

ASSEMBLY BILL

No. 1682

Introduced by Assembly Member Mark Stone

January 20, 2016

An act to amend Section 1002 of the Code of Civil Procedure, relating to civil procedure.

LEGISLATIVE COUNSEL'S DIGEST

AB 1682, as introduced, Mark Stone. Confidential settlement agreements:

Existing law prohibits a confidential settlement agreement in a civil action with a factual foundation establishing a cause of action for civil damages for an act that may be prosecuted as a felony sex offense. Existing law provides that the prohibition does not affect the ability of parties to enter into a settlement agreement or stipulated agreement requiring nondisclosure of the amount of money paid in settlement of a claim.

This bill would additionally prohibit a confidential settlement agreement in a civil action with a factual foundation establishing a cause of action for civil damages for an act of childhood sexual abuse or sexual exploitation of a minor, as defined. The bill would repeal the provision specifying that a settlement agreement or stipulated agreement that requires nondisclosure of the amount of money paid in settlement of a claim is not prohibited. The bill would make a confidential settlement agreement, as described in the bill, entered into on or after January 1, 2017, void as a matter of law and against public policy. The bill would make an attorney who demands such a confidential settlement agreement as a condition of settlement or who advises a client to sign such an agreement subject to professional discipline and would require

the State Bar of California to investigate and take appropriate action in cases brought to its attention.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1002 of the Code of Civil Procedure is
2 amended to read:

3 1002. (a) Notwithstanding any other ~~provision~~ of law, a
4 confidential settlement agreement is prohibited in any civil action
5 the factual foundation for which establishes a cause of action for
6 civil damages for ~~an act that may be prosecuted as a felony sex~~
7 ~~offense.~~ *any of the following:*

8 (1) *An act that may be prosecuted as a felony sex offense.*

9 (2) *An act of childhood sexual abuse, as defined in Section*
10 *340.1.*

11 (3) *An act of sexual exploitation of a minor, as defined in Section*
12 *11165.1 of the Penal Code.*

13 (b) Subdivision (a) does not preclude an agreement preventing
14 ~~the defendant or any person acting on his or her behalf from~~
15 ~~disclosing~~ *disclosure* of any medical information or personal
16 identifying information, as defined in subdivision (b) of Section
17 ~~530.5~~ 530.55 of the Penal Code, regarding the victim of the ~~felony~~
18 ~~sex offense listed in subdivision (a)~~ or of any information revealing
19 the nature of the relationship between the victim and the defendant.
20 This subdivision shall not be construed to limit the right of a crime
21 victim to disclose this information.

22 ~~(e) Subdivision (a) does not apply to or affect the ability of the~~
23 ~~parties to enter into a settlement agreement or stipulated agreement~~
24 ~~that requires the nondisclosure of the amount of any money paid~~
25 ~~in a settlement of a claim.~~

26 (c) *An agreement described in subdivision (a) that is entered*
27 *into on or after January 1, 2017, is void as a matter of law and*
28 *against public policy. An attorney who demands a confidential*
29 *settlement agreement described in subdivision (a) as a condition*
30 *of settlement or who advises a client to sign such an agreement*
31 *shall be subject to professional discipline and the State Bar of*

- 1 *California shall investigate and take appropriate action in any*
- 2 *such case brought to its attention.*

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