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THIRD READING

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Bill No: SB 932  
Author: Hurtado (D)  
Amended: 3/16/26  
Vote: 21

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SENATE JUDICIARY COMMITTEE: 12-0, 3/24/26  
AYES: Umberg, Niello, Allen, Caballero, Durazo, Laird, Reyes, Stern,  
Valladares, Wahab, Weber Pierson, Wiener  
NO VOTE RECORDED: Ashby

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**SUBJECT:** Civil proceedings: real party in interest

**SOURCE:** Conference of California Bar Associations

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**DIGEST:** This bill requires the assignee of rights in a legal proceeding to identify the assignor of the rights and the original real party in interest in the proceeding in the title of the case on the first document that the assignee files in the proceeding.

**ANALYSIS:**

Existing law:

- 1) Provides that a right arising out of an obligation is the property of the person to whom it is due, and may be transferred to another person as such. (Civil (Civ.) Code, § 1458.)
- 2) Provides that every action must be prosecuted in the name of the real party in interest in the action, except as otherwise provided by statute. (Code of Civ. Procedure (Proc.), § 367.)
- 3) Establishes, as an exception to 2), a procedure by which a person who is a participant in the state address confidentiality program for victims of domestic violence, sexual assault, stalking, human trafficking, child abduction, and elder or dependent adult abuse may proceed in a civil action using a pseudonym. (Code Civ. Proc., § 367.3.)

- 4) Provides that, in the case of an assignment of a thing in action, the assignment by the assignee is without prejudice to any set-off, or other defense existing at the time of, or before, notice of the assignment, except for specified cases involving a negotiable promissory note or bill of exchange. (Code Civ. Proc., § 368.)
- 5) Provides that an action or proceeding does not abate by the transfer of an interest in the action or proceeding or by any other transfer of an interest, and that when such an interest is transferred, the action or proceeding may be continued in the name of the original party, or the court may allow the person to whom the transfer is made to be substituted in the action or proceeding. (Code Civ. Proc., § 368.5.)

This bill requires an assignee who has been assigned rights in a proceeding by an assignor who is the original party in interest in the proceeding to identify the assignor and original party in interest in the title of the case on the first document the assignee files in the proceeding.

### **Comments**

California law treats the right to pursue a civil action in court like property. This means that the right to file a case can be transferred, or “assigned,” to another person or entity. When a person assigns their case rights, the assignee can pursue the case exactly as the original party would have done—they can assert the same claims, make the same arguments, and, if they prevail, obtain the same recovery. Under current law, when an original real party in interest assigns their case rights to another person, the original real party in interest’s name does not need to be identified in the case caption, even though their rights are the ones being asserted in the proceeding. While the assignor will be identified over the course of the case, leaving the real party in interest off of the caption means they will not be listed as a party on the docket, making it significantly more difficult for journalists or other interested parties to discover that the assignor is involved in a case. According to the author and sponsors, some individuals deliberately assign claims to third parties, or corporate entities that they wholly control, to avoid public scrutiny of their cases.

This bill requires the original real party in interest to be listed in the case caption when an assignee first files a document in the case, thereby ensuring that the original real party in interest is listed on the docket.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 3/25/26)

Conference of California Bar Associations (source)

**OPPOSITION:** (Verified 3/25/26)

Utility Wildfire Survivor Coalition

**ARGUMENTS IN SUPPORT:** According to the Conference of California Bar Associations:

This change is needed to ensure that the real party-in-interest is properly identified, and to bring transparency to the sphere of assignments. Search engines and public court records typically capture only the names listed in the case caption. When an assignee files a lawsuit without identifying the assignor in the case title, the original party transferring the legal claim remains effectively hidden from the public, creditors, government agencies, and injured parties. This lack of transparency can be exploited to conceal financial recoveries. Assignors can route claims through shell companies, often formed in states that allow anonymous ownership, allowing them to collect money indirectly without clear public visibility. As a result, this structure can make it easier to hide assets and avoid paying money that is legally owed to victims, creditors, or government agencies, undermining accountability and enforcement.

Identifying the assignor would not be a new or unusual concept, as similar disclosure requirements already exist for plaintiffs suing in a representative capacity, such as guardians ad litem or trustees. This approach is consistent with Section 367 of the same Code (namely the Code of Civil Procedure), which provides that every action must be prosecuted in the name of the real party in interest unless otherwise specified by statute. SB 932 is seeking to add a layer of transparency to clearly identify the real party in interest within civil proceedings.

**ARGUMENTS IN OPPOSITION:** According to the Utility Wildfire Survivor Coalition:

We are in opposition to SB 932 given that it provides for inequitable disclosure that may work against the public interest particularly within complex civil litigation. The proposed bill fails to address critical gaps in transparency and financial conflict disclosure.

While the bill is well intentioned and appears to take an important step toward transparency by requiring disclosures for the “original real party in interest,” it is incomplete and therefore insufficient to address the realities of modern complex litigation, particularly mass tort, coordinated or consolidated proceedings involving thousands of plaintiffs and overlapping legal representation

Prepared by: Allison Whitt Meredith / JUD. / (916) 651-4113  
3/25/26 16:17:24

\*\*\*\* END \*\*\*\*