

SUPREME COURT OF CALIFORNIA

Siebel v. Mittlesteadt

41 Cal. 4th 735, 62 Cal. Rptr. 3d 155, 166 P.3d 527 (2007) · No. No. S125590 · Decided July 16, 2007

SUMMARY

The Supreme Court of California held that a postjudgment settlement may constitute a favorable termination for purposes of a malicious prosecution action when the plaintiff obtained a favorable judgment on the merits and did not relinquish any portion of that judgment. The court affirmed the Court of Appeal and declined to adopt a blanket rule barring malicious prosecution claims following settlements.

CASE DETAILS

COURT	Supreme Court of California
WRITING FOR THE COURT	Corrigan, J.; George, C.J.; Kennard, J.; Baxter, J.; Werdegar, J.; Chin, J.; Moreno, J.
JURISDICTION	California
DECIDED	July 16, 2007
DOCKET	No. S125590
DISPOSITION	affirmed
PROCEDURAL POSTURE	Siebel brought a malicious prosecution action against attorneys Buell and Mittlesteadt after the underlying employment litigation ended in a postjudgment settlement. The trial court granted defendants summary judgment on the ground that the underlying action had not terminated favorably for Siebel. The Court of Appeal reversed, and the Supreme Court affirmed.
STANDARD OF REVIEW	The Supreme Court reviewed the summary judgment ruling and the legal question whether the underlying proceeding terminated favorably for purposes of a malicious prosecution action.
PRECEDENTIAL VALUE	Published California Supreme Court opinion; precedential.
PARTIES	Thomas M. Siebel v. Carol L. Mittlesteadt, Buell

TOPICS

- torts
- appellate procedure
- civil procedure
- standard of review

PRACTICE AREAS

Torts

Appellate procedure

Civil procedure

QUESTIONS PRESENTED

1. Whether a postjudgment settlement constitutes a favorable termination for purposes of a subsequent malicious prosecution action when the malicious prosecution plaintiff obtained a favorable judgment on the merits and the settlement did not surrender or modify that judgment.
2. Whether the settlement rule applied in *Ferreira v. Gray, Cary, Ware & Freidenrich* required dismissal of Siebel's malicious prosecution action merely because the parties compromised other aspects of the underlying litigation.

HOLDINGS

1. A postjudgment settlement constitutes a favorable termination for purposes of a malicious prosecution action when the plaintiff received a favorable judgment in the underlying action and settled without giving up any portion of that judgment in his favor.
2. There is no blanket rule barring a malicious prosecution action whenever the underlying litigation is resolved by agreement; the court must determine whether the settlement fundamentally changed the merits-based judgment and whether the termination reflected the plaintiff's innocence.

KEY QUOTATIONS

"We hold that, in this context, a postjudgment settlement constitutes a favorable termination when the malicious prosecution plaintiff received a favorable judgment in the underlying action, and settled without giving up any portion of the judgment in his favor." (at 156)

"Because Siebel received a favorable judgment in the underlying proceeding and settled without giving up any portion of the judgment in his favor, we hold that the parties' settlement constitutes a favorable termination." (at 161)

FACTUAL BACKGROUND

Debra Christoffers sued her former employer, SSI, and its chief executive officer, Thomas Siebel, alleging discrimination, wrongful termination, fraud, and compensation-related claims. The claims against Siebel were resolved by demurrer, summary adjudication, or voluntary dismissal, and a jury rejected the remaining fraud and wrongful-termination claims against him while entering judgment favorable to him. After judgment, the parties settled their appeals; the settlement reduced amounts awarded to Christoffers against SSI but did not alter the judgment in Siebel's favor. Siebel then sued Christoffers's attorneys for malicious prosecution.

PROCEDURAL HISTORY

In the underlying action, a jury entered judgment favorable to Siebel on the claims asserted against him personally, although SSI was liable for unpaid commissions and the parties later settled their appeals. The settlement compromised amounts awarded to Christoffers against SSI but did not modify the judgment in

Siebel's favor. The trial court granted defendants summary judgment on the favorable-termination issue; the Court of Appeal reversed; the California Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Casa Herrera, Inc. v. Beydoun, 32 Cal. 4th 336, 9 Cal. Rptr. 3d 97, 83 P.3d 497 (2004)
- Sheldon Appel Co. v. Albert & Oliker, 47 Cal. 3d 863, 254 Cal. Rptr. 336, 765 P.2d 498 (1989)
- Zamos v. Stroud, 32 Cal. 4th 958, 966, 12 Cal. Rptr. 3d 54, 87 P.3d 802 (2004)
- Bertero v. National General Corp., 13 Cal. 3d 43, 50-51, 118 Cal. Rptr. 184, 529 P.2d 608 (1974)
- Crowley v. Katleman, 8 Cal. 4th 666, 695, 34 Cal. Rptr. 2d 386, 881 P.2d 1083 (1994)
- Ferreira v. Gray, Cary, Ware & Freidenrich, 87 Cal. App. 4th 409, 104 Cal. Rptr. 2d 683 (2001)
- Cowles v. Carter, 115 Cal. App. 3d 350, 354, 171 Cal. Rptr. 269 (1981)
- HMS Capital, Inc. v. Lawyers Title Co., 118 Cal. App. 4th 204, 12 Cal. Rptr. 3d 786 (2004)
- Dalany v. American Pacific Holding Corp., 42 Cal. App. 4th 822, 50 Cal. Rptr. 2d 13 (1996)
- Pender v. Radin, 23 Cal. App. 4th 1807, 29 Cal. Rptr. 2d 36 (1994)
- Villa v. Cole, 4 Cal. App. 4th 1327, 6 Cal. Rptr. 2d 644 (1992)
- Sierra Club Foundation v. Graham, 72 Cal. App. 4th 1135, 1152, 85 Cal. Rptr. 2d 726 (1999)
- Pattiz v. Minye, 61 Cal. App. 4th 822, 71 Cal. Rptr. 2d 802 (1998)
- Citi-Wide Preferred Couriers, Inc. v. Golden Eagle Insurance Co., 114 Cal. App. 4th 906, 914, 8 Cal. Rptr. 3d 199 (2003)
- Jaffe v. Stone, 18 Cal. 2d 146, 159, 114 P.2d 335 (1941)

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