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CALIFORNIA SUPREME COURT LIMITS THE AVAILABILITY OF THE ONE-YEAR STATUTE OF LIMITATIONS FOR CLAIMS BY NONCLIENTS AGAINST ATTORNEYS

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Recently, the California Supreme Court, in *Escamilla v. Vannucci*, 17 Cal. 5th 571, 576 (2025), held that the one-year statute of limitations under section 340.6 of the California Code of Civil Procedure for certain actions against attorneys "does not apply to claims against attorneys brought by parties who were never their clients or the intended beneficiaries of their clients." The unanimous opinion overturned the weight of authority holding that section 340.6's one-year statute of limitations applies to malicious prosecution cases brought by nonclients against attorneys. The Court instead favored the sole published case to the contrary, citing the lack of Supreme Court precedent, the statute's ambiguity, its legislative history and purpose, and public policy concerns as the basis for its ruling.

The Court's holding in *Escamilla* means that the one-year statute of limitations applies only to malicious prosecution claims against an attorney brought by a plaintiff who is within the attorney-client relationship. Beyond malicious prosecution claims, attorney defendants will now need to make a threshold showing that the plaintiff was a client or an intended beneficiary to take advantage of section 340.6.

The One-Year Statute of Limitations Under Section 340.6

On its face, section 340.6 broadly proscribes a one-year statute of limitations for lawsuits by a "plaintiff" against "an attorney" for claims arising out of the attorney's performance of professional services. The statute states in relevant part:

> An action against an attorney for a wrongful act or omission, other than for actual fraud, arising in the performance of professional services shall be commenced within one year after the plaintiff discovers, or through the use of reasonable diligence should have discovered, the facts constituting the wrongful act or omission, or four years from the date of the wrongful act or omission, whichever occurs first.

Cal. Civ. Proc. Code § 340.6(a). As the Court noted in *Escamilla*, lower courts had generally concluded based on this statutory language that "claims against an attorney brought by anyone must be initiated within one year, so long as the claim concerns an attorney's professional conduct." 17 Cal. 5th at 579.

The Facts of the Case and Procedural Posture

In the underlying case, the clients of attorney Vannucci sued Escamilla, a certified fugitive recovery agent, for improperly searching the clients' home. Escamilla countersued Vannucci's clients for abuse of process. A jury found for Escamilla on all of plaintiffs' claims and awarded Escamilla $20,000 in damages on the cross-complaint.

Almost two years after judgment was entered, Escamilla sued Vannucci for malicious prosecution. Vannucci moved to strike the complaint under California's anti-SLAPP statute, arguing in part that Escamilla's claims were barred by section 340.6's one-year statute of limitations. Conversely, Escamilla argued that his malicious prosecution claim was governed by

the two-year statute of limitations for tort claims under section 335.1 of the California Code of Civil Procedure.

Relying on the weight of appellate authority and the apparent language of the statute, both the trial court and appellate court concluded that section 340.6 governed and barred Escamilla's claims.

The Supreme Court Opinion

The California Supreme Court overruled the lower courts, holding that section 340.6 does not extend to claims brought by plaintiffs outside the attorney-client relationship:

> As we interpret the statute, the one-year limitations period of section 340.6 applies only to claims by an attorney's clients, or their intended beneficiaries, and only when the merits of the claim necessarily depend on proof the attorney violated a professional obligation.

Escamilla, 17 Cal. 5th at 587. The Court supported its holding on several grounds:

Lack of Supreme Court Precedent. The Court first explained that its decision in *Lee v. Hanley*, 61 Cal. 4th 1225 (2015)—often cited to support the extension of section 340.6 to malicious prosecution claims—was not directly on point. The Court noted that *Lee* "did not address whether section 340.6 applied to claims brought by nonclients" and none of the examples in the *Lee* opinion suggested that section 340.6 might extend to claims brought by nonclients. *Escamilla*, 17 Cal. 5th at 586–87.

Statutory Ambiguity. The Court then posited that section 340.6 was "ambiguous as to whether [it] applies to claims brought against attorneys by third parties." *Id*. at 581. The Court began by cautioning that, although section 340.6 refers to claims brought against an attorney by a "plaintiff" generally rather than a "client," the "significance of this phrasing should not be overread." *Id*. Citing *Neel v. Magana, Olney, Levy, Cathcart & Gelfand*, 6 Cal. 3d 176, 179 (1971), and *Budd v. Nixen*, 6 Cal. 3d 195, 198 (1971), the Court reasoned that section 340.6 stems from earlier cases using the term "client." The Court also pointed to the tolling provision under subdivision (a)(2) of the statute, which uses the term "plaintiff" even though the term can only reasonably refer to a "client." Finally, the Court pointed to the most recent amendments to section 340.6, where the Legislature used the term "client."

Legislative History and Purpose. The Court next concluded that the legislative history and purpose of the statute support limiting its application to the attorney-client context. The Court explained that the Legislature enacted the statute in order to "'reduce the costs of legal malpractice insurance,'" given uncertainty as to which limitations applied to potential malpractice claims depending on how the plaintiff styled his complaint. *Id*. at 583 (citation omitted). The Court also explained that legislative history materials and reports consistently referred to the statute as "'a statute of limitations for legal malpractice claims.'" *Id*. at 584 (citation omitted). And the Court observed that when the statute was enacted, malicious prosecution claims already had a one-year statute of limitations and thus those claims were not considered as falling under the new statute.

Public Policy Concerns. Finally, the Court held that public policy supports limiting the application of section 340.6 on two grounds. First, the limitation "avoids the potential unfairness that would arise from applying different statutes of limitations to claims for the same alleged misconduct depending upon whether the suit is brought against an attorney or client." *Id*. at 587. And second, the Court explained, it avoids different tolling when an adverse judgment is on appeal, because the limitations period is tolled pending an appeal for malicious prosecution but not for legal malpractice claims.

Implications of *Escamilla*

The Court's opinion likely has implications beyond malicious prosecution cases. The Escamilla holding requires that attorney defendants also make a threshold showing of an attorney-client relationship to take advantage of section 340.6's one-year statute of limitations. This requirement is not limited to the malicious prosecution context; it also applies to several other common claims brought by nonclients against attorneys, including negligent misrepresentation, aiding and abetting, breach of fiduciary duty, tort of another, and UCL claims.

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