

CALIFORNIA COURT OF APPEAL, SECOND APPELLATE DISTRICT,  
DIVISION THREE

Albarghouthi v. LA Gateway Partners, LLC

Albarghouthi · No. B333058 · Decided April 2, 2026

SUMMARY

The California Court of Appeal reversed a judgment dismissing Jamal Albarghouthi’s qui tam action under the California False Claims Act. The court held that a qui tam plaintiff need not plead compliance with the Act’s sealing and service requirements, that noncompliance does not require automatic dismissal, and that the 60-day sealing period expires by default absent a governmental request for extension. The court further concluded that the plaintiff had standing and had complied with the applicable filing, service, and sealing requirements, and directed the trial court to overrule the demurrer.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| COURT                 | California Court of Appeal, Second Appellate District, Division Three                                                                                                                                                                                                                                                                                                                                                                                                    |
| WRITING FOR THE COURT | Egerton, J.; Edmon, P. J.; Hanasono, J.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| JURISDICTION          | California Court of Appeal, Second Appellate District, Division Three                                                                                                                                                                                                                                                                                                                                                                                                    |
| DECIDED               | April 2, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| DOCKET                | B333058                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| DISPOSITION           | reversed_and_remanded                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| PROCEDURAL POSTURE    | Relator appealed from a judgment of dismissal entered after the superior court sustained defendants' demurrer to the second amended complaint without leave to amend.                                                                                                                                                                                                                                                                                                    |
| STANDARD OF REVIEW    | A judgment following an order sustaining a demurrer is reviewed de novo. The court independently determines whether the complaint states a cause of action as a matter of law, gives the complaint a reasonable interpretation, and assumes the truth of properly pleaded and judicially noticeable facts. If treated as a terminating sanction, the dismissal would be reviewed for abuse of discretion, with factual determinations reviewed for substantial evidence. |
| PRECEDENTIAL VALUE    | Published and certified for publication; precedential California Court of Appeal opinion.                                                                                                                                                                                                                                                                                                                                                                                |
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## **PARTIES**

Jamal Albarghouti v. LA Gateway Partners, LLC, PCL Construction Services, Inc.

## **TOPICS**

statutory interpretation

pleadings

civil procedure

appellate procedure

standard of review

## **PRACTICE AREAS**

civil procedure

appellate procedure

statutory interpretation

construction law

municipal law

government fraud

## **QUESTIONS PRESENTED**

1. Whether a qui tam plaintiff must plead compliance with the California False Claims Act's sealing and service requirements to state a cause of action.
2. Whether noncompliance with those sealing and service requirements requires automatic dismissal or deprives the court of jurisdiction.
3. Whether the relator had standing to bring and pursue the qui tam action before the government notified the court whether it would intervene.
4. Whether the California False Claims Act creates a default 60-day sealing period after which the seal lifts automatically when the government neither requests an extension nor gives notice of its intervention decision.
5. Whether the relator complied with the Act's sealing and service requirements on the undisputed record.

## **HOLDINGS**

1. A qui tam plaintiff is not required to allege compliance with the California False Claims Act's sealing and service requirements to state a cause of action. Failure to allege such compliance therefore is not grounds for sustaining a demurrer.
2. A qui tam plaintiff's noncompliance with the California False Claims Act's sealing and service requirements does not automatically require dismissal and does not constitute a jurisdictional prerequisite to maintaining the action.
3. The relator had standing to bring and pursue the qui tam action without a prior governmental decision declining intervention.
4. The California False Claims Act creates a default 60-day sealing period. If the government neither gives notice of its intervention decision nor moves for an extension for good cause, the seal lifts automatically after 60 days, and the qui tam plaintiff may then serve the defendants.
5. The relator complied with the California False Claims Act's sealing and service requirements because he filed the complaint in camera, served the Attorney General by mail with return receipt requested, and served defendants only after the 60-day seal expired without a governmental extension.

## KEY QUOTATIONS

*“A qui tam plaintiff is not required to allege compliance with the requirements to state a cause of action, nor does a lack of compliance require automatic dismissal of a CFCA complaint.” (12)*

*“After 60 days, the seal is lifted automatically and the qui tam plaintiff may serve the defendant.” (20)*

*“Because the government did not move to extend the seal, the seal lifted automatically after 60 days.” (28)*

## FACTUAL BACKGROUND

Albarghouti filed a California False Claims Act qui tam complaint on May 27, 2022, alleging that defendants submitted false claims to the Los Angeles Department of Water and Power and Los Angeles World Airports in connection with Los Angeles International Airport construction projects. He filed the complaint in camera, served the Attorney General by certified mail with return receipt requested, and designated July 26, 2022, as the 60-day seal-expiration date. The Attorney General did not forward the complaint to the relevant local authorities, notify the court of an intervention decision, or move to extend the seal, and Albarghouti served defendants after the 60-day period had expired.

## PROCEDURAL HISTORY

Albarghouti filed a qui tam complaint under the California False Claims Act concerning alleged false claims involving local-government funds. Defendants challenged the action based on alleged noncompliance with the Act's sealing and service requirements. The Los Angeles County Superior Court sustained the demurrer without leave to amend, dismissed the action with prejudice, and later awarded defendants costs. The Court of Appeal reversed and remanded with directions to vacate the order sustaining the demurrer and overrule it.

## DISPOSITION

reversed\_and\_remanded

## REMAND INSTRUCTIONS

Reverse the judgment, including the award of costs to defendants. On remand, the superior court must vacate its order sustaining the demurrer and enter an order overruling it. Albarghouti shall recover his costs on appeal.

## CASES CITED

- Los Altos El Granada Investors v. City of Capitola, 139 Cal.App.4th 629, 650 (2006)
- Blank v. Kirwan, 39 Cal.3d 311, 318 (1985)
- Howard Jarvis Taxpayers Assn. v. City of La Habra, 25 Cal.4th 809, 814 (2001)
- State ex rel. Edelweiss Fund, LLC v. JP Morgan Chase & Co., 58 Cal.App.5th 1113, 1117-1118 (2020)
- State Farm Fire & Casualty Co. v. United States ex rel. Rigsby, 580 U.S. 26 (2016)
- U.S. ex rel. Lujan v. Hughes Aircraft Co., 67 F.3d 242, 245 (9th Cir. 1995)
- Wells v. One2One Learning Foundation, 39 Cal.4th 1164, 1215 (2006)
- City of Pomona v. Superior Court, 89 Cal.App.4th 793, 802 (2001)

- Armenta ex rel. City of Burbank v. Mueller Co., 142 Cal.App.4th 636, 642 (2006)
- Reedy v. Bussell, 148 Cal.App.4th 1272, 1292 (2007)
- Tedesco v. White, Tedesco v. White, 96 Cal.App.5th 1090, 1097 (2023)
- Conservatorship of Becerra, 175 Cal.App.4th 1474, 1481-1482 (2009)
- Nolan v. City of Anaheim, 33 Cal.4th 335, 340 (2004)
- Even Zohar Construction & Remodeling, Inc. v. Bellaire Townhouses, LLC, 61 Cal.4th 830, 838 (2015)
- People v. Arias, 45 Cal.4th 169, 180 (2008)
- San Francisco Unified School District ex rel. Contreras v. Laidlaw Transit, Inc., 182 Cal.App.4th 438, 446 (2010)
- U.S. ex rel. Pilon v. Martin Marietta Corp., 60 F.3d 995, 998 (2d Cir. 1995)
- Trans-Action Commercial Investors, Ltd. v. Firmaterr, Inc., 60 Cal.App.4th 352, 364-365 (1997)
- State of California ex rel. Sills v. Gharib-Danesh, 88 Cal.App.5th 824, 832-833, 837-838 (2023)
- Sandhu v. Board of Administration etc., 108 Cal.App.5th 1048, 1068 (2025)
- Koszdin v. State Comp. Ins. Fund, 186 Cal.App.4th 480, 487 (2010)
- City of Stockton v. Superior Court, 42 Cal.4th 730, 746-747 (2007)
- Osborne v. Todd Farm Service, 247 Cal.App.4th 43, 51 (2016)

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