



California Corporate & Securities Law

Governor Says No To Bill To Combat “Official” Mailings

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Many lawyers have received calls from clients asking about notices that they have received regarding state and local government filings. Sometimes, these notices warn that corporate minutes must be prepared. Other notices request information necessary to complete required filings. These notices appear to be from the government but are actually solicitations by private companies. Last year, the Secretary of State's Office issued this [customer alert](#) and Attorney General Jerry Brown [announced](#) a lawsuit against eight individuals and six companies for misleading solicitations.

[AB 2654](#) (Hill) would have imposed additional disclosure requirements on these types of solicitations. Governor Arnold Schwarzenegger, however, vetoed the bill and gave the following reason:

I am supportive of addressing consumer protection against fraudulent business practices. However, this bill also establishes a private right of action allowing for the recovery of damages up to three times the amount solicited, which I am concerned will lead to spurious lawsuits.

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