

AMENDED IN ASSEMBLY JANUARY 4, 2012

AMENDED IN ASSEMBLY MAY 4, 2011

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1080**

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**Introduced by Assembly Member Charles Calderon**

February 18, 2011

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An act to add Section 1798.825 to the Civil Code, relating to Internet transactions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1080, as amended, Charles Calderon. Internet transactions: verification: banking and financial services.

Existing law sets forth comprehensive provisions governing funds transfers, as defined, including provisions related to the issuance and acceptance of payment orders, requirements for verification, the effect of errors, the effect of acceptance of a payment order, and related provisions.

This bill would require a business that provides banking or other financial services and that allows for the movement of specified funds over the Internet to collect ~~and~~, report, *and update*, on ~~an annual~~ *a quarterly* basis, information relating to unauthorized transfers of funds over the Internet, ~~and~~. *This bill would also require these banks or financial institutions to post this report at each of their locations within the state, or on its Internet Web site, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

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

1 SECTION 1. Section 1798.825 is added to the Civil Code, to  
 2 read:  
 3 1798.825. (a) A business that provides banking and other  
 4 financial services and ~~that allows for the movement of funds under~~  
 5 ~~the ownership and control of a person or business over the Internet~~  
 6 *provides electronic fund transfer services to its customers shall*  
 7 *collect and, report, and update on an annual a quarterly basis, the*  
 8 *following information:*  
 9 (1) ~~The number of instances in which an unauthorized transfer~~  
 10 ~~of funds occurred over the Internet~~ *a client claimed to have had*  
 11 *funds stolen through the unauthorized use of the electronic fund*  
 12 *transfer service.*  
 13 (2) ~~The total sum of unauthorized funds transferred over the~~  
 14 ~~Internet~~ *number of instances a bank or financial institution*  
 15 *reimbursed funds a client claimed to have had stolen through the*  
 16 *unauthorized use of the electronic fund transfer service.*  
 17 (3) *The number of instances a bank or financial institution*  
 18 *determined that funds had been stolen through the unauthorized*  
 19 *use of the electronic fund transfer service.*  
 20 (4) *The aggregate dollar amount of funds that clients claimed*  
 21 *to have had stolen through the unauthorized use of the electronic*  
 22 *fund transfer service.*  
 23 (5) *The aggregate dollar amount of funds that a bank or*  
 24 *financial institution determined to have been stolen through the*  
 25 *unauthorized use of the electronic fund transfer service.*  
 26 (6) *The average and median amount of funds stolen through*  
 27 *the unauthorized use of the electronic fund transfer service, as*  
 28 *determined by both the banking or financial institution and claimed*  
 29 *by a client.*  
 30 (b) *The collection of these statistics shall be limited to customers*  
 31 *affected in California, as determined by the customer's home*  
 32 *address or principal place of business. The statistics required in*  
 33 *this section shall be summarized and made available to the public*  
 34 *at every location of the bank or financial institution within the*  
 35 *state, or on the bank's or financial institution's Internet Web site.*  
 36 *A bank or financial institution may not disclose any personal*  
 37 *information affecting a customer, nor disclose the methods used*  
 38 *to access the electronic fund transfer service.*

- 1 ~~(e) The report shall be conspicuously posted on the Internet~~
- 2 ~~Web site of the bank or financial institution.~~

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