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SB-37 Attorneys: unlawful solicitations and advertisements. (2025-2026)

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Senate Bill No. 37

CHAPTER 645

An act to amend Sections 6153, 6155, 6157, 6157.2, 6158.4, 6158.5, and 6158.7 of, and to add Section 6156.5 to, the Business and Professions Code, relating to attorneys.

[Approved by Governor October 11, 2025. Filed with Secretary of State October 11, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

SB 37, Umberg. Attorneys: unlawful solicitations and advertisements.

(1) Existing law makes it unlawful for any person, firm, corporation, partnership, or association to act as a runner or capper for any attorneys or to solicit any business for any attorneys in and about certain locations, including prisons, jails, and county hospitals, or in any public place or upon private property, as specified. Existing law also makes it unlawful for a person to solicit another person to commit or join in the commission of a violation of that provision. Existing law defines "runner or capper" for these provisions to mean a person, firm, association, or corporation acting for consideration in any manner or in any capacity as an agent for an attorney or law firm in the solicitation or procurement of business for the attorney or law firm, as provided. Existing law prescribes a schedule of punishments for violating these provisions, including imprisonment and fines, as specified.

Existing law also prohibits an individual, partnership, corporation, association, or any other nongovernmental entity from operating for the direct or indirect purpose of referring potential clients to attorneys, and prohibits an attorney from accepting a referral of those potential clients, unless certain requirements are met. Existing law additionally prohibits a referral service from being owned or operated by those lawyers to whom more than 20% of referrals are made. Existing law makes an individual, partnership, association, corporation, or other entity that engages, has engaged, or proposes to engage in violations of these provisions liable for a civil penalty, as provided.

This bill would additionally authorize any person to bring a civil action for a violation of these provisions for statutory damages, as provided, attorney's fees, injunctive relief, and any other relief the court deems proper. The bill would require the court, in assessing the amount of statutory damages, to consider all relevant circumstances presented by the case, including the nature and seriousness of the misconduct and the defendant's assets, liabilities, and net worth.

(2) Existing law imposes various requirements on the ownership of a lawyer referral service. Existing law provides that certain provisions relating to these lawyer referral services requirements shall not be construed to prohibit attorneys from jointly advertising their services. Existing law states that permissible joint advertising, among other things, identifies by name the advertising attorneys or law firms whom the consumer of legal services may select and initiate contact with.

This bill would also provide that permissible joint advertising requires that each participating attorney or law firm execute a joint advertising agreement with the entity managing the joint advertising agreement with the entity managing the joint advertising services, under which the attorney or law firm expressly takes liability for the content of the advertising.

(3) Existing law prohibits an advertisement, as defined, made by an attorney or law firm from making various prohibited statements and requires the advertisement to include certain disclosures, as specified. Existing law defines “advertise” and “advertisement” for these provisions to mean any communication, as specified, that solicits employment of legal services provided by an attorney, agent of an attorney, or law firm, and is directed to the general public and is paid for by, or on the behalf of, an attorney.

This bill would revise those definitions and would define “advertisement” for purposes of those provisions to mean any communication, through any written, recorded, or electronic means, whether available to or directed generally to members of the public or to a limited group of individuals, that provides information concerning a lawyer or the lawyer’s services for the purpose of encouraging individuals to secure the services of the lawyer or a law firm. The bill would define “advertise” for purposes of those provisions to mean to engage in any communication constituting an advertisement.

(4) Existing law prohibits a legal advertisement from containing or referring to specified statements or representations, including prohibiting an advertisement from containing a guarantee or warranty regarding the outcome of a legal matter as a result of representation by an attorney, attorney’s agent, or law firm.

This bill would additionally prohibit an advertisement from containing misleading, deceptive, or false statements, words, or phrases regarding a lawyer’s or a law firm’s skills, experience, or record, and would also prohibit an advertisement from containing references to a lawyer’s or a law firm’s recognition by, or awards from, an organization, unless the recognition or award is not conferred by virtue of being a member of the organization and the organization does not charge or solicit a fee, cost, or payment for the recognition or award. The bill would also require a legal advertisement to contain specified information conspicuously displayed, or intelligible, if spoken, including disclosure of the city, town, or county of at least one bona fide office location or the address of record listed with the State Bar of California (State Bar) for the lawyer or law firm, as specified.

(5) Existing law authorizes a person claiming a violation of specified provisions of law governing false, misleading, or deceptive legal advertising to file a complaint with the State Bar and requires a copy of the complaint to be served simultaneously upon the advertiser. Existing law provides a process whereby an advertiser may voluntarily withdraw the advertisement, within specified timelines, before or after the State Bar makes a determination of whether substantial evidence of a violation exists. Existing law provides that the State Bar review procedure applies only to licensees and certified referral services. Under existing law, if the State Bar determines that substantial evidence of a violation exists and the licensee or certified lawyer referral service who broadcasts the advertisement fails to withdraw the advertisement within 72 hours, a civil enforcement action may be commenced for an amount up to \$5,000 for each individual broadcast.

This bill would require a copy of the complaint to be personally served simultaneously upon the advertiser. The bill would limit the 72-hour deadline to withdraw an advertisement to an electronic broadcast, and for any other medium would require notice of withdrawal to be submitted to the State Bar within 72 hours and withdrawal to occur as soon as practicable, not to exceed 30 days. The bill would extend the application of the State Bar review procedure to individuals or entities that participate in joint legal advertising arrangements in compliance with specified provisions. The bill would authorize a consumer who was misled by an advertisement in violation of the bill’s provisions to bring a civil action for specified damages and relief if the consumer first files a complaint with the State Bar under the above-described process, the State Bar determines that substantial evidence of a violation exists, and the advertiser does not withdraw the advertisement, or the advertiser withdraws the advertisement, but then subsequently rebroadcasts the advertisement, as provided. The bill would authorize a civil action under these circumstances for the damages described above, or for statutory damages, as provided, attorney’s fees, injunctive relief, and any other relief the court deems proper, as provided.

(6) Existing law prohibits, in advertising by electronic media for compliance with certain provisions, a message from being false, misleading, or deceptive, and requires the message as a whole to be factually substantiated. Existing law provides that a violation of this prohibition and requirement, among other provisions, is cause for discipline by the State Bar, as specified.

This bill would expand the types of violations that would be a cause for licensee discipline, including, but not limited to, the provision prohibiting an advertisement from containing any false, misleading, or deceptive statement, or from omitting any fact necessary to make the statements made, in light of circumstances under which they are made, not false, misleading, or deceptive.

(7) Existing law excludes media in which advertising is displayed and advertising agencies that prepare advertising content from specified provisions regulating legal advertisement content.

This bill would also exclude broadcasters that disseminate advertisements from the provisions regulating legal advertisement content.

(8) This bill would make conforming changes.

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

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

SECTION 1. Section 6153 of the Business and Professions Code is amended to read:

6153. (a) A person, firm, partnership, association, or corporation violating subdivision (a) of Section 6152 is punishable, upon a first conviction, by imprisonment in a county jail for not more than one year or by a fine not exceeding fifteen thousand dollars (\$15,000), or by both that imprisonment and fine. Upon a second or subsequent conviction, a person, firm, partnership, association, or corporation is punishable by imprisonment in a county jail for not more than one year, or by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for two, three, or four years, or by a fine not exceeding fifteen thousand dollars (\$15,000), or by both that imprisonment and fine.

(b) A person employed either as an officer, director, trustee, clerk, servant or agent of this state or of any county or other municipal corporation or subdivision thereof, who is found guilty of violating any of the provisions of this article, shall forfeit the right to their office and employment in addition to any other penalty provided in this article.

(c) Any person may bring a civil action for a violation of subdivision (a) of Section 6152 for the following remedies:

(1) Statutory damages of a minimum of five thousand dollars (\$5,000) up to a maximum of one hundred thousand dollars (\$100,000) per violation, or three times the amount of actual damages, whichever is larger. The amount of statutory damages in this subdivision shall be determined pursuant to subdivision (d).

(2) Attorney's fees.

(3) Injunctive or declaratory relief.

(4) Any other relief the court deems proper.

(d) In assessing the amount of statutory damages, the court shall consider any one or more of the relevant circumstances presented by the case, including, but not limited to, the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(e) The right of action under this section exists independently of any enforcement action or inaction by any governmental agency or official.

SEC. 2. Section 6155 of the Business and Professions Code is amended to read:

6155. (a) An individual, partnership, corporation, association, or any other nongovernmental entity shall not operate for the direct or indirect purpose, in whole or in part, of referring potential clients to attorneys, and no attorney shall accept a referral of such potential clients, unless all of the following requirements are met:

(1) The service is certified by the State Bar of California and is operated in conformity with minimum standards for a lawyer referral service established by the State Bar and approved by the Supreme Court.

(2) The combined charges to the potential client by the referral service and the attorney to whom the potential client is referred do not exceed the total cost that the client would normally pay if no referral service were involved.

(b) A referral service shall not be owned or operated, in whole or in part, directly or indirectly, by those lawyers to whom, individually or collectively, more than 20 percent of referrals are made. For purposes of this subdivision, a referral service that is owned or operated by a bar association, as defined in the minimum standards, shall be deemed to be owned or operated by its governing committee so long as the governing committee is constituted and functions in the manner prescribed by the minimum standards.

(c) None of the following is a lawyer referral service:

(1) A plan of legal insurance as defined in Section 119.6 of the Insurance Code.

(2) A group or prepaid legal plan, whether operated by a union, trust, mutual benefit or aid association, public or private corporation, or other entity or person, which meets both of the following conditions:

(A) It recommends, furnishes, or pays for legal services to its members or beneficiaries.

(B) It provides telephone advice or personal consultation.

(3) A program having as its purpose the referral of clients to attorneys for representation on a pro bono basis.

(4) A nonprofit organization that partners with a referral service as provided in this article.

(d) The following are in the public interest and do not constitute an unlawful restraint of trade or commerce:

(1) An agreement between a referral service and a participating attorney to eliminate or restrict the attorney's fee for an initial office consultation for each potential client or to provide free or reduced fee services.

(2) Requirements by a referral service that attorneys meet reasonable participation requirements, including experience, education, and training requirements.

(3) Provisions of the minimum standards as approved by the Supreme Court.

(4) Requirements that the application and renewal fees for certification as a lawyer referral service be determined, in whole or in part, by a consideration of any combination of the following factors: a referral service's gross annual revenues, number of panels, number of panel members, amount of fees charged to panel members, or for-profit or nonprofit status; provided that the application and renewal fees are reasonable and necessary to cover the cost of the program and established by the State Bar through the rulemaking process.

(5) Requirements that, to increase access to the justice system for all Californians, lawyer referral services establish separate ongoing activities or arrangements that serve persons of limited means.

(6) Partnerships or agreements between a referral service and a participant's nonprofit organization to refer potential clients for assistance.

(e) With the approval of the Supreme Court, the State Bar shall formulate and enforce rules and regulations for carrying out this section, including rules and regulations which do the following:

(1) Establish minimum standards for lawyer referral services.

(2) Require that an entity seeking to qualify as a lawyer referral service register with the State Bar and obtain certification from the State Bar.

(3) Require that the certificate may be obtained, maintained, suspended, or revoked pursuant to procedures set forth in the rules and regulations.

(4) Require the lawyer referral service to pay an application and renewal fee for the certificate in such reasonable amounts as may be determined by the State Bar. The State Bar shall adopt rules authorizing the waiver or reduction of the fees upon a demonstration of financial necessity. The State Bar may require that the application and renewal fees for certification as a lawyer referral service be determined, in whole or in part, by a consideration of any combination of the following factors: a referral service's gross annual revenues, number of panels, number of panel members, amount of fees charged to panel members, or for-profit or nonprofit status.

(5) Require that, to increase access to the justice system for all Californians, lawyer referral services establish separate ongoing activities or arrangements that serve persons of limited means.

(6) Require each lawyer who is a member of a certified lawyer referral service to comply with all applicable professional standards, rules, and regulations, and to possess a policy of errors and omissions insurance in an amount not less than one hundred thousand dollars (\$100,000) for each occurrence and three hundred thousand dollars (\$300,000) aggregate, per year. By rule, the State Bar may provide for alternative proof of financial responsibility to meet this requirement.

(7) Establish minimum standards for nonprofit organizations that partner with lawyer referral services.

(f) Provide that cause for denial of certification or recertification or revocation of certification of a lawyer referral service shall include, but not be limited to:

(1) Noncompliance with the statutes or minimum standards governing lawyer referral services as adopted and from time to time amended.

(2) Sharing common or cross ownership, interests, or operations with any entity which engages in referrals to licensed or unlicensed health care providers.

(3) Direct or indirect consideration regarding referrals between an owner, operator, or member of a lawyer referral service and any licensed or unlicensed health care provider.

(4) Advertising on behalf of attorneys in violation of the Rules of Professional Conduct or the Business and Professions Code.

(g) This section shall not be construed to prohibit attorneys from jointly advertising their services.

(1) Permissible joint advertising, among other things, satisfies both of the following:

(A) The advertisement identifies by name the advertising attorneys or law firms whom the consumer of legal services may select and initiate contact with.

(B) Each participating attorney or law firm shall have executed a joint advertising agreement with the entity managing the joint advertising agreement with the entity managing the joint advertising services, under which the attorney or law firm expressly takes liability for the content of the advertising.

(2) Certifiable referral activity involves, among other things, some person or entity other than the consumer and advertising attorney or law firms which, in person, electronically, or otherwise, refers the consumer to an attorney or law firm not identified in the advertising.

(h) A lawyer referral service certified under this section and operating in full compliance with this section, and in full compliance with the minimum standards and the rules and regulations of the State Bar governing lawyer referral services, shall not be deemed to be in violation of Section 3215 of the Labor Code or Section 750 of the Insurance Code.

(i) The payment by an attorney or law firm member of a certified referral service of the normal fees of that service shall not be deemed to be in violation of Section 3215 of the Labor Code or Section 750 of the Insurance Code, provided that the attorney or law firm member is in full compliance with the minimum standards and the rules and regulations of the State Bar governing lawyer referral services.

(j) Certifications of lawyer referral services issued by the State Bar shall not be transferable.

SEC. 3. Section 6156.5 is added to the Business and Professions Code, to read:

6156.5. (a) Any person may bring a civil action for a violation of Section 6155 for the following remedies:

(1) Statutory damages of a minimum of five thousand dollars (\$5,000) up to a maximum of one hundred thousand dollars (\$100,000) per violation or three times the amount of actual damages, whichever is larger. The amount of statutory damages in this subdivision shall be determined pursuant to subdivision (b).

(2) Attorney's fees.

(3) Injunctive or declaratory relief.

(4) Any other relief the court deems proper.

(b) In assessing the amount of statutory damages, the court shall consider any one or more of the relevant circumstances presented by the case, including, but not limited to, the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(c) The right of action under this section exists independently of any enforcement action or inaction by any governmental agency or official.

(d) This section shall not be construed to prohibit attorneys from jointly advertising their services in compliance with subdivision (g) of Section 6155.

SEC. 4. Section 6157 of the Business and Professions Code is amended to read:

6157. As used in this article, the following definitions apply:

(a) "Advertise" means to engage in any communication constituting an advertisement.

(b) "Advertisement" means any communication, through any written, recorded, or electronic means, whether available to, or directed generally to, members of the public or to a limited group of individuals, that provides information concerning a lawyer or the lawyer's services for the purpose of encouraging individuals to secure the services of the lawyer or their law firm.

(c) "Electronic medium" means television, radio, or computer networks.

(d) "Lawyer" means a licensee of the State Bar of California or a person who is admitted in good standing and eligible to practice before the bar of any United States court or the highest court of the District of Columbia or any state, territory, or insular possession of the United States, or is licensed to practice law in, or is admitted in good standing and eligible to practice before

the bar of the highest court of, a foreign country or any political subdivision thereof, and includes any agent of the lawyer, law firm, or law corporation doing business in the state.

(e) "Licensee" means a licensee in good standing of the State Bar and includes any agent of the licensee and any law firm or law corporation doing business in the State of California.

SEC. 5. Section 6157.2 of the Business and Professions Code is amended to read:

6157.2. (a) An advertisement shall not contain or refer to any of the following:

- (1) A guarantee or warranty of success regarding the outcome of a legal matter as a result of representation by the licensee.
- (2) Statements or symbols stating that the licensee featured in the advertisement can generally obtain immediate cash or quick settlements.
- (3) (A) An impersonation of the name, voice, photograph, or electronic image of any person other than the lawyer, directly or implicitly purporting to be that of a lawyer.

(B) An impersonation of the name, voice, photograph, or electronic image of any person, directly or implicitly purporting to be a client of the licensee featured in the advertisement, or a dramatization of events, unless disclosure of the impersonation or dramatization is made in the advertisement.

(C) A spokesperson, including a celebrity spokesperson, unless there is disclosure of the spokesperson's title.
- (4) A statement that a licensee offers representation on a contingent basis unless the statement also advises whether a client will be held responsible for any costs advanced by the licensee when no recovery is obtained on behalf of the client. If the client will not be held responsible for costs, no disclosure is required.
- (5) Misleading, deceptive, or false statements, words, or phrases regarding a lawyer's or law firm's skills, experience, or record.
- (6) References to a lawyer's or a law firm's recognition by, or awards from, an organization, unless both of the following requirements are met:
 - (A) The recognition or award is not conferred by virtue of being a member of the organization.
 - (B) The organization does not charge or solicit a fee, cost, or payment for the recognition or award.

(b) An advertisement subject to this chapter shall contain the following information conspicuously displayed, or intelligible, if spoken:

- (1) The name of at least one lawyer licensed to practice law in California, the law firm, the certified lawyer referral service responsible for the advertisement, or the joint advertiser responsible for the advertisement together with the name of each lawyer or law firm participating in the joint advertisement, as required by subdivision (g) of Section 6155.
- (2) Disclosure of the city, town, or county of at least one bona fide office location or the address of record listed with the State Bar for the lawyer or law firm.
- (3) A joint advertisement disseminated by a joint advertiser acting in compliance with subdivision (g) of Section 6155 via a platform or medium that imposes character, display, or time limitations shall be deemed compliant with the disclosure requirement of this subdivision if it contains the name of the joint advertiser responsible for the advertisement and provides a clear and prominent link or direction to a landing page or equivalent resource that includes all disclosures required by this subdivision.

(c) (1) A consumer who was misled by an advertisement in violation of this section may bring a civil action for the remedies provided in paragraph (2) if all of the following requirements are met:

- (A) The consumer files a complaint under subdivision (a) of Section 6158.4.
- (B) The State Bar determines that substantial evidence of a violation exists pursuant to the process set forth in Section 6158.4.
- (C) The advertiser does not withdraw the advertisement as provided in subdivision (a) or (b) of Section 6158.4, or the advertiser withdraws an advertisement upon a State Bar determination that substantial evidence of a violation exists and subsequently rebroadcasts the same advertisement without a finding by the trier of fact in a civil action that the advertisement does not violate this section.

(2) A consumer who satisfies the requirements of paragraph (1) may bring a civil action for the following remedies:

(A) Statutory damages of a minimum of five thousand dollars (\$5,000) up to a maximum of one hundred thousand dollars (\$100,000) per each unique advertisement or three times the amount of actual damages, whichever is larger. The amount of statutory damages in this subdivision may be determined pursuant to subdivision (d).

(B) Attorney's fees.

(C) Injunctive or declaratory relief.

(D) Any other relief the court deems proper.

(d) In assessing the amount of statutory damages, the court may consider any one or more of the relevant circumstances presented by the case, including, but not limited to, the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(e) The right of action under this section exists independently of any enforcement action or inaction by any governmental agency or official.

(f) This section does not restrict any other right available under existing law or otherwise available to a citizen seeking redress for false, misleading, or deceptive advertisements.

SEC. 6. Section 6158.4 of the Business and Professions Code is amended to read:

6158.4. (a) Any person claiming a violation of Section 6157.2, 6158, 6158.1, or 6158.3 may file a complaint with the State Bar that states the name of the advertiser, a description of the advertisement claimed to violate these sections, and that specifically identifies the alleged violation. A copy of the complaint shall be personally served simultaneously upon the advertiser. The advertiser shall have nine days from the date of personal service of the complaint to voluntarily withdraw from broadcast the advertisement that is the subject of the complaint. If the advertiser elects to withdraw the advertisement, the advertiser shall notify the State Bar and the complainant of that fact in writing, and no further action may be taken by the complainant, including, but not limited to, seeking remedies pursuant to subdivision (c) of Section 6157.2. The advertiser shall provide a copy of the complained of advertisement to the State Bar for review within seven days of service of the complaint. Within 21 days of the delivery of the complained of advertisement, the State Bar shall determine whether substantial evidence of a violation of these sections exists. The review shall be conducted by a State Bar attorney who has expertise in the area of lawyer advertising.

(b) (1) Upon a State Bar determination that substantial evidence of a violation exists, if the licensee or certified lawyer referral service withdraws that advertisement from electronic media within 72 hours, no further action may be taken by the complainant. For any other medium, notice of withdrawal shall be submitted to the State Bar within 72 hours and withdrawal shall occur as soon as practicable but not to exceed 30 days.

(2) Upon a State Bar determination that substantial evidence of a violation exists, if the licensee or certified lawyer referral service fails to withdraw the advertisement as provided in paragraph (1), a civil enforcement action brought pursuant to subdivision (e) for a violation of Section 6157.2, 6158, 6158.1, or 6158.3, or brought pursuant to subdivision (c) of Section 6157.2 for a violation of Section 6157.2, may be commenced within one year of the State Bar decision. If the licensee or certified lawyer referral service withdraws an advertisement upon a State Bar determination that substantial evidence of a violation exists and subsequently rebroadcasts the same advertisement without a finding by the trier of fact in an action brought pursuant to subdivision (c) or (e), or pursuant to subdivision (c) of Section 6157.2, that the advertisement does not violate Section 6157.2, 6158, 6158.1, or 6158.3, a civil enforcement action may be commenced within one year of the rebroadcast.

(3) Upon a determination that substantial evidence of a violation does not exist, the complainant is barred from bringing a civil enforcement action pursuant to subdivision (e) of this section or subdivision (c) of Section 6157.2, but may bring an action for declaratory relief pursuant to subdivision (c).

(c) Any licensee or certified lawyer referral service who was the subject of a complaint and any complainant affected by the decision of the State Bar may bring an action for declaratory relief in the superior court to obtain a judicial declaration of whether Section 6158, 6158.1, or 6158.3 has been violated, and, if applicable, may also request injunctive relief. Any defense otherwise available at law may be raised for the first time in the declaratory relief action, including any constitutional challenge. Any civil enforcement action filed pursuant to subdivision (e) shall be stayed pending the resolution of the declaratory relief action. The action shall be defended by the real party in interest. The State Bar shall not be considered a party to the action unless it elects to intervene in the action.

(1) Upon a State Bar determination that substantial evidence of a violation exists, if the complainant or the licensee or certified lawyer referral service brings an action for declaratory relief to obtain a judicial declaration of whether the advertisement violates Section 6158, 6158.1, or 6158.3, and the court declares that the advertisement violates one or more of the sections, a civil enforcement action pursuant to subdivision (e) may be filed or maintained if the licensee or certified lawyer referral service

failed to withdraw the advertisement within 72 hours of the State Bar determination. The decision of the court that an advertisement violates Section 6158, 6158.1, or 6158.3 shall be binding on the issue of whether the advertisement is unlawful in any pending or prospective civil enforcement action brought pursuant to subdivision (e) if that binding effect is supported by the doctrine of collateral estoppel or res judicata.

If, in that declaratory relief action, the court declares that the advertisement does not violate Section 6158, 6158.1, or 6158.3, the licensee or lawyer referral service may broadcast the advertisement. The decision of the court that an advertisement does not violate Section 6158, 6158.1, or 6158.3 shall bar any pending or prospective civil enforcement action brought pursuant to subdivision (e) if that prohibitive effect is supported by the doctrine of collateral estoppel or res judicata.

(2) If, following a State Bar determination that does not find substantial evidence that an advertisement violates Section 6158, 6158.1, or 6158.3, the complainant or the licensee or certified lawyer referral service brings an action for declaratory relief to obtain a judicial declaration of whether the advertisement violates Section 6158, 6158.1, or 6158.3, and the court declares that the advertisement violates one or more of the sections, a civil enforcement action pursuant to subdivision (e) may be filed or maintained if the licensee or certified lawyer referral service broadcasts the same advertisement following the decision in the declaratory relief action. The decision of the court that an advertisement violates Section 6158, 6158.1, or 6158.3 shall be binding on the issue of whether the advertisement is unlawful in any pending or prospective civil enforcement action brought pursuant to subdivision (e) if that binding effect is supported by the doctrine of collateral estoppel or res judicata.

If, in that declaratory relief action, the court declares that the advertisement does not violate Section 6158, 6158.1, or 6158.3, the licensee or lawyer referral service may continue broadcast of the advertisement. The decision of the court that an advertisement does not violate Section 6158, 6158.1, or 6158.3 shall bar any pending or prospective civil enforcement action brought pursuant to subdivision (e) if that prohibitive effect is supported by the doctrine of collateral estoppel or res judicata.

(d) The State Bar review procedure shall apply only to licensees, certified referral services, and individuals or entities who participate in joint legal advertising arrangements in compliance with subdivision (g) of Section 6155. A direct civil enforcement action for a violation of Section 6158, 6158.1, or 6158.3 may be maintained against any other advertiser after first giving 14 days' notice to the advertiser of the alleged violation. If the advertiser does not withdraw from broadcast the advertisement that is the subject of the notice within 14 days of service of the notice, a civil enforcement action pursuant to subdivision (e) may be commenced. The civil enforcement action shall be commenced within one year of the date of the last publication or broadcast of the advertisement that is the subject of the action.

(e) Subject to Section 6158.5, a violation of Section 6157.2, 6158, 6158.1, or 6158.3 shall be cause for a civil enforcement action brought by any person residing within the State of California for an amount up to five thousand dollars (\$5,000) for each individual broadcast that violates Section 6157.2, 6158, 6158.1, or 6158.3. Venue shall be in a county where the advertisement was broadcast.

(f) In any civil action brought pursuant to this section, the matter shall be determined according to the law and procedure relating to the trial of civil actions, including trial by jury, if demanded.

(g) The decision of the State Bar pursuant to subdivision (a) shall be admissible in the civil enforcement action brought pursuant to subdivision (e). However, the State Bar shall not be a party or a witness in either a declaratory relief proceeding brought pursuant to subdivision (c) or the civil enforcement action brought pursuant to subdivision (e). Additionally, no direct action may be filed against the State Bar challenging the State Bar's decision pursuant to subdivision (a).

(h) Amounts recovered pursuant to this section shall be paid into the Client Security Fund maintained by the State Bar.

(i) In any civil action brought pursuant to this section, the court shall award attorney's fees pursuant to Section 1021.5 of the Code of Civil Procedure if the court finds that the action has resulted in the enforcement of an important public interest or that a significant benefit has been conferred on the public.

(j) The State Bar shall maintain records of all complainants and complaints filed pursuant to subdivision (a) for a period of seven years. If a complainant files five or more unfounded complaints within seven years, the complainant shall be considered a vexatious litigant for purposes of this section. The State Bar shall require any person deemed a vexatious litigant to post security in the minimum amount of twenty-five thousand dollars (\$25,000) prior to considering any complaint filed by that person and shall refrain from taking any action until the security is posted. In any civil action arising from this section brought by a person deemed a vexatious litigant, the defendant may advise the court and trier of fact that the plaintiff is deemed to be a vexatious litigant under the provisions of this section and disclose the basis for this determination.

(k) Nothing in this section shall restrict any other right available under existing law or otherwise available to a citizen seeking redress for false, misleading, or deceptive advertisements.

SEC. 7. Section 6158.5 of the Business and Professions Code is amended to read:

6158.5. (a) This article applies to all lawyers, licensees, law partnerships, law corporations, entities subject to regulation under Section 6155, advertising collectives, cooperatives, or other individuals, including nonlawyers, or groups advertising the availability of legal services.

(b) Subdivisions (a) to (k), inclusive, of Section 6158.4 do not apply to qualified legal services projects as defined in Article 14 (commencing with Section 6210) and nonprofit lawyer referral services certified under Section 6155.

(c) Sections 6157 to 6158.5, inclusive, do not apply to the media in which the advertising is displayed or to an advertising agency that prepares the contents of an advertisement and is not directly involved in the formation or operation of lawyer advertising collectives or cooperatives, referral services, or other groups existing primarily for the purpose of advertising the availability of legal services or making referrals to attorneys.

(d) This article does not apply to broadcasters that disseminate the advertisements subject to this article.

SEC. 8. Section 6158.7 of the Business and Professions Code is amended to read:

6158.7. A violation of Section 6157.1, subdivision (a) or (b) of Section 6157.2, or Section 6157.3, 6158, 6158.1, or 6158.3 by a licensee shall be cause for discipline by the State Bar. In addition to the existing grounds for initiating a disciplinary proceeding set forth in a statute or in the Rules of Professional Conduct, the State Bar may commence an investigation based upon a complaint filed by a person pursuant to Section 6158.4. The State Bar's decision pursuant to subdivision (a) of Section 6158.4 shall be admissible, but shall not be determinative, in any disciplinary proceeding brought as a result of that complaint.