

Hi, this is Chris Micheli with the Sacramento governmental relations firm of Aprea & Micheli and an adjunct professor here at McGeorge School of Law. Today's podcast is on Senate Bill 766 that was enacted in 2018 in California, that's intended to allow more attorneys to do international arbitrations in the state.

Back in July of 2018 Governor Brown signed Senate Bill 766 by State Senator Bill Monning. It is Chapter 134 of the Statutes of 2018 and the bill adds several sections to the Code of Civil Procedure to permit international commercial disputes and arbitration. The intent of this bill is to expand the use of legal services in international commercial arbitrations. The bill's provisions are effective January 1, 2019.

Senator Monning explained the purpose of his bill as being "SB 766 authorizes foreign and out-of-state attorneys to represent parties in international commercial arbitrations in California. Under this bill California will be able to compete with other venues in selecting where to engage in commercial arbitration and showcase that jurisdiction's local economy including its hospitality, restaurant, and legal industries."

The way the bill was explained to legislators can be found in the Senate floor analysis which wrote, "Allowing attorneys from foreign jurisdictions to provide legal services in connection with international commercial disputes brings California in line with a number of other states and countries. In fact, the International Bar Association publishes a country guide serving 55 different nations regarding arbitration. 53 of those surveyed countries authorize attorneys from foreign jurisdictions to represent clients in international arbitrations in their particular jurisdictions. Major countries including England, France, Germany, Italy, Mexico, India as well as 19 US states permit lawyers from foreign jurisdictions to provide legal services to parties in international arbitrations that are in their jurisdiction."

Basically, what it provides is that an attorney must first apply for and receive permission to appear as counsel pursuant to the California rules of court. The new provision of law does not apply to any dispute that concerns any of the following: an individual's acquisition or lease of goods or services for personal or household use, an individual's coverage under a health insurance plan or an application for California employment. As you can imagine, the new law requires an attorney, under this section of law, is subject to the courts and any disciplinary authority of California regarding the rules of professional conduct, just as they have that sort of disciplinary authority over California, admitted attorneys.

There were quite a number of supporters of this bill. There was no known opposition, by the way. Among the supporters were: Triple A, the American Arbitration Association, the Conference of California Bar Associations, the International Center for Dispute Resolution, as well as the Silicon Valley Arbitration and Mediation Center. Remember, Senate Bill 766 takes effect on January 1, 2019 to hopefully get more attorneys to do international arbitrations here in the great state of California.

Thanks for joining.