

Assembly Bill No. 1528

CHAPTER 363

An act to add Section 823.5 to the Military and Veterans Code, relating to military service.

[Approved by Governor October 9, 2007. Filed with
Secretary of State October 9, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1528, Committee on Banking and Finance. Military service.

Existing law provides certain protections for members of the Armed Forces of the United States, National Guard, and Reserves.

This bill would prohibit any person or entity licensed under specified codes to market financial services or products to a service member or former service member, as defined, or the spouse of a service member or former service member, in a misleading or deceptive manner that suggests that the person or entity marketing the financial service or product is either acting on behalf of or as an affiliate of one or more branches of the United States military or the United States Department of Veterans Affairs, or that the product or financial service is being offered on behalf of one or more branches of the United States military or the United States Department of Veterans Affairs. This bill would also provide that if a person who violates this provision is licensed under any state licensing law, a violation of this provision shall be deemed a violation of the laws under which that person is licensed. This bill would provide that these provisions shall not apply to any bank, as defined, or any credit union, as defined.

The people of the State of California do enact as follows:

SECTION 1. Section 823.5 is added to the Military and Veterans Code, to read:

823.5. (a) No person or entity licensed under the Business and Professions Code, Corporations Code, Financial Code, or Insurance Code shall market financial services or products to a service member or former service member, or the spouse of a service member or former service member, in a misleading or deceptive manner that suggests any of the following:

(1) That the person or entity marketing the financial service or product is acting on behalf of one or more branches of the United States military or the United States Department of Veterans Affairs.

(2) That the person or entity marketing the financial service or product is an affiliate of one or more branches of the United States military or the United States Department of Veterans Affairs.

(3) That the financial service or product is being offered on behalf of one or more branches of the United States military or the United States Department of Veterans Affairs.

(b) If a person who violates this section is licensed under any state licensing law, a violation of this section shall be deemed a violation of the laws under which that person is licensed.

(c) This section shall not apply to either of the following:

(1) Any bank as defined in Section 102 of the Financial Code.

(2) Any credit union as defined in Section 14002 of the Financial Code.

(d) For purposes of this section:

(1) "Service member" means any of the following:

(A) An active duty member of the Armed Forces of the United States.

(B) An officer or enlisted member of the National Guard called or ordered into active state service by the Governor pursuant to Section 143 or 146, or into active federal service by the President of the United States, pursuant to Title 10 or 32 of the United States Code, for a period of 30 days or more.

(C) A reservist of the United States Military Reserve who has been called to full-time active duty for a period of 30 days or more.

(2) "Former service member" means a veteran as defined by Section 980.