



17200 Abuses Prompt 11 Legislative Proposals

Small businesses of all kinds, restaurants, auto repair shops, nail salons, and real estate and travel agents have been fighting shakedown lawsuits that threaten their livelihoods. As a result, numerous members of the legislature have realized there are loopholes in this law and are looking at ways to reform it. Following is a brief summary of bills that look at different solutions to these 17200 abuses.

AB 69 (Lou Correa – Anaheim) – requires verification of the allegations made by a private attorney and court approval of any settlement, mandates notice to the Attorney General, and prohibits private lawyers from filing a 17200 action based on the same incident that has already been settled.

AB 95 (Assembly Judiciary Committee) - a placeholder in which substantive proposals are being developed.

AB 102 (Robert Pacheco – Orange) – proposes a variety of reforms including requiring the person bringing the action must have suffered harm and no more than one action may be brought against one defendant for the same conduct.

AB 599 (Bob Dutton - Riverside) – requires court approved settlements and then prohibits additional lawsuits for the same act.

AB 754 (Russ Bogh – San Bernardino) – requires a pattern of conduct, not just a single isolated incident to be considered an unfair practice.

SB 122 (Martha Escutia – Whittier) – requires attorneys filing 17200 cases to provide notification to the local DA or the AG within three days of filing their lawsuit.

SB 723 (Pete Knight – Kern) – a placeholder in which substantive proposals are being developed.

SB 889 (Ross Johnson – Orange) – limits a private attorneys' ability to sue a business with fewer than 50 employees, unless there is harm.

SB 890 (Ross Johnson – Orange) – requires 85% of a judgment or settlement in a representative action where there is no harm to go to the State Restitution Fund.

SB 910 (Bob Margett – Los Angeles) – a placeholder in which substantive proposals are being developed.

SB 912 (Ackerman – Los Angeles) – prohibits private representative actions if a government entity has already taken action to remedy the alleged violation.

To view the full text of these bills, visit www.sen.ca.gov.

For more information about abuses of 17200, please visit www.cjac.org.

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