

TERAOKA

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FALL / WINTER 2025

Law Bulletin from TERAOKA & PARTNERS LLP



Fall Greetings,

The holiday season is upon us. For many, it's a time to lighten up, to reflect and be grateful for the good the year has brought. We know it's a privilege to be entrusted with your vitally important legal issues, and we take that responsibility seriously. We want to say thank you to our clients, friends and supporters for trusting us.

Over the last four decades our firm has worked to build bridges and connections between businesses in the United States and Japan. This vision has been a centerpiece value in our law firm. While this area has not been the focal point of recent international US news, the preservation of a strong US-Japan relationship remains vitally important. As announced below, I am deeply honored to receive from the Government of Japan, the Foreign Minister's Commendation for 2025 in recognition of my long time involvement in this arena. Over the years, I have had the privilege to work alongside so many outstanding and talented persons who have worked tirelessly toward the same end. I feel that this award is as much about them as it is about me. I feel so lucky to have developed a professional career that naturally included work to foster the relationship between the US and Japan. This award serves as a reminder to us all of how important it is that we stay committed and live and act with intention to develop and preserve good relations with our international trading partners.

Wishing you a strong finish for 2025.

Best regards,

Steven Teraoka

ANNOUNCEMENT OF FOREIGN MINISTER'S COMMENDATION



We are deeply humbled to receive notice from Japan's Ministry of Foreign Affairs that **Steven George Teraoka** has been awarded the **Foreign Minister's Commendation** for 2025. The Foreign Minister's Commendations are awarded to individuals and groups around the world with outstanding achievements in international fields, in order to acknowledge their contributions to the promotion of friendship between Japan and other countries and areas. The Commendations also aim to promote the understanding and support of the Japanese public for the activities of recipients.

Mr. Teraoka is receiving the commendation in recognition of his life long contributions toward fostering strong economic relations between the United States and Japan. Over the last 45 years, he served in different leadership roles for the Japanese Chamber of Commerce of Northern California including being its president in 1994 as well as playing a significant role in fostering good government relations between Japan's private enterprises doing business in California and the California government. He was Chairman of the Welcoming Committee for the Royal Visit to San Francisco by Japan's Emperor and Empress in 1994 and he gave the welcoming address to their Majesties.



Teraoka Family greets the Emperor and Empress upon arrival at S.F.O. in 1994

For over 10 years, he was an executive Board Member of the California International Relations Foundation, a non-governmental auxiliary to the California

Senate Office of International Relations. He participated in legislative trade delegations from California to Japan to promote good economic relations. Mr. Teraoka and his law firm are founding and continuing sponsors of the California Japan Sister Cities Network, a vital support system to over 110 sister city relationships between California and Japan cities.



Mr. Teraoka addresses California Japan Sister City Network conference at S.F. residence of Consul General of Japan

His affiliations and support for US Japan non-profit organizations include the US Japan Council, the Japan Society of Northern California and of Southern California, the Japan Business Association of Southern California, Keizai Silicon Valley, and San Francisco Osaka Sister City Association. He also served as president of the Japanese American Citizens League, San Francisco Chapter as early as 1980. His dedication to fostering strong economic relations between the US and Japan run deep and are steadfast. It is truly a well deserved honor to receive the Foreign Minister's Commendation for his lifelong service and contributions.

NEW LEAVE REQUIREMENTS FOR CALIFORNIA EMPLOYERS

Effective January 1, 2026, AB 406 expands the bases for employees to use paid sick and safe time under the Healthy Workplaces Healthy Families Act. Primarily, the law extends leave rights to victims of certain crimes and their family members for a range of legal and administrative proceedings, including judicial proceedings and efforts to obtain or renew restraining orders.

Anticipating this new law, effective July 2025, the Civil Rights Department has required a notice, Survivors of Violence and Family Members of Victims – Right to Leave and Accommodations, be posted and distributed, and that employers ensure that managers and HR staff understand its requirements. A copy of the notice can be found at the Civil Rights Department website. (*Survivors Right to Time Off Notice – English*)

Three key points to be aware of in the expanded leave rights:

- Employees can use any accrued leave (PTO, vacation, sick leave) for protected purposes.
- Confidentiality is mandatory: employers cannot disclose the reason for the leave except as required by law.
- Anti-retaliation protections apply broadly, including against subtle forms of retaliation such as schedule changes or exclusion from meetings.

The California Family Rights Act (CFRA) itself — Gov. Code section 12945.2 — is not substantively changing in 2026. However, the expanded HWHFA rights and CRD protections significantly increase the number of scenarios in which multiple leave laws overlap.

The expanded laws create several new operational challenges for employers:

- Intermittent leave stacking. Employees may take separate leave under the HWHFA, CFRA, and FEHA, leading to overlapping absences.
- Local ordinance conflicts. Employers operating in jurisdictions with local sick leave ordinances must harmonize those rules with the new AB 406.
- Confidentiality and safety. Victim-related leave requests often involve sensitive information, requiring specialized handling and documentation procedures.
- Recordkeeping. HRIS systems should be updated to reflect the new categories of leave and ensure accurate reporting. Employers who use third party payroll services should confirm that their service providers have updated their systems to address the new law.

These new developments reflect California's focus on expanding employee protections — particularly for victims and survivors of violence, which creates a more complex web of overlapping rights under CFRA, HWHFA, FEHA, and other statutes. Employers who prepare for these changes will be positioned to manage risk — and to support their workforce with empathy and compliance — when the new rules take effect.

PAUSE BEFORE YOU RECORD

For many businesses, videoconferencing through applications such as Zoom, Google Meets and Teams is an everyday, common practice. AI tools now provide enhanced features that conveniently transcribe and generate meeting summaries that are often recorded and shared with participants at the conclusion of a meeting. These AI tools, while convenient, present privacy and legal risks that businesses should consider and weigh against the benefits they provide.

In California, it is generally illegal to record confidential communication without the consent of all parties (California Penal Code § 632). Using an AI tool to record and summarize a video meeting without obtaining clear consent from all parties could be a violation of law. As such, it would be prudent for businesses to proceed cautiously and get clear consent to record from all participants in the meeting rather than relying on a passive automated pop-up notice.

Another issue to consider is the creation of a record that may not accurately reflect specific contexts or nuances of a discussion. The AI meeting summary may conflict with the official record like formal meeting minutes memorializing important business decisions made by a company's Board of Directors. Yet, as the use of these tools becomes ubiquitous, businesses may not take time to address inconsistencies that may arise until it is too late. Should business records be subject to discovery in a legal dispute, these meeting summaries could be damaging evidence if there are inaccuracies that were not resolved.

While these AI tools are certainly attractive and do have many benefits, the application of these technologies to our existing legal framework has yet to be fully tested. We recommend that businesses take pause and review their policies and how they intend to use these AI tools before widely adopting them without clear guidelines and consideration.

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Photos



So Cal gathering to welcome new JFC President Kazuhiro Shimizu (far right) and thanks to outgoing President Yoshiyuki Ishigaki (far left)



Teraoka & Partners supports Annual JCCNC Golf Tournament in Napa
Steve & Attorney George Lee



Staff Appreciation Luncheon

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