

LEGISLATURE TAKES INDEPENDENCE DAY BREAK

The Legislature recessed Thursday for the three-day Independence Day holiday – though with the prospect of being called back into session if a deal can be cut on the state budget. Rumors late in the week were that Senate Democrats and Republicans might be closing in on such an agreement, but holiday floor sessions still were seen as unlikely.

The strong possibility, reported in the [Los Angeles Times](#) and other press, that both Moody's and Standard & Poor's were poised to lower California's credit rating to junk-bond status could provide some additional impetus towards resolution. California has the lowest credit rating of any state in the nation.

LIMITED CONFIDENTIALITY EXCEPTION BILL CLEARS SENATE COMMITTEE

[AB 1101](#), Assembly Member [Darrell Steinberg's](#) bill to have California join all other U.S. jurisdictions in permitting attorneys to reveal confidential client information where necessary to prevent the death of or serious bodily injury to an individual, was approved by the Senate Judiciary Committee Tuesday on a 6-1 vote.

The vote came after Steinberg agreed to amendments proposed by the committee to delay the bill's effective date to July 1, 2004. The delay is needed to give a State Bar-appointed task force, also created under the amendments, the opportunity to develop a rule of professional conduct to address issues relating to the act's implementation.

Randall Difuntorum, director of the State Bar's professional competence programs, told the committee that of the 20,000 calls fielded annually by the bar's ethics hotline, the issue of confidentiality was the sixth-most common inquiry.

RECALL UPDATE

The activists trying to recall Governor Gray Davis from office said Wednesday they had turned in enough signatures to qualify for the ballot – reportedly 924,8467 as of Wednesday afternoon. They predicted they will surpass their goal of 1.2 million signatures by next week, collecting over 200,000 over the 4th of July weekend.

However, Secretary of State [Kevin Shelley](#) threw into doubt the prospect of a fall election for the

recall by sending a memo to county election officials saying that his office has interpreted the signature verification law to permit a slower, month-by-month approach, rather than the ongoing approach used for initiatives.

Recall supporters immediately accused Shelley, a Democrat like the governor, of playing partisan politics by seeking to delay the election until the March 2004 national primary.

Shelley's office denied the allegations, pointing out that the go-slow approach was necessary to avoid verification of duplicate signatures – a problem that doesn't apply to initiatives where all signatures are submitted simultaneously, rather than in batches. Shelley has set up a "[Recall FAQ](#)" on his web site.

Opponents of the recall, meanwhile, stepped up their efforts to convert the recall effort into a gubernatorial campaign between Davis and Republican Congressman [Darrell Issa](#) of Vista, who has provided much of the funding for the effort – and to characterize Issa as a radical extremist with a 31-year-old rap sheet that includes auto theft and weapons arrests and a misdemeanor conviction.

On the other end of the political spectrum, [Peter Camejo](#), the Green Party candidate who amassed 5.3% of the vote in the last gubernatorial election, announced that if there is a recall election, he will again be a candidate for governor.

UCL BILL AMENDED

The author of one of the two remaining bills to reform the state's Unfair Competition Law (B&P Code §17200 *et seq.*) has substantially amended the measure to respond to concerns and strengthen its chances for enactment.

The amendments to [SB 122](#) by Senate Judiciary Committee Chair [Martha Escutia](#) (D-Whittier) add provisions clarifying that the mandatory review of attorney's fees applies to pre-filing demands, requiring copies of all private actions under §17204 to be submitted to the Judicial Council, and setting standards for courts to craft equitable remedies (including disgorgement) in UCL cases.

SB 122 is scheduled to be heard in the Assembly Judiciary Committee on Tuesday, July 8. That same day, the other part of the two-bill package, [AB 95](#) by Assembly Judiciary Committee Chair [Ellen Corbett](#) (D-San Leandro) will be heard in the Senate Judiciary Committee.