August 11, 2026

Brian H. Mahanna, Esq.
Counsel to the Governor
Executive Chamber,
State Capitol, Second Floor
Albany, NY 12224

Via email: Brian.Mahanna@exec.ny.gov

Re: Recommendation for the governor's approval of S. 926/A. 3318

Dear Mr. Mahanna:

The National Association of Consumer Advocates (NACA) and National Consumer Law Center (NCLC) support the transparency and accountability protections for private consumer arbitration proceedings provided in S. 926/A. 3318. It will help protect New York residents required to participate in a dispute resolution system that typically operates in secret with little public accountability. On behalf of our organizations, we respectfully urge Governor Hochul to sign this bill into law.

When consumers sign up for products and services, and workers apply for jobs, they typically have no meaningful choice but to sign accompanying standard form contracts that often force them to surrender their access to the public court system and resolve future disputes with companies in private arbitration. The court system, which operates an open process with public document filings and procedural protections, is vastly different from closed and often secretive arbitration proceedings. Yet, private arbitration providers are empowered to decide important systemic issues affecting legal protections for consumers and workers.

Everyone should be able to choose where to bring their claims, whether in court or arbitration, after a dispute arises. However, federal law allows companies to require arbitration through the use of their predispute, standardized contracts, and only Congress can prohibit these clauses outright. S. 926/A. 3318 would require the reporting of key information about private arbitration proceedings, providing greater transparency into how the arbitration system functions for New Yorkers.

Specifically, the bill would mandate private arbitration providers that regularly conduct consumer arbitrations to collect, publish, and make publicly available key information about their arbitration proceedings in a computer-searchable database on at least a quarterly basis. The data reporting would include information about the parties, including legal representatives, the types of consumer disputes heard, the case outcomes, disposition of each case, including any awards, settlements or dismissals, and the arbitrator's name and fees received in each case.

The bill would also compel disclosure of repeat players in providers' arbitration proceedings. It is well established that corporate repeat players in arbitration "boast higher win rates than one-shot firms" against individual consumer and workers.[1] One-shot firms, meaning parties in disputes that have only participated in a single arbitration, are less likely to prevail in arbitration than companies that bring repeat business to arbitrators. Arbitration providers have a clear interest in making decisions in favor of repeat players to secure future business. Required disclosure of repeat players would shine a light on significant questions of fairness and justice for individuals in arbitration.

The bill would also address known ethical issues, including conflicts of interest. It would prohibit arbitration providers from having any financial interest with the parties or the attorneys, and vice versa. In addition, the bill's enforcement provision authorizes the attorney general or affected individuals to impose its requirements when providers fail to comply. An enforcement mechanism is critical for encouraging arbitration providers' compliance.

As a leader in the marketplace protecting millions of consumer and workers, New York has an incentive to join at least five other jurisdictions with laws that aim to make the private arbitration system more transparent and accountable.[2] In another example, the Financial Industry Regulatory Authority (FINRA), which regulates the conduct of financial advisors and securities broker-dealers and oversees arbitration of disputes between these entities and investors, makes arbitration awards publicly available and searchable in a FINRA database.[3]

Overall, S. 926/A. 3318 would make important data available to consumers, workers, lawmakers, and researchers, helping them to identify detrimental behaviors in private arbitration, and potentially weed out the worst practices that violate fairness and ethical standards.

We urge Gov. Hochul to approve S. 926/A. 3318, especially to protect individuals when predispute contract terms force them to get their claims heard in private arbitration. Thank you for your consideration and commitment to protecting New York residents.

Sincerely,

Hashim Rahman, Esq.
NACA New York State Chair

Christine Hines
Senior Policy Director
National Association of Consumer Advocates

Michael Best
Director of State Advocacy
National Consumer Law Center

---

[1] Andrea Chandrasekhar and David Horton, *Empirically Investigating the Source of the Repeat Player Effect in Consumer Arbitration*, Nov. 19, 2019, https://ssrn.com/abstract=3489596.
[2] See, Calif. Civ Pro Code § 1281.96; D.C. Code § 16–4430.; Me. Rev. Stat. Ann. tit. 10, § 1394; Md. Code Ann., Com. Law § 14-3903(c); New Jersey Stat. Ann. § 2A:23B-36.
[3] See, e.g., FINRA Arbitration Awards Online, https://www.finra.org/arbitration-mediation/arbitration-awards.