



Used Car Dealer Magazine publishes arbitration agreements article by Partner Patty Covington

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Used Car Dealer, the Official Magazine of NIADA, recently published Partner [Patty Covington's](#) article, " 'Cardiac Events' and Arbitration Agreements." Patty cautions dealers to establish a schedule to periodically review their arbitration agreements for outdated language that could be challenged in court by consumers.

One out-of-date provision to look out for is, "The arbitrator may not award punitive damages." According to Patty, consumer lawyers could argue that is an unconscionable limitation on the consumer's rights. She notes that many courts have been receptive to that argument.

Patty also recommends that dealerships do an inventory of their consumer transaction documents to see which ones contain an arbitration agreement, then find an attorney who is knowledgeable on the current state of this specialized area of law to review it.

Patty has practiced in consumer financial services for the last 20 years. She advises banks, auto sales finance companies, installment lenders, motor vehicle dealers, leasing companies, trade associations, ancillary product providers and technology providers on a wide array of issues related to consumer financial services. Patty's practice focuses on auto finance, personal property lending, installment lending, dealer law, creditor-based collection practices, ancillary products law, federal and state regulatory compliance, CFPB-readiness, UDAAP, UDAP, privacy, data security and information management, electronic commerce and marketing.

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