

CALIFORNIA COURT OF APPEAL, THIRD APPELLATE DISTRICT

Jacobs v. Papez

Jacobs · No. C100761 · Decided March 13, 2026

SUMMARY

The California Court of Appeal, Third Appellate District, held that an attorney may bring a single declaratory relief action against both former clients and a competing attorney lien claimant to resolve the validity, amount, and priority of competing liens on settlement proceeds. The court rejected the trial court’s requirement that the competing attorney first adjudicate his lien in a separate action. The dismissal was reversed and the matter remanded for further proceedings.

CASE DETAILS

COURT	California Court of Appeal, Third Appellate District
WRITING FOR THE COURT	Per Curiam; Feinberg, J.; Earl, P. J.; Renner, J.
JURISDICTION	California Court of Appeal, Third Appellate District
DECIDED	March 13, 2026
DOCKET	C100761
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from an order dismissing Jacobs's declaratory relief action against Papez concerning competing attorney liens on settlement proceeds.
STANDARD OF REVIEW	A trial court's decision to entertain an action for declaratory relief is reviewed for abuse of discretion, although that discretion is not boundless. Appellate jurisdiction over the dismissal order was reviewed under the rule permitting orders operating as de facto final judgments as to fewer than all parties to be treated as final judgments.
PRECEDENTIAL VALUE	Published and certified for publication
PARTIES	Jeffrey L. Jacobs v. Thomas M. Papez

TOPICS

- declaratory judgment
- attorney fees
- civil procedure
- appellate jurisdiction
- appellate procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether an attorney seeking to enforce a lien on settlement proceeds may bring a single declaratory relief action against both the clients and a competing attorney lien claimant.
2. Whether the attorney with the allegedly senior lien must first obtain a judicial determination of that lien in a separate action before the later attorney may litigate his own lien.
3. Whether the dismissal order resolving the claims against Papez was appealable even though claims against other defendants remained pending.

HOLDINGS

1. An attorney may bring a single declaratory relief action against both the clients and a competing attorney lien claimant to obtain simultaneous adjudication of the validity, amount, and priority of competing attorney liens on settlement or judgment proceeds.
2. The attorney asserting the allegedly senior lien need not first obtain a judicial determination of that lien before the later attorney may bring a declaratory relief action addressing all competing liens.
3. The dismissal order was appealable because it finally resolved the action as to Papez and operated as a de facto final judgment on Jacobs's claims against him.

KEY QUOTATIONS

“In sum, we hold that bringing a single action for declaratory relief against both the clients and a competing attorney lien claimant is a permissible way for an attorney to enforce an attorney lien claim on the proceeds of a settlement or judgment.” (at 10)

“Contrary to the trial court’s view, the attorney who obtains a recovery for his or her clients need not wait for the clients’ former attorney to first bring an individual separate action against the clients.” (at 10)

FACTUAL BACKGROUND

Jacobs and Papez successively represented Brian and Diane Friedland in a personal injury action, each under a written contingency-fee agreement containing an attorney-lien provision. Papez filed a notice of lien after withdrawing, and Jacobs later negotiated a \$200,000 settlement; approximately \$62,000 remained withheld because both attorneys claimed entitlement to the funds. Jacobs filed a separate declaratory relief action against Papez and the Friedlands to resolve the validity, amount, and priority of the competing liens.

PROCEDURAL HISTORY

Jacobs filed a declaratory relief action against Papez and the Friedlands seeking a determination of the parties' respective rights to settlement proceeds withheld for competing attorney liens. The trial court dismissed the action against Papez, ruling that Papez was entitled to have the validity and amount of his lien determined first in a separate action against the Friedlands. The Court of Appeal construed the dismissal order as an appealable final judgment as to Papez, reversed, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter is remanded for further proceedings consistent with the opinion, including adjudication of the parties' competing claims to the settlement proceeds. Jacobs shall recover his costs on appeal.

CASES CITED

- Cetenko v. United California Bank, 30 Cal.3d 528, 531, 534 (1982)
- Mojtabehi v. Vargas, 228 Cal.App.4th 974, 976-978 (2014)
- Carroll v. Interstate Brands Corp., Carroll v. Interstate Brands Corp., 99 Cal.App.4th 1168, 1172 fn. 3, 1173, 1175 (2002)
- In re Baycol Cases I & II, 51 Cal.4th 751, 759 (2011)
- Nguyen v. Calhoun, 105 Cal.App.4th 428, 436-437 (2003)
- Hudis v. Crawford, 125 Cal.App.4th 1586, 1589-1590 & fn. 4 (2005)
- Brown v. Superior Court, 116 Cal.App.4th 320, 330, 332-335 (2004)
- Meyer v. Sprint Spectrum L.P., 45 Cal.4th 634, 647 (2009)
- S. Cal. Gas Co. v. Flannery, Southern California Gas Co. v. Flannery, 5 Cal.App.5th 476, 480-482, 494-496 (2016)
- Aresh v. Marin-Morales, 92 Cal.App.5th 296, 301 fn. 3, 304 (2023)
- Del Conte Masonry Co. v. Lewis, 16 Cal.App.3d 678, 681 (1971)
- Hughes Electronics Corp. v. Citibank Delaware, 120 Cal.App.4th 251, 266 (2004)

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