

**ASSEMBLY BILL**

**No. 2661**

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**Introduced by Assembly Member Morrell**

February 24, 2012

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An act to amend Section 2102 of the Family Code, relating to marriage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2661, as introduced, Morrell. Marriage: dissolution: disclosures.

Existing law subjects each party to a marriage to general rules governing fiduciary relationships which control the actions of persons occupying confidential relations with each other. Existing law governs the proceedings for dissolution of marriage, for nullity of marriage, or for legal separation of the parties. Existing law requires each party, from the date of separation to the date of a valid, enforceable, and binding resolution of all issues relating to child or spousal support and professional fees, to be subject to specified standards of a confidential and fiduciary relationship as to all issues relating to the support and fees, including immediate, full, and accurate disclosure of all material facts and information regarding the income or expenses of the party.

This bill instead would provide that from the date of separation to the date of entry of a judgment for child or spousal support, each party is subject to those standards as to all issues relating to the support, including immediate, full, and accurate disclosure of all material facts and information regarding the income or expenses of the party. The bill would suspend the duty to meet those standards upon entry of a judgment for permanent support, but reinstate those duties upon the filing and service of a motion relating to child or spousal support until that motion is resolved.

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 2102 of the Family Code is amended to  
2 read:

3 2102. (a) From the date of separation to the date of the  
4 distribution of the community or quasi-community asset or liability  
5 in question, each party is subject to the standards provided in  
6 Section 721, as to all activities that affect the assets and liabilities  
7 of the other party, including, but not limited to, the following  
8 activities:

9 (1) The accurate and complete disclosure of all assets and  
10 liabilities in which the party has or may have an interest or  
11 obligation and all current earnings, accumulations, and expenses,  
12 including an immediate, full, and accurate update or augmentation  
13 to the extent there have been any material changes.

14 (2) The accurate and complete written disclosure of any  
15 investment opportunity, business opportunity, or other  
16 income-producing opportunity that presents itself after the date of  
17 separation, but that results from any investment, significant  
18 business activity outside the ordinary course of business, or other  
19 income-producing opportunity of either spouse from the date of  
20 marriage to the date of separation, inclusive. The written disclosure  
21 shall be made in sufficient time for the other spouse to make an  
22 informed decision as to whether he or she desires to participate in  
23 the investment opportunity, business, or other potential  
24 income-producing opportunity, and for the court to resolve any  
25 dispute regarding the right of the other spouse to participate in the  
26 opportunity. In the event of nondisclosure of an investment  
27 opportunity, the division of any gain resulting from that opportunity  
28 is governed by the standard provided in Section 2556.

29 (3) The operation or management of a business or an interest  
30 in a business in which the community may have an interest.

31 (b) From the date that a valid, enforceable, and binding  
32 resolution of the disposition of the asset or liability in question is  
33 reached, until the asset or liability has actually been distributed,  
34 each party is subject to the standards provided in Section 721 as  
35 to all activities that affect the assets or liabilities of the other party.

1 Once a particular asset or liability has been distributed, the duties  
2 and standards set forth in Section 721 shall end as to that asset or  
3 liability.

4 (c) From the date of separation to the date of ~~a valid,~~  
5 ~~enforceable, and binding resolution of all issues relating to entry~~  
6 ~~of a judgment for~~ child or spousal support ~~and professional fees,~~  
7 each party is subject to the standards provided in Section 721 as  
8 to all issues relating to the support ~~and fees,~~ including immediate,  
9 full, and accurate disclosure of all material facts and information  
10 regarding the income or expenses of the party. *The duty to meet*  
11 *those standards is suspended upon entry of a judgment for*  
12 *permanent support, but is reinstated upon the filing and service*  
13 *of a motion relating to child or spousal support until that motion*  
14 *is resolved.*