

The Morrison Law Journal  
December 2025  
Volume XV, Edition 12

When Service Is Complete... Court Of Appeal Rules That Service On Corporation Via  
The California Secretary of State, If Permitted By Court Order, Is Effective Whether Or  
Not The Secretary Of State Forwards The Pleading That Was Served On It To The  
Corporate Defendant

By: Edward F. Morrison, Jr., Esq.  
Larry A. Schwartz, Esq.

As many are aware, in California, *Corporations Code* § 1702 authorizes a Plaintiff to serve process on a domestic corporation by hand-delivery to the corporation's designated agent. When the designated agent cannot with reasonable diligence be found, the Court may then authorize service upon the corporation by hand-delivery to the Secretary of State. Per statute, service in this manner (i.e., to the Secretary of State) is deemed complete ten days later, regardless of whether the Secretary of State reports of Notice of Service to the corporate defendant.

In an Opinion published by the California Court of Appeal, Second Appellate District, in SoCal Lien Solutions, LLC v. BDB Properties (2025) Lexus 879 ("SoCal Lien Solutions case"), the Court of Appeal reversed a Trial Court Order whereby the Trial Court determined service was incomplete until such time when the Secretary of State forwarded Default to the corporate defendant, pursuant to the *Corporations Code*.

In the SoCal Lien Solutions case, Plaintiff SoCal Lien Solutions, LLC ("SoCal"), had been unable to serve BDB Properties ("BDB") through its agent for service of process, and had obtained a Trial Court Order permitting it to serve the Secretary of State. In the summer of 2022, the Trial Court then issued an Order permitting SoCal Lien Solutions to serve BDB pursuant to California *Corporations Code* § 1702 and service was effected in that manner.

In September 2022, the Court entered a Default and a \$44,153.36 Default Judgment against BDB. Later in September 2022, SoCal served BDB with written notice of the Judgment at its corporate address. In October 2022, over four months after service on the Secretary of State, and a month after the Court had entered Judgment, the Secretary of State also mailed copies of service documents that had been sent via Court Order earlier that summer in 2022. In September 2023, BDB began efforts to set aside the Default and Judgment.

Ultimately, the Trial Court agreed with BDB that service was not complete until the Secretary of State mailed BDB the service documents. On appeal, the Court of Appeal reversed the Order of the Trial Court and ruled that, because *Corporations Code* § 1702 unambiguously states that service is complete ten days after the Plaintiff delivers service

documents to the Secretary of State, no action by the Secretary of State, either before or after this ten-day period, is required in order to complete service.

The SoCal Lien Solutions case is important in that, if a Trial Court permits service of a corporate entity through the Secretary of State, pursuant to *Corporations Code* 1702, it will not matter whether the Secretary of State actually forwards the service papers to the corporate entity in order for service to be effective.

About the Authors: Edward F. Morrison, Jr. is the founding partner and Larry A. Schwartz is Of Counsel to The Morrison Law Group, a professional corporation. Their biographies can be viewed at [morrisonlawgroup.com](http://morrisonlawgroup.com).

Publication Note: The Morrison Law Group wishes to disseminate this publication to all clients and colleagues of the Firm who wish to receive it. Should any recipient desire to be removed from the distribution list, or wishes to have a colleague added, please contact Jim Van Dusen at The Morrison Law Group at 213 356-5504.

Disclaimer Note: The legal article presented above is intended to provide general information which may be of interest or use to clients and colleagues of The Morrison Law Group and should not be construed as legal advice on any matter.