

Date of Hearing: June 9, 2026

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
SB 932 (Hurtado) – As Amended March 16, 2026

**SENATE VOTE:** 38-0

**SUBJECT:** CIVIL PROCEEDINGS: REAL PARTY IN INTEREST

**SYNOPSIS**

*Generally, California allows a person to transfer or assign their right to pursue a civil cause of action to another person or entity. When a person assigns this right, the assignee stands in the shoes of the “original real party in interest” and can pursue the case just as the original party would have, asserting the same arguments and defenses, and receiving the same recovery. Under existing law, the original party’s name is not required to be identified in the case caption on documents filed in connection with a civil proceeding, in the case of an assignment. This makes it significantly more difficult for non-parties, like journalists and creditors, to discover that the original party is involved in a case. The author and sponsors contend that some individuals have exploited this anonymity and have intentionally assigned their case rights to entities that they wholly control to evade their legal obligations and avoid public scrutiny.*

*To address this concern, this bill requires an assignee to name an original real party in interest in the title of the case on the first document the assignee files in a proceeding. This bill is sponsored by the Conference of California Bar Associations. It is also opposed by the Utility Wildfire Survivor Coalition. The Coalition generally contends that the bill fails to address critical gaps in transparency and financial conflict disclosures that exist in complex civil litigation.*

**SUMMARY:** Requires a party that has been assigned the right to pursue a civil cause of action to list the name of the original real party in interest in the title of the case on the first document the assignee files in a civil proceeding.

**EXISTING LAW:**

- 1) Defines a “thing in action” to mean a right to recover money or other personal property by a judicial proceeding. (Civil Code Section 953.)
- 2) Provides that, a thing in action, arising out of the violation of a right of property, or out of an obligation, may be transferred by the owner. (Civil Code Section 954.)
- 3) Provides that, a right arising out of an obligation is the property of the person to whom it is due, and may be transferred as such. (Civil Code Section 1458.)
- 4) Provides that every action must be prosecuted in the name of the real party in interest, except as otherwise provided by statute. (Code of Civil Procedure Section 367.)
- 5) Provides that a person who is participating in the confidentiality program administered by the Secretary of State and is party to a civil proceeding may proceed using a pseudonym, and

may exclude or redact from all pleadings and documents filed in the action other identifying characteristics of that person. (Code of Civil Procedure Section 367.3.)

- 6) 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 in cases involving a negotiable promissory note or bill of exchange, transferred in good faith, and upon good consideration, before maturity. (Code of Civil Procedure Section 368.)
- 7) 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 of Civil Procedure Section 368.5)

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

**COMMENTS:** Under existing law, individuals and entities can generally assign their right to pursue a civil claim to another person or entity, with some exceptions for highly personalized tort claims and legal malpractice claims. (*See* Civil Code Sections 953, 954 and 1458; *see also Lazar v. Bishop* (2024) 107 Cal.App.5th 668, 678.) This means the assignee can pursue the case just as the original party would have, asserting the same arguments and defenses, and receiving the same recovery. (*See Dagher v. Ford Motor Co.* (2015) 238 Cal.App.4th 905, 925 (“The assignee stands in the ‘shoes’ of the assignor, taking his or her rights and remedies, subject to any defenses that the obligor has against the assignor prior to notice of the assignment.”).)

Currently, when a case is assigned to a third party, the name of the original real party in interest may or may not be included in the title of the case (i.e., the case caption). When an original real party in interest’s name is not included in a case caption, this typically means they will not be listed as a party on the court’s public docket, making it much more difficult for interested parties to find out if a particular individual is involved in a case. While the assignment of claims is a long-standing feature of California’s judicial system, the author and sponsors of the bill contend that some bad actors have exploited the anonymity provided by this structure to evade their legal obligations and avoid public scrutiny.

Specifically, the author states:

At a time when tackling fraud and strengthening accountability are top of mind for Californians, practical solutions that close systemic gaps are more important than ever. SB 932 delivers a targeted but powerful reform by closing a loophole in civil proceedings that allow bad actors to conceal financial assets and evade lawful judgments. Under current practices, assignors can exploit anonymity in case captions to recover and move funds without scrutiny, avoiding obligations owed to victims, creditors, and even public agencies.

While the assignability of rights remains a legitimate and important feature of commercial law, the absence of transparency has allowed it to be manipulated in ways that frustrate recovery efforts and undermine enforcement. SB 932 requires greater transparency, and protects victims, strengthens institutional integrity, and restores confidence that our judicial system can effectively maintain accountability and ensure that legal judgments are meaningfully enforced.

***Assignment of claims & docket searches.*** As mentioned above, the author and sponsors have asserted that some individuals have assigned claims to third parties or entities that they wholly control, in order to shield assets and avoid their obligations to creditors. Though an original real party in interest's name should be cited in any pleadings and other filings throughout the lifecycle of the proceeding, search engines and publicly available court docket searches typically only allow individuals to search by case title or case number. In other words, interested non-parties are unlikely to know whether an original real party in interest is involved in a case if they are not listed as a party in the caption.

***This bill*** addresses this issue by simply requiring an assignee to list the name of the original real party in interest in the caption of the first document in the assignee files in a proceeding, making it easier to find the party when searching a court's public records or using search engines. Accordingly, this bill is likely to reduce the number of bad actors using the assignment process to avoid public scrutiny, their creditors, or any other legal obligations.

While some opponents of the bill have alleged that it provides for "inequitable disclosure" that could work against the public interest, the crux of their arguments seem to be that the bill should be expanded to provide for more disclosures, and more transparency. To resolve their concerns, the opposition has proposed amendments addressing disclosures of third-party litigation funders, and attorney conflict disclosures, among other things. However, these amendments appear to go far beyond the intent of the bill and should likely be addressed through separate legislation.

***ARGUMENTS IN SUPPORT:*** The bill's sponsor, the Conference of California Bar Associations, writes the following in support of the bill:

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:*** In opposition to the bill, the Utility Wildfire Survivor Coalition states the bill "provides for inequitable disclosure that may work against the public interest particularly within complex civil litigation." Specifically, the Coalition takes issue with the bill's narrow focus, arguing that limiting disclosure to assignees and original parties in interest leaves gaps in transparency and fails to provide courts and parties with a full picture of

who stands to benefit financially from litigation. For those reasons and others, the Coalition argues the bill should be amended to expand disclosure requirements to all “core” parties; require disclosure of any litigation financing arrangements; and require specified conflict disclosures from attorneys representing multiple parties, among other things.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Conference of California Bar Associations (sponsor)

**Opposition**

The Utility Wildfire Survivor Coalition

**Analysis Prepared by:** Kristian Wright / JUD. / (916) 319-2334