*, 129 F.4th 1176, 1183 (9th Cir. 2025). See also Glover, 74 Stanford L. Rev. at 1380; Michael Doman, *Collective Judo: Ethics and Access to Justice in Mass Arbitration*, (“With scant public data on the emerging tactic of mass arbitration, it is difficult to evaluate the return to individuals, much less to compare it to litigation or other alternatives.”) (footnote omitted).

³ AAA Mass Arbitration Supplementary Rules and Fee Schedule; JAMS Mass Arbitration Procedures and Guidelines; NAM Mass Filing Supplemental Dispute Resolution Rules and Procedures.

⁴ Motion for Leave to File Amended Complaint in *Tubi, Inc. v. Keller Postman LLC*, No. 1:24-cv-01616-ACR (D.D.C. Nov. 25, 2024) at 2 (hereinafter “*Tubi Amended Complaint*”); Petition for an Order Pursuant to CPLR §7502 Disqualifying Counsel and Other Relief in *WarnerMedia Direct LLC v. Zimmerman Reed LLP*, No. 652500/2024 (N.Y. Sup. Ct. May 15, 2024) ¶ 40 (hereinafter “*Zimmerman Disqualification Petition*”).

⁵ Declaration of Andrea M. Gumushian in Support of Plaintiff’s Supplemental Brief in Opposition to Defendant’s Motion to Compel Arbitration, Ex. C, *L’Occitane, Inc. v. Zimmerman Reed LLP*, 2:24-cv-01103 (C.D. Cal. Apr. 10, 2024); Respondents-Appellants’ Opening Br. And Short App’x in *Wallrich v. Samsung Elecs. Am., Inc.*, No. 23-02842 (7th Cir. Nov. 14, 2023) at 22-23 (hereinafter “*Wallrich Brief*”).

⁶ Letter of Jaime Huff, Vice President and Counsel for the Civil Justice Association of California, to Enrique Zuniga, Public Trust Liaison of the State Bar of California (July 6, 2023) at 2 (hereinafter “*Zuniga Letter*”).

⁷ *Wallrich Brief* at 23, 27, 44-45.

⁸ *Wallrich v. Samsung Electronics America, Inc.*, 106 F.4th 609, 619 (7th Cir. 2024); *L’Occitane, Inc. v. Zimmerman Reed LLP*, No. 24-CV-1103 PA (Rox), 2024 WL 2227182 (Apr. 12, 2024) at *4. Complaint in *Janie & Jack LLC v. Abbasi et al.*, No. 3:25-cv-01913-AMO ¶¶ 45-50 (Feb. 24, 2025); Defendants’ Notice of Motion and Motion to Dismiss or Transfer in *Penuela et al. v. Wells*

Other allegations involve situations in which consumers are not adequately apprised of the arbitration.⁹

Many of the problems stem from the fact that consumers are being solicited and signed up through online solicitations or click-through retainer agreements that do not involve meaningful vetting of the prospective client or claim. Given the mass-nature of this business model, these exploitative practices have prompted questions among consumer law experts about how these firms even have the capacity to represent the individual interests of thousands, if not tens of thousands, of consumer-clients, whose individual situations may have legally and factually important distinctions.¹⁰ The unreflective purported mass-representation of large classes of consumers (some of whom may not even exist) may well drown out the valid claims of some consumers (whose claims may never be heard).

These practices are unacceptable. Consumers are being treated as little more than “fungible entities on a spreadsheet.”¹¹ One public report revealed that these firms are actively soliciting third-party investors to finance the business model underpinning their mass arbitration practices.¹² Even more concerning, these abusive practices can expose the consumer-clients to legal jeopardy if their attorney’s conduct breaches the terms of the underlying consumer agreement.¹³

Courts have tools to combat such practices. False representations could expose an attorney to court-imposed sanctions. Mass arbitration, by contrast, as currently administered, risks allowing these abuses to go unchecked. For example, arbitrators generally lack the power to sanction counsel. Nor must the consumer-client verify the allegations that underpin an arbitration pleading.¹⁴

I am concerned that the above-described reports may only represent the tip of the iceberg. Attorneys general have the power to investigate, including the issuance of subpoenas or civil investigative demands, as part of our shared consumer-protection obligations. Before deciding whether to consider such action, I invite your response to the concerns expressed in this letter. Your organizations stand to generate potentially significant revenues through the administration

Fargo Bank, N.A. et al., No 4:24-cv-00766-KAW (N.D. Cal. May 28, 2024) at 1; *Zimmerman Disqualification Petition*, 184 n. 13.

⁹ *Zuniga Letter* at 3.

¹⁰ Declaration of Richard Zitrin in *Abernathy et al. v. Doordash, Inc.*, No. 3:19-cv-07545-WHA (Nov. 22, 2019) ¶¶ 17-22.

¹¹ *Zuniga Letter* at 2.

¹² Exhibit A to Affidavit of William Bucher in *Zaiger LLC v. Bucher Law PLLC*, Case No. 154124/2023 (N.Y. Sup.Ct. May 9, 2023), NSYCEF Doc. No. 32.

¹³ Complaint in *Tubi, Inc. v. Keller Postman LLC*, No. 1:24-cv-01616-ACR (May 31, 2024) ¶¶ 51-68; Exhibits A-H Attached to the Declaration of Andrea M. Gumushian in Case No. 2:24-cv-01103-PA-RAO (C.D. Cal. Apr. 10, 2024).

¹⁴ Cf. *Wallrich*, 106 F.4th at 618-19.

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of mass arbitrations. As such, it is critical that they do not become complicit in the widely reported abuses of consumers whom we are duty-bound to protect.

Your written responses to the concerns raised in this letter are requested no later than December 19th. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Carr", with a long horizontal flourish extending to the right.

Christopher M. Carr
Attorney General