

Date of Hearing: January 13, 2026

ASSEMBLY COMMITTEE ON JUDICIARY

Ash Kalra, Chair

AB 826 (Jeff Gonzalez) – As Amended January 5, 2026

**SUBJECT:** DECEPTIVE PRACTICES: SERVICE MEMBERS AND VETERANS

**KEY ISSUE:** SHOULD EXISTING NOTICE REQUIREMENTS UNDER THE CONSUMER LEGAL REMEDIES ACT RELATED TO VETERANS BENEFITS SERVICES BE EXPANDED TO REQUIRE NOTICE BE GIVEN WHEN ADVERTISING OR PROMOTING ANY SERVICE REGARDING VETERANS' BENEFITS OR ENTITLEMENTS?

**SYNOPSIS**

*Existing federal law generally prohibits anyone from acting as an agent or attorney in the preparation, presentation, or prosecution of any claim under the laws administered by the U.S. Department of Veterans Affairs (VA), unless they have been recognized for that purpose by the VA Secretary. The law recognizes the authority of some organizations for this purpose, including the Veterans of Foreign Wars (VFW), the American Legion, and the American Red Cross. Unfortunately, veterans seeking assistance in the filing or processing of their benefits applications or other relevant processes are often susceptible to exploitation. Many are not aware of existing legal limitations as to who can represent them in formal proceedings, and what they are authorized to charge.*

*Under existing California law, the Consumer Legal Remedies Act (CLRA) makes “[a]dvertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans’ benefits or entitlements” that does not include a specified notice to the veteran a prohibited act under the CLRA. The CLRA likewise requires notice be given when advertising or promoting any service regarding benefits that is not sponsored by relevant agencies such as the VA. In both cases the notice offers potential participants information regarding the provider’s legal limitations related to representing the veteran before the VA. In order to help protect veterans against exploitation, this bill proposes to extend the requirement that these notices be provided whenever a business or entity advertises or promotes any service related to veterans’ benefits.*

*This author-sponsored measure is supported by the California Association of County Veterans Service Officers. While some business advocates opposed a previous version of this bill, no opposition to the current version of the bill has been filed with the Committee.*

**SUMMARY:** Expands existing notice requirements under the Consumer Legal Remedies Act (CLRA) relating to advertising and promoting services regarding veterans benefits to apply to any service that may be advertised or promoted. Specifically, **this bill:**

- 1) Makes advertising or promoting any service regarding veterans’ benefits or entitlements without the specified notice an unfair or deceptive practice and unlawful under the Consumer Legal Remedies Act.
- 2) Makes advertising or promoting any service regarding veterans’ benefits or entitlements that is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the

California Department of Veterans Affairs, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries, without the specified notice an unfair or deceptive practice and unlawful under the Consumer Legal Remedies Act.

**EXISTING LAW:**

- 1) Prohibits, under federal law, any individual from acting as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the VA unless such individual has been recognized for such purposes by the Secretary of the VA (Secretary), except as provided. (38 U.S.C. Section 5901.)
- 2) Authorizes, in federal law, the Secretary to recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve, in the preparation, presentation, and prosecution of benefits claims. Prohibits any fees from being charged in connection with services rendered. (38 U.S.C. Section 5902.)
- 3) Authorizes, in federal law, the Secretary to recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Secretary and provides that the Secretary shall promulgate regulations laying out the necessary qualifications and standards of conduct. (38 U.S.C. Section 5904.)
- 4) Provides that attendant federal regulations lay out the accreditation process, continuing legal education requirements, and parameters on reasonable fees. (38 C.F.R. Section 14.626 *et seq.*)
- 5) Prohibits, under federal law, a fee from being charged, allowed, or paid for services of agents and attorneys with respect to services provided before the date on which a claimant is provided notice of the agency of original jurisdiction's initial decision. (38 U.S.C. Section 5904.)
- 6) Establishes the Consumer Legal Remedies Act (CLRA), which prohibits unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer. (Civil Code Section 1750 *et seq.*)
- 7) Designates specified practices as unfair methods of competition and unfair or deceptive acts or practices, including advertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements that does not include the specified statement. (Civil Code Section 1770(a)(25).)
- 8) Provides that any consumer who suffers any damage as a result of the use or employment by any person of a method, act, or practice declared to be unlawful by Section 1770 of the Civil Code may bring an action against that person to recover or obtain any of the following:
  - a) Actual damages, but in no case shall the total award of damages in a class action be less than \$1,000;

- b) An order enjoining the methods, acts, or practices;
  - c) Restitution of property;
  - d) Punitive damages;
  - e) Court costs and attorney's fees to a prevailing plaintiff. However, reasonable attorney's fees may be awarded to a prevailing defendant upon a finding by the court that the plaintiff's prosecution of the action was not in good faith; and
  - f) Any other relief that the court deems proper. (Civil Code Section 1780(a),(e).)
- 9) Establishes the Unfair Competition Law (UCL), which provides a statutory cause of action for any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, including over the internet. (Business & Professions Code Section 17200 *et seq.*)

**FISCAL EFFECT:** As currently in print this bill is keyed non-fiscal.

**COMMENTS:** Existing federal law generally prohibits anyone from acting as an agent or attorney in the preparation, presentation, or prosecution of any claim under the laws administered by the VA, unless they have been recognized for that purpose by the VA Secretary. The law recognizes the authority of some organizations for this purpose, including the VFW, the American Legion, and the American Red Cross. Each of these recognized organizations is restricted in the amount they can charge to provide these services. According to the VA website:

The VA accreditation program exists to ensure that Veterans and their family members receive appropriate representation on their VA benefits claims. VA accreditation is for the sole and limited purpose of preparing, presenting, and prosecuting claims before VA.

[...]

An individual generally must first be accredited by VA to assist a claimant in the preparation, presentation, and prosecution of a claim for VA benefits—even without charge. VA accredits three types of individuals for this purpose: - Representatives of VA-recognized veterans service organizations (VSO) - Attorneys (accredited in their individual capacity, not through a law firm) - Claims agents (accredited in their individual capacity, not through an organization). (U.S. Department of Veterans Affairs Office of General Counsel, *Accreditation, Discipline, and Fees Program: How to Apply for VA Accreditation* available at: <https://www.va.gov/OGC/docs/Accred/HowtoApplyforAccreditation.pdf>.)

The California Department of Veterans Affairs (CalVet) provides a network of County Veteran Service Offices and summarizes benefits they may provide.

Section 5901 of Title 38 of the United States Code states: “no individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Secretary unless such individual has been recognized for such purposes by the Secretary.” (38 U.S.C. Section 5901 (a).) Federal regulations governing the accreditation program specify that the purpose of the program is “the regulation of representatives, agents, attorneys, and other individuals is to ensure that claimants for Department of Veterans Affairs (VA) benefits have

responsible, qualified representation in the preparation, presentation, and prosecution of claims for veterans' benefits." (38 C.F.R. Section 14.626 *et seq.*) However, 2006 changes in the federal law removed criminal penalties for entities acting as an agent or attorney in the preparation of veterans' benefits claims without accreditation. Since then, the industry has grown significantly.

According to the author:

As a combat veteran, protecting veterans from predatory actions of bad actors is a top priority. By requiring proper notice to the veteran seeking assistance, AB 826 ensures that bad actor claim sharks cannot take advantage of our veterans. Increasing access to services is vitally important. While there are good actors that can help veterans with their claims, unfortunately, the current system has enabled bad actors to come in and scam those that they are claiming to help. I recognize the importance of options for veterans but I also recognize the need for action. AB 826 would create a new enforcement mechanism to stop the unfair and deceptive business practices that claim sharks have used to take advantage of our veterans.

***The Consumer Legal Remedies Act (CLRA).*** The Legislature has long considered consumer protection from deceptive or misleading advertisements to be a matter of high public importance. The Consumer Legal Remedies Act (CLRA) in Civil Code Section 1770 *et seq.* was enacted "to protect the statute's beneficiaries from deceptive and unfair business practices," and to provide aggrieved consumers with "strong remedial provisions for violations of the statute." (*Am. Online, Inc. v. Superior Court* (2001) 90 Cal.App.4th 1, 11.) Among other things, the CLRA prohibits merchants from representing that goods have "characteristics, ingredients, uses, benefits, or quantities which they do not have," or representing that goods "are of a particular standard, quality, or grade" when they are of another. (Civil Code Section 1750 *et seq.*) Consumers who are harmed by unlawful practices specified in the Act may recover damages and other remedies. CLRA's scope has expanded over time to include a range of unfair methods of competition and unfair or deceptive acts or practices.

Currently, Civil Code Section 1770(a)(25) makes "[a]dvertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements" that does not include a specified notice to the veteran a prohibited act under the CLRA. The required notice reads:

"I am not authorized to file an initial application for Veterans' Aid and Attendance benefits on your behalf, or to represent you before the Board of Veterans' Appeals within the United States Department of Veterans Affairs in any proceeding on any matter, including an application for those benefits. It would be illegal for me to accept a fee for preparing that application on your behalf."

In conformity with existing federal law, the Section does not apply to "a person licensed to act as an agent or attorney in proceedings before the Agency of Original Jurisdiction and the Board of Veterans' Appeals within the United States Department of Veterans Affairs when that person is offering those services at the advertised event."

Section 1770(a)(25) also requires providers to include a distinct notice for "[a]dvertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements that is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the California Department of Veterans Affairs, or any other

congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries[.]” In addition to acknowledging that the event is not sponsored by any of those agencies or actors, the notice also must include a statement that “[n]one of the insurance products promoted at this sales event are endorsed by those organizations, all of which offer free advice to veterans about how to qualify and apply for benefits.” Section 1770(a)(25) provides an exemption for events for which any of the relevant agencies have authorized the use of its name, symbol, or insignia to advertise or promote the event.

In an effort to combat exploitation of veterans seeking assistance to obtain services *this bill* expands the notice requirement beyond events and presentations to also apply in circumstances where an entity is advertising or promoting “any service” relating to veterans’ benefits or entitlements. The phrase “any service” appears intentionally ambiguous – it could presumably include those types of events already contemplated by the statute such as presentations, while also capturing others that may not have been previously considered. On one hand, such ambiguity is often a source of frustration for the implementation of new statutes – businesses that may already be functioning within the state may be unsure whether they are now subject to this new requirement. On the other hand, it could also be fairly straightforward in interpretation – a business that does not have federal accreditation could (and arguably should) err on the side of caution and provide the notice whenever it provides *any* type of service related to veterans’ benefits.

In essence, this bill would require more veterans who seek some form of assistance or service to access their benefits through a notoriously convoluted process to be notified that the business or individual who is assisting them may be limited in the services they can provide. In doing so, this bill may very well help protect veterans from falling prey to bad actors in the industry and promote good actors who seek to protect and aid the veteran population.

**ARGUMENTS IN SUPPORT:** This measure is supported by the California Association of County Veterans Service Officers. A number of veterans’ groups, including the Department of California American Legion, California State Commanders Veterans Council, the Peace Officers Research Association of California (PORAC), and the Vietnam Veterans of California, California State Council, supported a previous version of this measure, however they have not provided any updated position. In support of the current bill, the California Association of County Veterans Service Officers submits:

AB 826 would ensure there is no misrepresentation to our veteran community when working with a veterans, no matter what the service being offered by that entity. There have been instances where an entity helping a veteran does not provide the full understanding of what is being provided to the veteran and many veterans have been taken advantage of and have been led into fraudulent contracts for services.

Often veterans do not know they could be entering into a contract for a specified service and may not know these entities are operating outside the law. Full disclosure is consumer protection and a protection for our veterans in California. This will ensure making a fully informed choice when entering in a contract for services.

**ARGUMENTS IN OPPOSITION:** A previous version of this bill, which aimed to prevent any business from providing services absent the requisite accreditation, received significant opposition from business advocates, including Veterans Guardian VA Claim Consulting LLC

and Veterans Benefits Guide. The opponents claimed that the prior version would “prohibit California Veterans seeking assistance from hiring companies like VBG that use ethical and transparent business practices.” As this new version is, essentially, a transparency bill, and thus it seems this concern may have been addressed.

**REGISTERED SUPPORT / OPPOSITION:****Support**

California Association of County Veterans Service Officers

**Opposition**

None to the current version of the bill on file

**Analysis Prepared by:** Manuela Boucher-de la Cadena / JUD. / (916) 319-2334