

Litigation Alert

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California: Parties, Not Attorneys, Must Request Court to Retain Jurisdiction to Enforce Settlement

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Key Points

- The California Court of Appeal held that under Civil Procedure Code 664.6, a request for a court to retain jurisdiction to enforce a settlement agreement must be made: (1) during the pendency of the case, not after the case has been dismissed, (2) by the parties, (3) expressly and (4) before the court.
- Such a request must be either in a writing signed by the parties or orally before the court by the parties. It may not be made by their attorneys or other agents.

Mesa RHF Partners, L.P. v. City of Los Angeles

Hill and Olive sued the City of Los Angeles challenging a city ordinance. Counsel for Hill and Olive later filed a notice stating that the parties had settled. The settlement agreement stated: "The Court shall retain jurisdiction pursuant to Code of Civil Procedure section 664.6 to enforce the terms of the Settlement Agreement." Counsel for Hill and Olive filed a request for dismissal that contained the following language inserted by counsel: "Court shall retain jurisdiction to enforce settlement per C.C.P. § 664.6."

Similarly, Mesa sued the City of Los Angeles challenging a different city ordinance. Counsel for Mesa later filed a notice stating that the parties had settled. The settlement agreement stated: "The Court shall retain jurisdiction pursuant to Code of Civil Procedure section 664.6 to enforce the terms of the Settlement Agreement." Counsel for Mesa filed a request for dismissal that contained the following language inserted by counsel: "The Court shall retain jurisdiction to enforce the settlement agreement per Code of Civil Procedure § 664.6."

Subsequently, Hill, Olive and Mesa filed motions to enforce the settlement agreements under § 664.6. The trial court denied the motions. Hill, Olive and Mesa appealed.

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The Court of Appeal's Opinion

The California Court of Appeal affirmed the trial court's denial of their motions to enforce the settlement agreements.

Under California law, voluntary dismissal of an action or special proceeding terminates the court's jurisdiction over the matter unless the parties make a request under Code of Civil Procedure § 664.6 that the court retain jurisdiction over the parties to enforce a settlement. Section 664.6 requires that such a request be made: (1) during the pendency of the case, not after the case has been dismissed, (2) by the parties themselves, not their counsel or other agents and (3) either in a writing signed by the parties or orally before the court by the parties.

The court in Mesa held that, "[b]ecause of its summary nature, strict compliance with the requirements of [S]ection 664.6 is prerequisite to invoking the power of the court to impose a settlement agreement." The court found that it did not have jurisdiction to enforce the settlement agreements because: (1) the requests for dismissal were made by the parties' counsel, not by the parties, and (2) the requests made by the parties in the settlement agreements were not before the court because they were not filed before or with the dismissals.

Conclusion

The court in Mesa outlined what parties must do to meet the strict requirements of § 664.6 to have a court retain jurisdiction to enforce their settlement agreements. They can either: (1) file a stipulation and proposed order signed by counsel that attaches a copy of the settlement agreement (signed by the parties with an express request for retention of jurisdiction), or (2) file a stipulation and proposed order signed by the parties noting the settlement and expressly requesting that the court retain jurisdiction to enforce the settlement. If the parties fail to perform either of these steps, they will have to file a new action for breach of the settlement agreement to enforce it.