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**WINGET SPADAFORA & SCHWARTZBERG LLP OBTAINS
CALIFORNIA COURT OF APPEAL'S AFFIRMATION OF ORDER
DENYING ARBITRATION OF INSURANCE BROKERAGE AGENCY'S
ANTITRUST AND BUSINESS TORT CLAIMS AGAINST INSURANCE COMPANY**

LOS ANGELES--(BUSINESS WIRE)—On May 27, 2015, the California Court of Appeal for the Second Appellate District upheld an order denying arbitration of an insurance brokerage agency's claims against an insurance company for the business torts of fraud and interference with prospective economic advantage, and for unlawful group boycott in violation of the Cartwright Act, California's antitrust statute. (*HCF Insurance Agency, Inc. v. Patriot Underwriters, Inc., et al.* (2015 Ct. App. 2d Dist.) 2015 Cal. App. Unpub. LEXIS 3744, Case No. B257715).

The Court held that Plaintiff HCF Insurance Agency's business tort claims were outside the scope of the arbitration clause in a distribution/sub-producer agreement with Defendant Guarantee Underwriters, Inc., formerly Patriot Underwriters, Inc. The Court ruled that the disputes "d[id] not arise out of or relate to" that agreement, but instead involved Patriot's alleged misconduct arising from HCF's business relationship with another insurance company.

The Court also held that HCF may pursue its antitrust claim against Patriot in California Superior Court under California's Cartwright Act. The Court ruled that applying the Florida Antitrust Act, as dictated by a choice-of-law clause, would violate "public policy" because the alleged misconduct occurred in California and damaged HCF in California. The Court found that the Florida Antitrust Act does not provide relief for the alleged misconduct, and would force a waiver of HCF's antitrust claim. Plaintiff HCF's attorney, Brandon S. Reif, commented that "this decision validates the principle that contractual arbitration is a forum for the resolution of disputes, not a way to bar litigants from asserting their substantive rights."

Plaintiff HCF is represented by Los Angeles attorneys Brandon S. Reif, Gabriel Z. Reynoso, David Maurer and Rafael DeAquino Villar, of Winget Spadafora & Schwartzberg LLP.

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