

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

SB 932 (Hurtado)
Version: March 16, 2026
Hearing Date: March 24, 2026
Fiscal: No
Urgency: No
AWM

SUBJECT

Civil proceedings: real party in interest

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.

EXECUTIVE SUMMARY

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.

This bill is sponsored by the Conference of California Bar Associations. The Committee has not received timely opposition to this bill.

PROPOSED CHANGES TO THE LAW

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. (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 Civ. 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

1. Author's comment

According to the author:

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 proceeding filings that allows 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. By requiring greater transparency, SB 932 protects victims, strengthens institutional integrity, and restores confidence that our judicial system can effectively uphold accountability and ensure that legal judgments are meaningfully enforced.

2. This bill requires the name of the person or entity who assigned the right to pursue a case to a third party to be listed in the case caption on the first document filed by the third party in the case

California law treats the right to pursue a civil action in the courts like property.¹ This means that the right to file a case can be transferred, or “assigned,” to another party.² When a party assigns their case rights to another person or entity, 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.³ Similarly, the defendant in an assigned action can raise all of the same defenses against the assignee that they could have raised against the original party – so, e.g., if the court would have lacked jurisdiction over the matter when it was filed by the original party, the defendant can also assert that the court lacks jurisdiction over the matter when filed by the assignee.⁴

When a party assigns the rights to a case that has already been filed, the case name may or may not be changed: the assignee can continue the case in the name of the original party, or the assignee’s name can replace the original party in the case caption.⁵ When a party assigns their case rights before the case is filed, however, the assignee will always appear as the real party in interest in the case caption. The assignor’s identity cannot stay hidden – the identity of the assignor must be disclosed in the pleadings, because the assignor’s experience is what gave rise to the case – but without the assignor’s name in the caption, it becomes significantly more difficult to uncover the assignor’s involvement in the case. Many media outlets and creditors regularly search public court dockets to determine whether particular entities or individuals are involved in litigation, but, due to the volume of cases filed, these searches are generally limited to searching case titles. As a result, assigning a case to a third party (especially a banal-

¹ Civ. Code, § 1458.

² *Ibid.*

³ Code Civ. Proc., § 368.5.

⁴ Code Civ. Proc., § 368. There is a narrow exception to the defendant’s right to plead the same defenses against an assignee when the case relates to negotiable promissory notes or bills of exchange. (*Ibid.*)

⁵ *Id.*, § 368.5.

sounding limited liability company (LLC)) can be an effective tactic to hide one's involvement in a case. The sponsor of the bill has several stories of debtors assigning case rights to LLCs so that they could pursue recovery without their creditors noticing.

This bill is intended to prevent the real party in interest in a case from avoiding public scrutiny by requiring an assignee to include the name of the assignor – and the name of the original real party in interest, if the case has been assigned multiple times – in the caption in the first document they file in a case. This will cause the original real party in interest's name to be included in the case docket, thereby making them more easily discoverable through public records searches. This bill does not affect the right of certain at-risk parties to pursue a case—as a party, or as an assignor—using a pseudonym.⁶ At the time this analysis was finalized, Committee staff had not received opposition to this bill.

3. 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.

SUPPORT

Conference of California Bar Associations (sponsor)

⁶ See *id.*, § 367.3.

OPPOSITION

None received

RELATED LEGISLATION

Pending legislation: None known.

Prior legislation: None known.
