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INSIGHTS ON APPELLATE ISSUES, TRIAL CONSULTATIONS, AND EVALUATING APPEALS

[The California Supreme Court Issues Unanimous Opinions Addressing Insurance, Consumer Protection and ADR](#)

February 22, 2011 by [Michael Walsh](#)

- **Insurance** – In [Century-National Ins. Co. v. Jesus Garcia](#), the court held that a fire insurance policy could not exclude coverage for innocent insureds because of the intentional acts of another insured; in this case the intentional act of the son setting fire to his parents house. The policy excluded coverage based on the intentional act or criminal conduct of “any insured,” and on this basis the carrier excluded coverage for the parents based on the acts of the son. While similar language was previously held as effective to exclude coverage as to all insureds in [Minkler](#); the Court held that Insurance Code [§§ 2070](#) and [533](#) limit the scope of such an exclusion in fire insurance policies to the specific insured who committed the intentional act. In doing so, the Court warned that this holding may have limited application in other contexts. For more details about *Century-National Ins. Co.* see the [Insurance update page](#).
- **Consumer Protection** – The [Song-Beverly Credit Card Act of 1971](#) is a consumer protection act which bars businesses from requesting that cardholders provide “personal identification information” during credit card transactions, and then recording that information. In [Pineda v. Williams-Sonoma Stores, Inc.](#) the Supreme Court found that zip codes constituted “personal identification information,” making it a violation of the act for a business to request and record zip codes as a part of credit card transactions. For more details about *Pineda* see the [B & P 17200/Class Actions/Commercial update page](#).
- **ADR** – Several of the plaintiffs in [Tarrant Bell Property, LLC v. Superior Court \(Abaya\)](#) signed lease agreements requiring that any arbitrable issues, including those involving conditions at the subject mobilehome park, which were made subject to judicial proceedings would be decided by a referee upon the motion of any party pursuant to [CCP § 638](#). After the residents collectively brought suit, the trial court refused to enforce this provision and the Supreme Court affirmed, finding that the trial court had discretion to deny the motion. Moreover, given the redundancy that would result from referring only some of the residents to a referee over the same legal issues, the trial court did not abuse its discretion. In so ruling, the Court disapproved of both *Greenbriar Homes Communities, Inc. v. Superior Court* (2004) [117 Cal.App.4th 337](#), and *Trend Homes, Inc. v. Superior Court* (2005) [131 Cal.App.4th 950](#), to the extent they are inconsistent. For more details about *Tarrant Bell Property, LLC* see the [ADR update page](#).