

[Blogs](#)

April 06, 2022

Public Chatter

California's "Underrepresented Communities" Board Diversity Law Struck Down

Last week, one of California's two board diversity statutes was ruled unconstitutional when the Los Angeles Superior Court issued a [24-page order](#) granting summary judgment in *Crest v. Padilla II*. No word yet whether the State of California will appeal. As noted in this [Idaho Statesman article](#), Judge Terry Green's reasoning was: Judge Terry Green wrote in his decision that the state Legislature should have considered other options for achieving greater diversity on boards before mandating it. "If demographically homogeneous boards are a problem, then heterogeneous boards are the immediate and obvious solution," he wrote. "But that doesn't mean the Legislature can skip directly to mandating heterogeneous boards." The statute that was struck down - AB 979 - was the second of two board diversity laws enacted in California. It sought to broaden the director pool for "underrepresented communities." Since this struck down law was patterned after the first board diversity law (SB 826), that first board diversity law might also wind up suffering the same fate given that it's also facing a lawsuit brought by the same plaintiff - Judicial Watch - in *Crest v. Padilla I*. The status of that case is that we are awaiting a court decision after a bench trial recently wrapped up. Both of these cases were brought as "taxpayer lawsuits," charging that the State of California used taxpayer funds to establish a law that was unlawful in violation of the California Constitution. Watch this space for more...

Explore more in

[Corporate Law](#)

Blog series

Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

[Subscribe ?](#)

[Visit Public Chatter Resources for Guides, Quick Alerts and Programs](#)

[View the blog](#)