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AB-1821 Contracts. (2019-2020)





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Assembly Bill No. 1821

CHAPTER 116

An act to add Section 1459.5 to the Civil Code, relating to contracts.

[Approved by Governor July 12, 2019. Filed with Secretary of State July 12, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1821, Committee on Judiciary. Contracts.

Existing law regulates contracts and authorizes a non-negotiable written contract for the payment of money or personal property to be transferred by indorsement, in like manner with negotiable instruments. Under existing law, indorsement transferred all the rights of the assignor under the instrument to the assignee, subject to all equities and defenses existing in favor of the maker at the time of the indorsement.

This bill would provide that a plaintiff who prevails on a cause of action against a defendant named pursuant to specified federal regulations relating to the preservation of consumers' contract claims and defenses, or pursuant to the contractual language required by those regulations, may claim attorney's fees, costs, and expenses from that defendant to the fullest extent permissible if the plaintiff had prevailed on that cause of action against the seller.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1459.5 is added to the Civil Code, to read:

1459.5. A plaintiff who prevails on a cause of action against a defendant named pursuant to Title 16, Part 433 of the Code of Federal Regulations or any successor thereto, or pursuant to the contractual language required by that part or any successor thereto, may claim attorney's fees, costs, and expenses from that defendant to the fullest extent permissible if the plaintiff had prevailed on that cause of action against the seller.